

Fiscal Year 2023 (FY23)
NMDA's Healthy Soil Program grants
Frequently Asked Questions (FAQ)

PROGRAM BACKGROUND

1. What is NMDA's Healthy Soil Program?

A: The New Mexico Department of Agriculture (NMDA) created its Healthy Soil Program in 2019 after [the Healthy Soil Act](#) was signed into law. As stated in the legislation, the purpose of the Healthy Soil Program is “to promote and support farming and ranching systems and other forms of land management that increase soil organic matter, aggregate stability, microbiology and water retention to improve the health, yield and profitability of the soils of the state.” The Healthy Soil Act created smaller programs within the overall program. **This FAQ document focuses on the grant program to improve soil health in New Mexico.**

2. What projects are eligible for grant funding through NMDA's Healthy Soil Program?

A: To be considered for funding, a project must occur in New Mexico and implement one or more of the five soil health principles referenced in the Healthy Soil Act:

1. Keeping the soil covered
2. Minimizing soil disturbance on cropland and minimizing external inputs
3. Maximizing biodiversity
4. Maintaining a living root
5. Integrating animals into land management, including grazing animals, birds, beneficial insects, or keystone species such as earthworms

For possible project ideas, review *the Resource Concern Guide Sheets* available on [NMDA's Healthy Soil Program website](#).

3. Who can apply for funding through NMDA's Healthy Soil Program?

A: Two (2) types of applicants can apply for a grant to improve soil health in New Mexico:

1. **Eligible Entities**, which are “local government [entities] with proven land management capacity to support healthy soil”, per the Healthy Soil Act. Such entities include:

- Pueblos, tribes, and nations
- Land grants
- Acequias
- Soil and water conservation districts (SWCDs); and
- NMSU's Cooperative Extension Service

Eligible Entities can apply with an on-the-ground project to improve soil health on land they *own* or *manage*, as well as on land where they *partner with* or *advise* farmers, ranchers, and other land managers. Eligible Entities that own or manage land can administer their own project on their own land. Eligible Entities that do *not* own or manage land can improve soil health by engaging the participation of area farmers, ranchers, and other land managers in the Eligible Entity-led project. The desired outcome of an Eligible Entity-led project should be to improve soil health at landscape scale.

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2. Individual Applicants include individuals, businesses, and nonprofits engaged in farming, ranching, or other forms of land management. Individual applicants can apply with an on-the-ground project to improve soil health on land they own, lease, or manage. **An Individual Applicant must secure written support (using *the Letter of Support template* available on [NMDA's Healthy Soil Program website](#)) from a soil and water conservation district (SWCD); or the pueblo, tribe, or nation of which they are a member).** NMDA recommends making yourself known as soon as possible to the SWCD or pueblo, tribe, or nation that will provide fiscal and project-management support during the grant period.

PROJECTS IMPLEMENTED BY AN INDIVIDUAL APPLICANT
(supported by an SWCD or a pueblo, tribe, or nation)

4. Must an Individual Applicant *own* the land they manage in order to apply for funding?

A: No. However, an Individual Applicant who doesn't own the land where the project site is must affirm that they have the necessary permissions to conduct a Healthy Soil Program project on that land.

5. Is there a minimum acreage requirement to apply for a Healthy Soil Program grant?

A: No.

6. Why is conservation planning required for an Individual Applicant to apply for a grant?

A: Conservation planning is a critical component of improving soil health. When done in cooperation with a certified conservation planner, conservation planning can help a land manager accurately identify soil health-related resource concerns, as well as the soil health principle(s) and agricultural/conservation practice(s) that can address those resource concerns. Without a conservation plan, there is little basis for determining whether the intended principles and practices are appropriate for a particular piece of land.

7. I'm an Individual Applicant. I don't have an existing conservation plan. Is there anything else I can do to satisfy this requirement?

A: Yes. An Individual Applicant who doesn't have an existing conservation plan instead can submit a completed, signed, and dated *conservation plan template*, which is available on [NMDA's Healthy Soil Program website](#). This template must be completed in cooperation with USDA's Natural Resources Conservation Service (NRCS) staff or an NRCS-certified conservation planner. ([Click here](#) to locate the nearest NRCS Local Service Center.) The conservation plan template helps the land manager identify natural resource concerns, as well as possible soil health principles and agricultural/conservation practices to address those concerns.

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Individual Applicants who are not able to secure **either** a conservation plan **or** a completed conservation planning template by the May 12, 2022 application deadline can instead apply for a Conservation Planning Opportunity. *See the next section of this FAQ for more information.*

8. I'm an Individual Applicant. Why can't I apply *directly* to NMDA for a Healthy Soil Program grant?

A: NMDA adheres to the [Anti-Donation Clause](#) of the New Mexico Constitution, which prevents the state and its subdivisions from granting funds to individuals and some other parties.

Individual Applicants who are tribal members can apply with the support of the pueblo, tribe, or nation of which they are a member; or they can apply with the support of a soil and water conservation district (SWCD). All other Individual Applicants must apply with the support of an SWCD. Location and contact information for the state's SWCDs is available [here; click on the embedded PDF](#). Location and contact information for the state's pueblos, tribes, and nations is available [here; click on the Pueblos, Tribes & Nations tab near the top of the page](#).

9. I work for a soil and water conservation district (SWCD) or pueblo, tribe, or nation that has agreed to provide fiscal and project-performance support for an Individual Applicant's project. If the project is selected for funding, what will be required of the SWCD or tribal government?

A: At a minimum, an SWCD or tribal government providing fiscal and project-performance support for an Individual Applicant's project will:

- along with the Individual Applicant, **attend a mandatory Healthy Soil Program grantee training on Thursday, July 21, 2022** to review in detail the soil testing, invoicing, and reporting procedures, as well as any contractual agreements that must be approved by the SWCD or tribal entity
- collaborate with the Individual Applicant to **submit quarterly and final reports by the reporting deadlines**
- collaborate with the Individual Applicant to **submit invoices and return payment to them, without delay**, for costs associated with approved budget items
- **observe the project site in person three (3) times** during the one-year grant as follows:
 - once at the start of the project
 - once at the middle of the project
 - once at the end of the project

For these efforts, the SWCD or tribal government will receive an **administrative fee equal to 10 percent (10%) of the total amount awarded to the project** being implemented by the Individual Applicant. The Eligible Entity will also be paid **mileage (\$0.585/mile) for each of the three (3) required visits to the project site**.

10. I work for a qualified Eligible Entity that is providing fiscal and project-performance support for an Individual Applicant. Do we need to issue them a Form 1099 from the IRS at the end of the project?

A: An Individual Applicant who receives **\$600 or more** in grant money during the tax year should be issued a Form 1099 for Miscellaneous Income by the qualified Eligible Entity that is supporting their project. (Because the 10 percent administrative fee and mileage for project-site

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visits is paid to the qualified Eligible Entity, those parts of the total award amount never reach the Individual Applicant and thus should not be reflected on the 1099 that the Eligible Entity issues them.) For more information about what state and federal tax scenarios could arise from the issuance of a 1099, **NMDA strongly recommends consulting a Certified Public Accountant (CPA)** and visiting this IRS site: [About Form 1099-MISC, Miscellaneous Income | Internal Revenue Service \(irs.gov\)](https://www.irs.gov/individuals/about-form-1099-misc).

**CONSERVATION PLANNING OPPORTUNITY
FOR FIRST-TIME INDIVIDUAL APPLICANTS**

11. What is the Healthy Soil Program Conservation Planning Opportunity?

A: The Conservation Planning Opportunity will help a limited number of first-time Individual Applicants secure a conservation plan from a certified conservation planner. This opportunity is reserved for Individual Applicants who will have **neither** a conservation plan **nor** a completed conservation planning template by the application deadline of May 12, 2022. The Conservation Planning Opportunity puts first-time Individual Applicants in good position to apply for grant funding in *future* funding cycles of NMDA's Healthy Soil Program.

12. How much funding is associated with each Conservation Planning Opportunity?

A: The amount of funding associated with each Conservation Planning Opportunity is based on the amount of time a certified Technical Service Provider (TSP) must spend in the field (and in the office) to create a conservation plan for your land, for you. A Conservation Planning Opportunity is valued at approximately \$1,000. Payment will be made directly from NMDA to the TSP.

13. If I'm selected for the Conservation Planning Opportunity, may I identify and select my own Technical Service Provider?

A: No. NMDA will match you with a Technical Service Provider (TSP), specifically one who is certified to produce conservation plans that meet the standards of USDA's Natural Resources Conservation Service (NRCS).

PROJECTS IMPLEMENTED BY AN ELIGIBLE ENTITY

14. Is a conservation plan a requirement for an Eligible Entity to apply for a grant?

A: No. Eligible Entity-led projects will likely occur at landscape-scale. Creating a landscape-scale conservation plan can be complex and therefore time-consuming. For this reason, an Eligible Entity is **not** required to have a conservation plan in order to apply. Instead, an Eligible Entity could seek Healthy Soil Program grant funds to hire a conservation planner to conduct conservation planning at landscape-scale.

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15. Does NMDA pay an administrative fee to Eligible Entities that implement their *own* projects?

A: Yes. NMDA will pay each Eligible Entity involved in the Healthy Soil Program an administrative fee equal to 10 percent (10%) of the amount requested to implement the project.

16. Does NMDA pay mileage to the Eligible Entity for visits to its *own* project site?

A: NMDA will pay the Eligible Entity mileage for **three (3) trips** to the site of the project the Eligible Entity is implementing. This ensures that multiple individuals from the Eligible Entity, not just those *implementing* the project, are aware of the project and have the opportunity to learn about soil health.

SOIL ASSESSMENT / TESTING REQUIREMENTS
FOR ELIGIBLE ENTITIES AND INDIVIDUAL APPLICANTS

17. What is the distinction NMDA makes between *soil assessment* and *soil testing*?

A: *Soil assessment* occurs in the field and can be done by the farmer, rancher, or land manager (including a staff member of an Eligible Entity implementing or supporting a project) at no cost. *Soil testing* occurs in a laboratory setting, which soil labs perform for a fee.

18. Is *soil testing* required for all Healthy Soil Program grantees?

A: Yes. At both the start and the end of their projects, Eligible Entities and Individual Applicants implementing projects are required to complete *soil testing*, specifically for a *chemical* analysis. (Individual Applicants awarded a Conservation Planning Opportunity are **not** required to test their soil.) Beyond this instruction, NMDA's Healthy Soil Program does not endorse a specific soil-testing procedure.

Pre- and post-project soil testing is reimbursable; therefore, Eligible Entities and Individual Applicants implementing projects should include the cost of pre- and post-project soil testing for *chemical* analysis in their requested budget. If an Eligible Entity or Individual Applicant desires additional soil testing beyond basic chemical analysis, the applicant must explain why in the grant application.

19. Which soil health lab should I utilize for my project?

A: NMDA's Healthy Soil Program does not recommend or endorse a specific lab. You may find this resource from NMSU—Cooperative Extension Service useful in identifying a certified lab to analyze your soil samples: https://aces.nmsu.edu/pubs/_a/A146/welcome.html.

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BASIC PARAMETERS FOR
ALL HEALTHY SOIL PROGRAM GRANTS

20. What is the maximum length of time a project can be funded under the Healthy Soil Program?

A: Funds will be awarded to approved projects whose activities occur no earlier than August 15, 2022, and no later than May 31, 2023. **Multi-year proposals will not be considered for funding.**

21. Is there a cap on funding per grant?

A: Yes. Funding per grant is capped as follows:

- An Eligible Entity that is registered to do business with the federal government (via SAM.gov) may seek as much as to \$100,000.00 from NMDA's Healthy Soil Program. An Eligible Entity that is **not** registered may seek as much as \$24,999.99. That is because NMDA's Healthy Soil Program receives federal funding from USDA's Natural Resources Conservation Service (NRCS).
- An Individual Applicant may seek up to \$22,000.00 in project funds.

22. What are the restrictions on how Healthy Soil Program grant funds can be spent?

A: Whether the applicant is implementing a project as an Eligible Entity or as an Individual Applicant, **the following items cannot be purchased with Healthy Soil Program grant funds:**

- Supplementary income for farmers/ranchers (i.e., wages/salary for performing farm/ranch work)
- Livestock (cows, goats, sheep, chickens, etc.)
- Livestock feed
 - Bale grazing *is* eligible; see below for more information
- Seed or tree stock for *cash* crops (hemp, chile, peach, etc.)
 - Seed for *cover* crops is eligible
- Project inputs (seed, compost, worm castings, etc.) produced by the same Eligible Entity or Individual Applicant implementing the project
- Fuel, irrigation water, or other on-farm/on-ranch utilities (electricity, natural gas, etc.)
- Per diem
- Erosion-control structures
 - Since such structures can actually *worsen* problems if they're not properly designed and installed, NMDA recommends that farmers and ranchers seek guidance from USDA's Natural Resources Conservation Service (NRCS) on such structures, as well as related funding sources to construct them (EQIP, etc.).

Other requested budget items *will* be considered for funding *if* they fall within the following constraints:

- **DURABLE GOODS:** Durable goods are **tangible, nonexpendable goods with a useful life of more than one year** (including infrastructure, equipment, etc.) Durable goods

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costing \$999.99 or less *can* be considered for funding. Durable goods that cost \$1,000.00 or more cannot be considered for funding.

- Durable goods that are purchased to function as part of a larger unit – such as lengths of PVC pipe for a waterline, or posts and wire for a fence – are considered *collectively*. For example: If the combined cost of the posts and wire required for a fence is more than \$999.99, then the posts and wire are ineligible for grant funding.
- **NON-DURABLE GOODS:** Non-durable goods are **tangible, expendable goods with a useful life of less than one year**, including supplies such as seed, soil amendments, etc. Non-durable goods *can* be considered for funding. Non-durable goods are not subject to the \$1,000 threshold.
- **SERVICES:** Services are **intangible efforts required to implement the project**, such as *analyzing* soil samples, *delivering* seed, *renting* a flail mower, etc. Services in excess of \$1,000 can be considered for funding, provided they within the following parameters:
 - Consulting fees amounting to greater than 10 percent (10%) of the **project** budget will **not** be considered.
 - **Eligible Entities** may request funding to hire a contractor to perform duties **directly** related to soil health. The contract amount must fall beneath the threshold that would require the Eligible Entity to publish a Request for Proposal.

23. I understand that Healthy Soil Program funds cannot be used to feed livestock, but they *can* be put toward bale-grazing projects. How can I put forward a successful bale-grazing project?

A: Individuals whose conservation plan indicates a natural resource concern that can be addressed by bale grazing should **continue working with a USDA-NRCS certified conservation planner** to develop a bale-grazing plan. The plan should include the following criteria:

- The identified natural resource concern(s) that will be addressed through bale grazing
- The forage quantity *and* quality to be used
- A grazing plan that indicates the type of grazing animals to be utilized, as well as the intensity, timing, frequency, and duration of grazing
- The method and duration of livestock exclusion, post-treatment
- Adherence to *USDA-NRCS Conservation Enhancement Activity New Mexico Supplement, E528P Implementing bale or swath grazing to increase organic matter and reduce nutrients in surface water*. The full document and all planning criteria are available at <https://www.nrcs.usda.gov/wps/portal/nrcs/main/nm/programs/financial/csp/>.

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24. I understand that each applicant – whether an Eligible Entity or an Individual Applicant – must provide a matching / in-kind contribution equal to 25 percent (25%) of the Healthy Soil Program funds they're requesting for the project. Does that mean the applicant has to put that amount of *money* into their project?

A: No. The 25-percent threshold can be achieved with matching funds, in-kind contributions, or a combination thereof. Matching funds include funds from the applicant, as well as funds from others (grants, loans, etc.). In-kind contributions include but are not limited to:

- Labor
- Machine-hours
- Gifts from others (i.e., seed, equipment, tools, etc.)
- Other inputs into the project (irrigation water, fuel, etc.)

IMPORTANT DATES

25. When are applications for the Healthy Soil Program due?

A: Applications must be submitted online at [NMDA's Healthy Soil Program \(grantplatform.com\)](https://grantplatform.com) by 5:00 p.m. MT on Thursday, May 12, 2022. **Late submissions will not be accepted.**

26. Are there other important dates I should note in case my project is selected for a grant?

A: Yes. NMDA recommends that all applicants save the following dates:

- **Thursday, July 21, 2022:** NMDA will host **separate mandatory trainings** for Eligible Entities implementing projects; Individual Applicants implementing projects; and Individual Applicants awarded a Conservation Planning Opportunity.
- **Friday, August 15, 2022:** This is **the deadline for Eligible Entities to sign and submit to NMDA memorandum of agreement (MOA) paperwork** that will serve as the contract between all parties during the one-year grant term. This deadline applies to Eligible Entities whether they are receiving their own grant or providing fiscal and project-performance support for an Individual Applicant's project.

Failure to attend the mandatory training and/or to meet these and other deadlines risks cancellation of the Individual Applicant's or Eligible Entity's conditional grant award.

APPLICATION SUBMISSION, REVIEW, AND SELECTION

27. After I submit my application, will NMDA contact me if they have questions about it?

A: No. *Before* submitting an application, all applicants – including Eligible Entities and Individual Applicants – are expected to avail themselves of the resources available on [NMDA's](#)

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[Healthy Soil Program](#) website. Further, all applicants can contact NMDA before submitting their application if they require additional information to clarify the program and its parameters.

28. How are applications evaluated and selected?

A: After reviewing applications to ensure that they are complete and within the scope of the Healthy Soil Program, NMDA convenes a Technical Review Committee to evaluate applications. This committee is comprised of representatives from the state's Eligible Entity communities; scientists with expertise in soil health; staff from USDA's Natural Resources Conservation Service (NRCS); farmers and ranchers; and, per the Healthy Soil Act, members of the New Mexico Soil and Water Conservation Commission. Based on their evaluation of projects as presented in the applications, the committee recommends projects and funding levels. The committee's recommendations then are presented to New Mexico Secretary of Agriculture Jeff Witte for his final decision-making.

29. If my project is selected for *partial* funding, how will the decision be made about which items are scaled down for (or altogether removed from) the grant award?

A: For applicants stating their willingness to accept partial funding, the first items removed from the project budget are those that are ineligible for purchase. Thus, in instances where an applicant has stated that they are *not* willing to accept partial funding, including any potentially ineligible items risks foregoing any funding whatsoever.

Further, the application includes a question that invites applicants – whether Eligible Entities or Individual Applicants – to explain *how* they would scale back their project if granted only partial funding. In instances where only partial funding is granted, NMDA will utilize this answer to this question to inform which requested items should be removed from the budget. Because of the volume of projects and the need to begin project work without delay, **this process is not open to negotiation with the applicant**, whether an Eligible Entity or an Individual Applicant.

30. Will I be notified of the outcome of my application?

A: Yes. By July 11, 2022, applicants will be notified of the outcome, regardless of whether their projects were selected for funding or not. NMDA will provide this notification via the contact information supplied in the application.

AFTER GRANT AWARDS ARE ANNOUNCED

31. What is required of a grantee – whether they applied as an Eligible Entity or as an Individual Applicant – prior to receiving Healthy Soil Program grant funding?

A: All grantees – including Eligible Entities implementing projects; Individual Applicants implementing projects; and Individual Applicants awarded a Conservation Planning Opportunity – must attend a **mandatory Healthy Soil Program grantee training scheduled for Thursday, July 21, 2022**. For those implementing projects, the training will review in detail the soil testing, invoicing, and reporting requirements, as well as any contractual agreements between NMDA and grantees.

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32. If my project is selected for a Healthy Soil Program grant, when will funding be released for its implementation?

A: All grant funds are paid on a cost-reimbursement basis. This means that the Eligible Entity or Individual Applicant implementing the project must incur project costs *before* seeking Healthy Soil Program funds to reimburse those costs. Invoices (and related receipts) can be submitted as frequently as costs are incurred. Invoices and related receipts must match the approved budget for the project. Purchases of items that are not part of the approved project budget will not be reimbursed.

33. I work at an Eligible Entity, and we have provided a Letter of Support for an Individual Applicant's project. If the project is selected for funding, does the Eligible Entity need to take *additional* steps (i.e., vote on the project again) to reiterate our support?

A: No. The Letter of Support affirms that the Eligible Entity (including its governing body) supports the proposed project and is willing to provide the Individual Applicant both fiscal and project-performance support for the entire grant term (less than one year). Further, the Letter of Support affirms that the Eligible Entity is aware of the requirements that Eligible Entities play in serving as the fiscal agent, including processing invoices and payment without delay. The Letter of Support also affirms that the Eligible Entity is aware of the requirements that Eligible Entities play in ensuring project performance, including serving as the liaison between NMDA and the Individual Applicant; helping the Individual Applicant adhere to the project timeline and budget; and visiting the project site three times.

The Letter of Support that an Eligible Entity signs during the application process acknowledges all of the activity that *will be* required of the Eligible Entity if the Individual Applicant project is selected for funding. **The Letter of Support thus *precludes* the need for the Eligible Entity's governing body to meet and vote on the project a second time.** Avoiding this unnecessary step will ensure that the Individual Applicant, the Eligible Entity, and NMDA can move forward in the process quickly so that project work can begin immediately.

FOR MORE INFORMATION

34. Where can I learn more about NMDA's Healthy Soil Program?

A: To learn more about the Healthy Soil Program, please visit www.nmda.nmsu.edu/healthy-soil-program/ or contact NMDA's Healthy Soil Program team at (575) 646-2642 or hsp@nmda.nmsu.edu.