



CRS Report for Congress

Wildlife Habitat Incentives Program: Status and Current Issues

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Summary

The Wildlife Habitat Incentives Program (WHIP) is a voluntary program that provides technical and financial assistance to eligible participants to improve and develop wildlife habitat and enhance wildlife populations. Participants enter into contracts, usually 5 to 10 years in duration, with the U.S. Department of Agriculture's (USDA's) Natural Resources Conservation Service (NRCS), which pays up to 75% of the contract implementation cost. Since its enactment in the 1996 farm bill, WHIP has enrolled more than 3.6 million acres through 24,200 contracts. Eligible acreage includes private, tribal, nonprofit, and state and federal land. As the 110th Congress considers the 2007 farm bill, it may explore several issues about WHIP, including an ongoing backlog of applications, species-specific funding, and program consolidation.

Background

The Wildlife Habitat Incentives Program (WHIP) is a voluntary program that seeks to enhance, restore, and create wildlife habitat for the betterment of wildlife populations. The program is administered by the U.S. Department of Agriculture's (USDA's) Natural Resources Conservation Service (NRCS), which provides both technical and financial assistance to implement the program. WHIP was originally authorized in §387 of the Federal Agricultural Improvement and Reform Act of 1996 (P.L. 104-127) and was amended and reauthorized through FY2007 by §2502 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171; 16 U.S.C. 3839bb-1).¹

¹ See also CRS Report RL32940, *Agriculture Conservation Programs: A Scorecard*, by Jeffrey Zinn and Tadlock Cowan.

The WHIP Program

The purpose of the WHIP program is to enable eligible participants to develop habitat for upland wildlife, wetland wildlife, threatened and endangered species, fish, and other types of wildlife in an environmentally beneficial and cost-effective manner. NRCS establishes national priorities that reflect national wildlife concerns. These priorities, along with other resource factors, are used at the national level to allocate funding to states. The current national priorities, set in 2006, are as follows:

- promote the restoration of declining or important native wildlife habitats;
- protect, restore, develop, or enhance wildlife habitat of at-risk species (candidate species, and state and federally listed threatened and endangered species);
- reduce the impacts of invasive species on wildlife habitats; and
- protect, restore, develop, or enhance declining or important aquatic wildlife species' habitats.

NRCS also works at the state and local level to set wildlife priorities. Each state develops a WHIP Plan to establish priorities and coordinate NRCS activities with those of other agencies and groups. State technical committees advise state conservationists on WHIP priorities and the state WHIP Plan. This coordination also encourages the leveraging of other state, federal, and private sources of funding to address state and local wildlife concerns. Generally states select two to six priority habitat types, which consistently include one or more upland and riparian habitats. Priorities set at the national, state, and local levels are factors in deciding which contracts will be accepted.

How WHIP Works. Privately owned land, tribal land, state/local government land, or federal land may be eligible.² Applicants must have control of the land under consideration. Applications can come from individuals, groups, or businesses. Unlike other farm bill conservation programs, WHIP eligible land is not required to be in agricultural production. By offering wildlife habitat projects on all land and aquatic areas, WHIP provides assistance to landowners who are unable to meet the specific eligibility requirements of other USDA conservation programs. The number of acres that can be enrolled in WHIP and the amount of individual payments are not limited. States, however, have the option of creating such limits, and most set a maximum payment limit on individual contracts and a minimum requirement on acres enrolled within a contract.

NRCS receives applications on a continuous basis throughout the year; however, application selection and funding dates vary by state. Applications are ranked and selected at the state level, based on national and state priorities (discussed in the above section). Applicants work with NRCS to produce a wildlife development plan. The plan assesses the condition of wildlife habitat on the land, makes recommendations for habitat improvements through various practices, and becomes the basis of the contract between NRCS and the participant. Examples of practices authorized under WHIP include native

² State/local government land can only be used on a limited basis, and federal lands are only eligible when the primary benefit is on private lands and the project cannot meet its objectives without involving the federal land.

grassland seeding, prescribed burns, hardwood planting, and fish passage structure installation.

NRCS provides cost-share payments based on the implementation of practices identified in the contract. These payments can cover up to 75% of the cost of installing the practice. Contracts usually last from 5 to 10 years depending on the number and type of practices being installed. In FY2006, more than 325,000 acres were enrolled through more than 2,700 contracts.³ WHIP also provides additional cost-share (up to 100% of the cost) to landowners who are willing to enter into contracts that are 15 years or longer for practices affecting essential plant and animal habitat. The 2002 farm bill limited funding for these contracts to no more than 15% of the authorized amount annually. NRCS reports that between FY2002 and FY2006, over 400 contracts lasting 15 years or longer (3% of all contracts) were accepted. Short-term contracts (less than 5 years) are also allowed, but only to install practices needed for a wildlife emergency (such as drought).⁴

WHIP Funding

The 1996 farm bill (§387) authorized WHIP funding of \$10 million annually from FY1996 through FY2002. The 2002 farm bill (§2701) increased the authorized funding level significantly to a total of \$345 million between FY2003 and FY2007.⁵ WHIP is a mandatory program (not subject to annual appropriations) that receives authorized amounts each year under the borrowing authority of USDA's Commodity Credit Corporation (CCC). However, Congress has chosen to limit WHIP funding below authorized levels to a total of \$162 million between FY2003 and FY2006.⁶ Total funding approved between FY2003 and FY2006 was 38% below that of total authorized funding levels. Most of these limits are requested annually through the President's budget and adopted in annual agriculture appropriations bills. For FY2007, WHIP is authorized to be funded at \$85 million and the Administration requested a limit of \$55 million. **Table 1** compares the authorized, Administration-requested, and congressionally allowed funding levels for WHIP.

Annual funding received by WHIP is allocated to the states by NRCS using a formula based on natural resource need, efficiency and performance measures, and the regional equity provision in the 2002 farm bill (§1241(d)). States that receive the largest WHIP allocations vary from year to year. **Table 2** highlights these states and their funding between FY2003 and FY2006. Why these particular states receive the highest level of funding from year to year could be due to several different factors. One factor could be the regional equity provision in the 2002 farm bill (§1241(d)), which says that each state must receive an annual aggregate amount of at least \$12 million for specified

³ USDA, NRCS, "Wildlife Habitat Incentives Program FY2006 Contract Information," January 2007, at [http://www.nrcs.usda.gov/programs/whip/FY06contract_info/WHIP_fy2006_Contract.html].

⁴ These short-term contracts can only be approved by state conservationists.

⁵ See **Table 1** for annual amounts.

⁶ See also CRS Report RS22243, *Mandatory Funding for Agriculture Conservation Programs*, by Jeffrey Zinn.

conservation programs.⁷ In FY2006, all four states that received the highest level of funding fell under this provision. A second factor could be the location of species-specific initiatives. Since FY2004, NRCS has conducted a series of species-specific habitat initiatives that can increase funding in certain states.⁸

Table 1. Authorized, Administration Requested, and Allowed Funding Levels for WHIP, FY2003-FY2007
(\$ millions)

Fiscal Year	Authorized	Administration's Request	Allowed Funding
2003	\$30	\$30	\$30
2004	\$60	\$42	\$42
2005	\$85	\$59	\$47
2006	\$85	\$60	\$43
2007	\$85	\$55	^a
Total	\$345	\$246	\$162

Source: CRS Report RL31301, CRS Report RL31801, CRS Report RL32301, CRS Report RL32904, CRS Report RL33412, *Agriculture and Related Agencies: Appropriations [various years]*.

a. To date, final FY2007 appropriations have not yet been enacted.

Table 2. Four Largest WHIP Allocation Recipient States, FY2003-FY2006
(\$ thousands)

Fiscal Year	1 st Highest Allocation	2 nd Highest Allocation	3 rd Highest Allocation	4 th Highest Allocation	Total Allocation ^a
2006	Rhode Island \$1,805	New Hampshire \$1,687	Alaska \$1,472	Connecticut \$1,450	\$32,509
2005	California \$1,768	Alaska \$1,582	Arkansas \$1,565	New Hampshire \$1,448	\$34,860
2004	California \$1,465	Alaska \$1,149	Rhode Island \$1,029	Washington \$1,009	\$27,828
2003	Rhode Island \$830	Mississippi \$619	South Carolina \$619	Oklahoma \$596	\$21,184

Source: USDA, NRCS.

a. Allocations in this table represent financial assistance allocated to states only. Technical assistance, administrative, and technology costs are not included.

NRCS partners with local public agencies, nonprofit organizations and other technical service providers to compound the amount of available funds for technical and financial assistance. Each state WHIP Plan (as described in the above section) seeks to leverage other state, federal, and private dollars in a coordinated effort to address wildlife habitat. In FY2005, partners contributed almost \$10 million to assist WHIP participants with approved wildlife habitat improvement practices on enrolled acres, according to NRCS.

⁷ To meet the \$12 million funding floor, the total amount must consist of a combination of Environmental Quality Incentives Program, Farmland Protection Program, Grassland Reserve Program, and WHIP funds.

⁸ The topic of specific species initiatives is discussed further in the Selected Policy Issues section.

Selected Policy Issues

During the 2007 farm bill debates, several issues may attract congressional interest, including a persistent application backlog, species-specific funding, and program consolidation.

Application Backlog. The WHIP mandatory funding was increased significantly in the 2002 farm bill. One reason for this large funding expansion was the sizable number of pending applications that could not be funded. Despite the large increase in authorized funding, the backlog of unfunded applications continues.⁹ In FY2003, NRCS awarded contracts to only 37% of the total applications it received. The percentage of contracts awarded increased to 50% in FY2004, again to 61% in FY2005, and dropped slightly in FY2006, with 56% of applications awarded contracts. Though the backlog gap is narrowing, WHIP continues to have an average of 2,763 unfunded applications a year.¹⁰ If this level of interest continues, the large unfunded application backlog could be a strong argument for additional funding in the 2007 farm bill. WHIP received several comments during USDA's farm bill forums conducted across the country in 2005. Most comments praised the program and cited current funding levels as hindering its growth.

Detailed information on unfunded applications is unavailable, thereby raising several questions, such as whether certain types of habitat go unfunded more or less often, at what level threatened and endangered species appear in the backlog, and how long unfunded applications remain in the backlog. Beginning in FY2007, NRCS is to use an automated application evaluation and ranking tool that would provide national data on unfunded applications. This data would likely answer some of the questions listed here.

Species-Specific Funding. USDA and Congress have directed funding toward species-specific initiatives in recent years. As stated above, support for WHIP is high among not only agricultural interests but wildlife interests as well. While both interests are expected to push for greater funding in the next farm bill, they may not agree on how additional funds should be spent.

In FY2004, NRCS began directing WHIP funding at specific-species habitat. A WHIP Salmon Habitat Restoration Initiative, initiated in FY2004, directed \$2.8 million in WHIP funding in FY2005 to help restore and conserve salmon habitat in Alaska, California, Idaho, Maine, Oregon, and Washington. Through this initiative, NRCS helped landowners with projects that increased riparian areas to provide shade along streams, restored gravel spawning beds, removed barriers to fish passages, and reduced nutrient runoff from farming and ranching operations. Also in FY2005, USDA contributed \$5.2 million through WHIP (and the Conservation Reserve Program and Wetlands Reserve Program) to create, restore, and enhance the habitat of the ivory-billed woodpecker. A total of \$1 million in WHIP cost-share funds went to private landowners, primarily in

⁹ The unfunded application backlog does not include applications that are incomplete or rejected. Only applications that are complete will be eligible for funding and ranked at the state level.

¹⁰ This is an annual average of the total unfunded applications from FY2003 through FY2006. Though the dollars associated with these unfunded applications fluctuate yearly, the average total dollar amount of unfunded applications between FY2003 and FY2007 is \$30 million a year.

Arkansas, for practices to improve and restore native ivory-billed woodpecker habitat. Both the salmon and ivory-billed woodpecker initiatives were initiated by NRCS.

A focus on greater sage grouse conservation began in FY2004, when NRCS provided \$2.4 million for sage grouse habitat conservation through the Grassland Reserve Program (GRP) and WHIP. Of this amount, \$350,000 came from WHIP and was directed toward protecting the greater sage grouse habitat at Parker Mountain, Utah. Congress encouraged a species-specific initiative in FY2005 by directing USDA to enhance its greater sage grouse conservation effort. USDA responded by designating a total of \$5 million in GRP and WHIP funds for greater sage grouse conservation. WHIP provided over \$1 million of the total \$5 million to California, Colorado, Idaho, Montana, North Dakota, Oregon, South Dakota, and Wyoming.

Most wildlife organizations focus their efforts on certain species or habitat (Pheasants Forever and Ducks Unlimited, for example); and those organizations that push for additional funding could also push for additional species-specific or habitat-specific funding. Other organizations representing broader wildlife interests (Association of Fish and Wildlife Agencies, for example) are supportive of localized priority funding levels with the occasional national species-specific focus. Several organizations have interest in this issue, though the amount and degree that species-specific or habitat-specific funding is used in the future remains to be seen.

Program Consolidation. Conservation program complexity, resulting from a proliferation in the number of programs that appear to be similar and interrelated, continues to be an issue for many potential participants. Several comments to that effect have been raised during listening sessions, testimonies, and comments. USDA proposed to consolidate three similar cost-share programs (Environmental Quality Incentives Program, Agricultural Management Program, and WHIP) into a single program, stating that efficiency and simplicity could be achieved through this action.¹¹ A consolidated application, a consolidated set of rules, and more transparent policies could lessen the administrative burden on applicants. Others counter that such an action would detract from the original intent of the legislation and lessen the focus on protecting and restoring wildlife habitats. An inconsistency that would need to be addressed if such a change is made is the statutory difference of land eligibility between programs. As stated previously, WHIP has a broader eligibility requirement than other conservation programs.

This issue continues to be raised by landowners who are requesting a simpler application process in conservation programs in general. If program consolidation occurs, many priorities for resource concerns addressed by the consolidated program will be of great interest to environmental and wildlife organizations.

¹¹ According to a July 2006 USDA Report, *Report to Congress Pursuant to the Farm Security and Rural Investment Act of 2002: Section 2005 — Reform and Assessment of Conservation Program*. The January 31, 2007, *USDA 2007 Farm Bill Proposals* proposes consolidating EQIP, WHIP, AMA, Forest Land Enhancement Program, and Ground and Surface Water Conservation Program.