# Missouri LICA NEWS

May/June, 2003

## From Our President

We are now in probably the busiest time of our year, trying to finish government jobs by June1st and trying to beat the farmers' planting season. And then there are those late night phone calls that I'm sure you have all had ... like the farmer who is planting and discovers his tile line has a blow out and he needs it fixed now or that creek crossing that needs to be repaired to get over to that six acre field ... that you have to repair twice ... once to get the planter across and once to get the combine across!

Now, onto more important business. Debbie and I attended a meeting with Dick Purcell, NRCS State Engineer, a few weeks ago to discuss the "hows" and "whys" of the EQIP funds. I want to thank Dick again for taking time out of his busy schedule to sit down with us.

Today (May 21), Caelene and I are traveling to Jefferson City to attend a Department of Natural Resources Soil and Water Commission Meeting ... more on this later in the newsletter.

I haven't heard from very many Districts on when their Districts will be meeting. Please feel free to call me. Caelene and I would love to attend! (816-324-5884 or 816-387-3000)

Debbie has informed me that she has toured the Meramec State Park, the location for our MLICA Summer Meeting on August 9th. She said it is an awesome place with lots to do. So, bring the family and have a great time! Watch your mail for details!

Until next time!
Jeff Lance

MLICA Summer Meeting
Saturday, August 9th
Meramec State Park

Watch your mail for details!

## Wouldn't It Be Nice ...

Wouldn't it be nice if you could get paid to do a job and then, when it's not finished on time, get paid some more to finish the job? Well, that's what's happened this year with the Missouri General Assembly. After almost five months, they have failed to pass a budget which the Governor will sign, so ... they will be back in town for a Special Session starting on June 2nd to finish their work on a balanced budget.

Governor Holden has announced that he will veto four budget bills, including cuts to: the Department of Elementary and Secondary Education; the Department of Higher Education; the Department of Social Services; and the bill that funds the Department of Mental Health and the Department of Health and Senior Services.

However, the Governor has also announced that he will "reluctantly" accept the $74 million in cuts put forward by the Legislature in the remaining bills that make up the Missouri budget. Those cuts include a $16.2 million general revenue cut in the Corrections budget, a $4.5 million cut in the Economic Development budget, a $5.6 million cut in the Judiciary budget, and a $29.9 million cut in the Office of Administration budget.

With the help of Missouri LICA members' testimony, SB398, which would have negatively impacted the Department of Natural Resources' Soil and Water Commission's structure and funding, died in committee. On the other hand, a bill which would have impacted the allowed mileage on the Land Improvement Contractors license also died in committee.

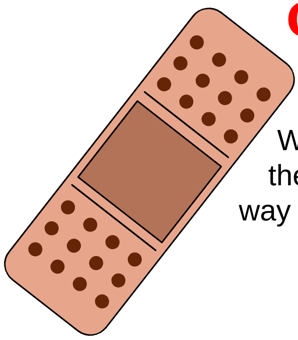
Out of the more than 2,000 bills, resolutions, and substitutions, the House and Senate were able to send approximately 327 bills to the Governor for his signature. A complete listing of these bills and the current action can be found on the Missouri LICA webpage in the *Members Only* section at www.MLICA.org.

# Member News

## Directory Additions/Changes

The National LICA office has moved offices within the same building. Their new address is: 3060 Ogden Ave.; Suite 300; Lisle, IL 60532. Their phone, email, and fax will remain the same.

## Get Well Quick!

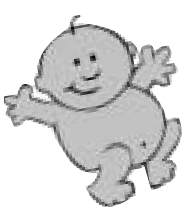


We hope this newsletter finds these members well on their way to a full recovery!

Betty Duce had eye surgery in early April. She is at home recovering after some complications. If you would like to write to send her your best wishes: Betty Duce; 3856 SE Hedge Rd.; Maysville, MO  64469.

In early April, National LICA President Louis McFarland (Ohio LICA), took a mis-step into a ditch which resulted in a gash in his shin. Unfortunately, it didn't heal properly and he is now home after having surgery. It is expected that his recovery time will take four to six weeks. If you would like to send Louis your "Get Well" wishes, his address is: Louis McFarland; C.K. McFarland & Sons; 20035 Fox Road; Circleville, OH 43113.

## Congratulations, Levings!



Eric & Mandy Levings are expecting their first child in November!

This will be the first grandchild for Roger and Kenna Levings and the first great-grandchild for Elnor and Clint Levings.

## *With Sympathy*

We offer our deepest sympathy to these LICA families during their time of loss.

Roger Limback's sister passed away suddenly in late April. If you would like to express your sympathy: Roger Limback; Box 273; Alma, MO 64001.

Laurence A. McCarren, father of Eileen Levy, National LICA Financial Manager, passed away Saturday, April 5, 2003. Those who want to express sympathy to Eileen may send a note to her at the National Office.

If you would like to honor these individuals, please consider making a donation to the MLICA Auxiliary Scholarship fund in their name.


**May**

| | | | |
|---|---|---|---|
| 01 | Alvin Kilburn | 13 | Weldon Tague |
| 07 | Dan Spanburg | 17 | Ann Piffel Rudy |
| 09 | Hugh Curry | 22 | Brent Limback |
| 11 | N.C. Shelley | 30 | Gerald Bauer |

**June**

| | |
|---|---|
| 05 | Jeff Blankenship |
| 10 | Don Keener |
| | Mike Dobson |
| 12 | Wayne Scott |
| 22 | Charlie Boyer |
| 26 | Don Laut |
| 29 | Dick Rupp |
| 30 | Eldon Brinton |

**July**

| | |
|---|---|
| 04 | Bernie Sohn |
| 09 | Gary Riekhof |
| 10 | Eddie Gilmore |
| | Buddy Hostetter |
| 17 | Don Pfost |
| 26 | Larry Koenigsfeld |
| 29 | Glen Hill |
| 30 | Hollis Boyer |
| 31 | Milburn Davis |

*Missouri LICA News is a bi-monthly publication of the Missouri Land Improvement Contractors Association; Deborah Dickens, Executive Director; 1101 West High Street; Jefferson City, MO 65109; Phone: 573-634-3001; Fax: 573-761-0375; Email: info@MLICA.org; Website: www.MLICA.org.*

# 2002 Farm Bill Update

On May 13, 2002, President Bush signed into law the Farm Security and Rural Investment Act of 2002, commonly referred to as the "Farm Bill." Since the signing, the Office of Management and Budget (OMB) and the Natural Resources Conservation Service (NRCS) have been working on final rules and funding.

On May 14, 2003, the final rule for the Environmental Quality Incentive Program (EQIP) was issued. According to Roger Hansen, NRCS State Conservationist, Missouri has had almost $100 million in requests for those funds, while $1.4 billion in requests have been received nationwide. Obviously, there is not enough funding available to accept all the applications.

In order to address this shortfall, Roger has worked with members of the State Technical Committee, including Missouri LICA representatives, to develop a ranking system for requested projects. This was no easy task when you consider the diversity of the interested parties, along with some federal mandates, including the requirement to spend 60% of the EQIP funds on livestock activities.

Recognizing the diverse geography in Missouri, Roger has established four (4) zones which will allow projects to be ranked only in comparison to other projects within the same zone. In addition, he has listened to MLICA's concerns and those of others and has developed a ranking system to prioritize the disbursement of the funds.

It is expected that the current EQIP sign-up period will close on June 27. The following Monday, NRCS will begin ranking the projects by area and is expected to begin disbursing the funds in July.

In addition to the four zones, there are two other areas which the NRCS funding will address: "limited resource farmers" and "new farmers."

A "limited resource" farmer is one with less than $100,000 gross farming income from sales and products and one whose income (farm income plus non-farm income plus government payments) falls below the median income level for a family of four in the county. While county median income levels vary, the average is between $18,000 and $19,000. It is estimated that 40-50% of the Missouri farmers may qualify as "limited resource" farmers. (Note" Missouri has the 2nd largest number of farms - only Texas has more!)

A "new farmer" is one with less than ten (10) years of farming history.

Missouri will receive $11.3 million in EQIP funds for the 2003 fiscal year (ending October 1, 2003). Roger has requested an additional $10 million for this same period. Whether or not Missouri will receive these funds depends on other states being able to use their full allotment. We won't know anything about these additional funds until later in the fiscal year.

Once Missouri has received the expected $11.3 million, Roger will assign funds to each of the four zones, as well as a portion for "limited resource" farmers.

In an effort to stretch the dollars further, the federal government has capped the cost-share percentage on all EQIP projects at 50%. However, if a farmer qualifies as "limited resource," the percentage has been raised to 90%. No one seems to know how many qualifying "limited resource" farmers will actually sign up for EQIP funds because, even at 90% cost-share, the remaining farmer-contribution may be too high for them to afford.

## What This Means To Missouri

The reduction in cost-share percentage, from the previous 75% to the new 50%, will have a rippling effect on our state cost-share program. The Missouri cost-share program, administered by the Department of Natural Resources (DNR) Soil and Water Commission, has a rule which prohibits the state cost-share percentage to be established at a higher rate than that of the federal program. (Note: This rule does not apply to SALT projects.)

When this rule was originally established, it made sense because we wanted to make sure that the two programs were not in competition. Counties were also encouraged to use the federal funds before using the state cost-share funds in order to ensure that Missouri did not have to return any federal funds.

Today, however, with $100 million in requests, it does not appear that there is any risk of not spending all the federal funds. In addition, EQIP covers some programs which the state program does not and vice versa, so the original concern about competition is almost a mute point.

At the May 21st DNR Soil and Water Commission meeting, this issue was discussed at length. The Commission has several options available and has asked its attorney to review them and report back with more specifics during a conference call scheduled for mid-June.

**>p4**

## Farm Bill Update *(Continued from Pg. 3)*

Here are some of the options we see the Commission has to look at:

1. Issue a new rule ending any correlation between the federal program cost-share and the state-cost share percentages.

   This poses some problems. The first is that the rule changing process takes an average of one year to complete. It is possible that an emergency rule could be established; however, the rule would need to be accepted by the Secretary of State and will only be in effect for 180 days (six months) with no extensions or re-issuance allowed, making the timing of this emergency rule critical in order to avoid absolute chaos at the county office!

2. Allow the drop in cost-share percentage to 50% on all projects which are also covered by the NRCS EQIP program while leaving those not covered by EQIP at the 75% cost-share. Currently, Roger Hansen has decided not to include any EQIP cost-share for the following practices:
   - Fences;
   - Grade Stabilization Structure;
   - Lined Waterway or Outlet;
   - Pipeline;
   - Pond;
   - Sediment Basin;
   - Sinkhole Treatment;
   - Spring Development; and
   - Trough or Tank and Water and Sediment Control Basin

It appears the Commission is looking at the first option rather seriously but has an awful lot of questions to answer before it can proceed. Here are just a few:

1. What happens if a county signs a contract with a landowner when the percentage is at 75%, only to have the emergency rule expire and the cost-share percentage drops to 50%?
2. What will the general public think about the state cost-sharing at 75% when the feds have indicated they are trying to stretch the dollars further by using a 50% cost-share? The state-cost share program will be coming up for renewal in the next couple of years. Will this impact passage?
3. On the projects covered by both the state cost-share and EQIP, what will happen if two landowners receive two different cost-share percentages for essentially the same work?
4. Will the Commission be able to use a "variance rule" to buy them some time between the emergency rule and the final rule?
5. As it stands now, the EQIP dollars for FY2003 will be disbursed between July 1 and September 30, 2003. The 2004 EQIP cost-share percentage will not be established until after October 1, with FY2004 funds not expected until March or April of 2004. If the state does not separate its cost-share percentage from the feds, will they run a risk of those percentages changing each year? And if so, what about contracts signed for future construction?

As you can plainly see, this is a real concern for the Commission. Missouri LICA is working with both the NRCS State Technical Committee and the DNR Soil and Water Commission to make sure they have heard our opinions. Now, it's up to you. If you have an opinion on the options for the DNR Commission, please contact the MLICA state office (573-634-3001 or e-mail: MLICA@aol.com) and let us know your preferences.

# Missouri Appropriations Bills

Below are listed some of the appropriation bills "Truly Agreed To And Finally Passed" by the Missouri General Assembly. If you would like more information on any of these, please contact the Missouri LICA state office at 573-634-3001 or you can link to the Missouri State Web Page from the Missouri LICA webpage and read the bills for yourself. [Note: Except where indicated, these bills were delivered to the Governor on 5/21/2003.]

**HB 1**

Appropriates money for the board of fund commissioners - Total: $104,540,757

**HB 2**

Appropriates money for the expenses, grants, refunds, and distributions of the State Board of Education and the Department of Elementary and Secondary Education and the several divisions - Total: $4,478,306,342

**HB 3**

Appropriates money for the expenses, grants, refunds, and distributions of the Department of Higher Education and the several divisions, programs, and institutions of higher education - Total: $1,013,258,806

**HB 4**

Appropriates money for the expenses, grants, refunds, and distributions of the Department of Revenue and the Department of Transportation, and the several divisions and programs - Total: $3,425,298,526

**HB 5**

Appropriates money for the expenses, grants, refunds, and distributions of the Office of Administration, the Department of Transportation, the Department of Public Safety, etc. - Total: $828,529,054

**HB 6**

Appropriates money for the expenses, grants, refunds, and distributions of the Department of Agriculture, Department of Natural Resources, Department of Conservation, and several divisions - Total: $493,965,200

**HB 7**

Appropriates money for the expenses, grants, refunds, and distributions of the Department of Economic Development, Department of Insurance, and Department of Labor and Industrial Relations - Total: $440,923,738

**HB 8**

Appropriates money for the expenses, grants, refunds, and distributions of the Department of Public Safety, and the several divisions and programs - Total: $349,417,004

**HB 9**

Appropriates money for the expenses, grants, refunds, and distributions of the Department of Corrections and the several divisions and programs - Total: $574,481,612

**HB 10**

Appropriates money for the expenses, grants, refunds, and distributions of the Department of Mental Health, the Board of Public Buildings, the Department of Health and Senior Services, etc - Total: $1,381,007,736

**HB 11**

Appropriates money for the expenses, grants, and distributions of the Department of Social Services and the several divisions and programs - Total: $5,516,200,358

**HB 12**

Appropriates money for expenses, grants, refunds, and distribution of statewide elected officials, General Assembly, and the Judiciary - Total: $306,365,374

**HB 13**

Appropriates money for real property leases, related services, utilities, systems furniture, and structural modifications for the several departments of state government -
Total 1 year lease: $49,607,923;
Total 2 year lease: $50,413,337

**HB 14**

Appropriates money for emergency operations in the Office of Administration - No full bill total listed - 3/10/2003 Approved by Governor (G)

**>p6**

# Missouri Appropriations Bills

*(Continued from Pg. 5)*

**HB 15**

Appropriates money for supplemental purposes - Total: $275,435,625 - 3/31/2003 Approved by Governor (G)

**HB 16**

Appropriates money for capital improvement and other purposes for the several departments of state government and the divisions and programs - No full bill total listed

**HB 17**

Appropriates money for expenses, grants, refunds, distributions and other purposes for the several departments of state government and the divisions and programs - No full bill total listed

**HB 18**

Appropriates money for capital improvement projects involving the maintenance, repair, replacement, and improvement of state buildings and facilities - No full bill total listed

**HB 19**

Appropriates money for planning, expenses, and for capital improvements including but not limited to major additions and renovations -
Total 1 year bills: $152,397,184;
Total 2 year bills: $71,162,700

**HB 20**

Appropriates money for capital improvement and other purposes for the several departments of state government - No full bill total listed

## State-by-State List of FY2003 NRCS Conservation Funding

| State | Allocation | State | Allocation | State | Allocation |
|---|---|---|---|---|---|
| Alabama | $ 29,055,776 | Maine | $ 11,251,959 | Oregon | $ 43,078,547 |
| Alaska | $ 12,453,900 | Maryland | $ 18,581,711 | Pennsylvania | $ 28,890,366 |
| Arizona | $ 25,126,797 | Massachusetts | $ 11,609,056 | Rhode Island | $ 4,994,997 |
| Arkansas | $ 52,520,776 | Michigan | $ 41,735,043 | South Carolina | $ 28,196,625 |
| California | $ 98,274,189 | Minnesota | $ 55,475,399 | South Dakota | $ 32,613,400 |
| Colorado | $ 50,375,711 | Mississippi | $ 59,454,078 | Tennessee | $ 28,614,827 |
| Connecticut | $ 8,041,930 | Missouri | $ 61,463,556 | Texas | $ 130,976,076 |
| Delaware | $ 9,238,679 | Montana | $ 46,783,621 | Utah | $ 25,745,796 |
| Florida | $ 53,329,263 | Nebraska | $ 50,666,378 | Vermont | $ 9,827,054 |
| Georgia | $ 41,933,444 | Nevada | $ 10,766,938 | Virginia | $ 25,543,695 |
| Hawaii | $ 12,813,600 | New Hampshire | $ 7,276,533 | Washington | $ 37,514,084 |
| Idaho | $ 36,520,992 | New Jersey | $ 12,821,022 | West Virginia | $ 36,507,081 |
| Illinois | $ 52,535,950 | New Mexico | $ 33,263,284 | Wisconsin | $ 44,663,935 |
| Indiana | $ 37,755,210 | New York | $ 35,512,029 | Wyoming | $ 24,163,067 |
| Iowa | $ 68,531,195 | North Carolina | $ 38,019,858 | Pacific Basin | $ 4,305,700 |
| Kansas | $ 52,456,872 | North Dakota | $ 42,455,440 | Puerto Rico | $ 7,943,400 |
| Kentucky | $ 35,970,693 | Ohio | $ 36,449,970 | | |
| Louisiana | $ 52,284,363 | Oklahoma | $ 50,171,727 | **TOTAL** | **$ 1,866,555,592** |

# E-Government

Conducting the business of government on the web is commonly referred to as "E-Government." And, if you haven't noticed already, it's one of the goals for both the federal government and the State of Missouri. The theory is that E-Government greatly reduces the costs for printing and postage, as well as allowing for instant updates and information distribution. There's only one problem ... what about those of us who are not using the web?

It's kind of like when the combustion engine came on the scene. No one forced us to use it, however if we didn't eventually catch on ... we were left in the dust.

### Here's another example of E-Government: Central Contractor Registration (CCR) System.

Contractors currently doing business with USDA and potential vendors, are encouraged to register in the CCR. Based on a recently published proposed change to the Federal Acquisition Regulation (FAR), it is anticipated that contractors will soon be required to register in the CCR database before they can be awarded a contract.

The notice of the proposed change to the FAR was published in the Federal Register on April 3, 2003. The proposed change would require, among other things, that contractors be registered in the CCR database before award of any contract, basic agreement, blanket purchase agreement or basic ordering agreement can be made. There are five exceptions to this requirement, including, purchases that use the governmentwide commercial purchase card as the purchasing mechanism, urgent procurements and awards to foreign vendors for work performed outside the United States, if it is impractical to obtain CCR registration before award.

The proposed change would also require that contractors with existing contracts that require performance after September 30, 2003, also register in the CCR system.

A copy of the proposed change can be viewed on the CCR website at http://www.ccr.gov. Information on where and how to submit comments to the General Service Administration, FAR Secretariat are contained in the proposed rule.

The CCR is designed to be a highly secure, single repository of vendor information. Vendors will be able to register once, with identifying information, including electronic funds transfer data. Only authorized government financial and procurement officials will be able to access the proprietary and sensitive data. Vendors will have access to update the information as necessary. Annual renewal/update is necessary to remain active.

The preferred method for completing registration is via the world wide web at http://www.ccr.gov. A handbook and other information is available at that site, including information on how to obtain a DUNS number, which is required to begin the registration process. Once a vendor has registered in CCR, a Trading Partner Identification Number (TPIN) is mailed to the individual identified by the vendor as the CCR point of contact. The TPIN is very important as it is required for any subsequent changes to the original registration.

**Caution:**

Fraudulent letters allegedly from USDA and also from Department of Transportation have been sent to vendors requesting completion of CCR worksheets or verification of Trading Partner Identification Numbers (TPINs). If you receive such letters, faxes or telephone calls, they should be disregarded. Your TPIN number should never be given to anyone. A Security Alert is posted on the CCR website. Please review this notice.

## Security Alert

The United Parcel Service (UPS) is informing its customers that a large purchase ($32,000) of UPS uniforms was made on eBay this spring. This could represent a serious threat, as bogus drivers can drop off anything to anyone with deadly consequences.

If you have ANY questions when a UPS driver appears at your door, ask them to furnish VALID I.D. Additionally, if someone in a UPS uniform comes to make a drop off or pick up, make absolutely sure they are driving a UPS truck. UPS does not make deliveries or pick ups in anything except company vehicles.

Urge all employees to be alert of their surroundings, particularly of strangers or unfamiliar vehicles.

# ASDSO Releases Report on Dam Rehabilitation Financing

*From the Association of State Dam Safety Officials*

**As Cash Crunch Continues to Affect Dam Rehabilitation Funding, Especially for Private Dam Owners, ASDSO Reports on the Magnitude of the Need and Recommends Solutions**

The Association of State Dam Safety Officials (ASDSO) has completed an intensive two-year, peer-reviewed study on the condition of the nation's dams and what it will cost to fix them.

Its report, *The Cost of Rehabilitating Our Nation's Dams: A Methodology, Estimate and Proposed Funding Mechanisms*, concludes that well over 2,000 dams across the U.S. pose a significant risk to public safety, and that not enough is being done to correct the problem.

The primary goal of the ASDSO study was to develop a reliable estimate of the national cost of dam rehabilitation. In carrying out its work, the committee made three assumptions:

1. The scope of rehabilitation would include repair, replacement, and removal.
2. The dam height would be the primary criteria in categorizing dams.
3. Estimates would exclude federally owned dams.

Next, on a state-by-state basis, the committee considered the number of state-regulated dams, the size of the dams, the costs of deferred maintenance (any maintenance activity that does not require formal engineered plans or the approval of a professional engineer), the cost of engineering evaluation and design, the cost of rehabilitation, and the cost of capacity and structural upgrade.

The committee estimated that it would cost approximately $36.2 billion to rehabilitate all non-federally owned dams in the U.S. identified as needing rehabilitation. The estimate does not include costs for administration of a funding mechanism; nor does it take into account the fact that the number of high-hazard-potential dams (those whose failure would likely cause loss of life) is increasing. The states currently regulate more than 10,000 of these structures.

Raul Silva, committee co-chair, remarked, "For a long time, we in the profession have said that inspections alone are not enough to make dams safe; that dam owners facing expensive maintenance and repairs need financial help. Now, for the first time, we have a realistic answer to the question, how much will it take to fix the problem?.

The task force recommends the adoption of legislation that amends the National Dam Safety Act by creating a State Revolving Loan Fund for Dam Rehabilitation, Repair and Removal. To this effect, legislation has been drafted in the U.S. Senate providing for a low-interest loan program of $10.4 billion to pay for repairs to high-hazard-potential dams.

ASDSO's nine-member task committee, composed of representatives of state agencies and the private sector, met over a period of two years, from October 2000 to September 2002. Members included:

- Meg Galloway, Wisconsin Dept. of Natural Resources, Co-Chair;
- Raul Silva, Massachusetts Dept. of Environmental Management, Co-Chair;
- Cecil Bearden, Oklahoma Water Resources Board;
- Dan Lawrence, Tetra Tech, Inc., Phoenix, AZ;
- Eric Ditchey, McCormick Taylor, Mount Laurel, NJ;
- John Ritchey, New Jersey Dept. of Environmental Protection;
- Ken Smith, Indiana Dept. of Natural Resources;
- George Mills, GEM Consulting, Columbus, OH; and
- Joe Kula, URS Corporation, Mechanicsburg, PA.

## Attention District Presidents!

*Please let the MLICA office know when your next District meeting is planned so we can publicize it for you!*