

## **Wild Horse & Burro (WHB) Adoption Incentive Program (AIP) Year One Evaluation Report**

### **Purpose**

This report evaluates the performance of the WHB Adoption and Sales Program during AIP Year One (3/12/19 – 3/12/20) and compares performance with previous years to gauge the effectiveness of the AIP at increasing adoptions and overall private placements. The report also presents relevant data and feedback from those involved in implementing the AIP to inform decisions about any adjustments or modifications that might improve program effectiveness going forward.

### **Background**

The AIP was established via IM 2019-025 and went into effect March 12, 2019. The AIP seeks to incentivize adoptions of untrained horses or burros by paying individuals \$1,000 for each animal they adopt. Payments are made in two installments: \$500 within 60 days of signing a Private Maintenance and Care Agreement, and \$500 within 60 days of receiving title (approximately one year later). All animals adopted under the AIP are subject to mandatory compliance checks by BLM to ensure they are receiving proper care. The launch of the AIP was accompanied by an aggressive nationwide marketing and advertising campaign that generated considerable media coverage and public awareness.

#### **Key Stats for AIP Year One (3/12/19 - 3/12/20)**

- Number of animals adopted: 3,937 (AIP) + 2,089 (non-AIP) = **6,026**
- Number of AIP payments processed: **1,602 payments for 2,779 animals**
- Total dollar amount of all AIP payments made: **\$1,389,500**
- Number of relinquishments after first AIP payment: **119** (previous five-year avg: 272)
- Number of mandatory compliance checks completed: **642 animals**

### **Continuing a Trend**

AIP Year One saw a 91% increase in adoptions over the previous full fiscal year (FY18), reviving and accelerating an upward trend that began in FY15 and dipped slightly in FY18 (see chart pp2):

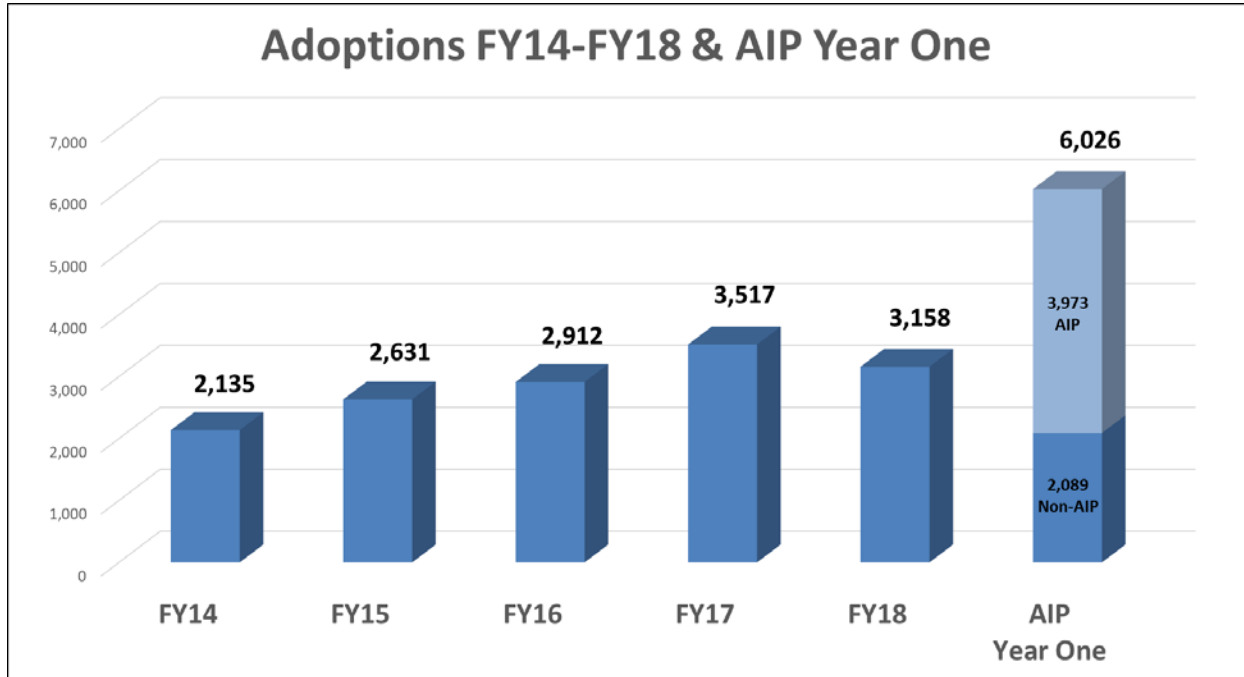
### **Positive Indicators**

AIP Year One also saw a sharp increase in the number of first-time and repeat adopters as well as the number of individuals who adopted multiple animals at a time:

- 2,923 first-time adopters, an increase of 1,167 over the previous five-year average
- 932 repeat adopters, an increase of 296 over the previous five-year average

- 1,280 multiple-animal adoptions, an increase of 859 over the previous five-year average.

*These data suggest that the AIP contributed to increased interest and participation in the program.*



### Other Contributing Factors

Other factors that may have contributed to increased adoptions during AIP Year One include a greater number of events held and a greater number of animals offered. Program-wide there were a total of 223 satellite, facility and Online Corral events during AIP Year One, at which 9,228 animals were offered. This compares with the previous two-year average of 151 events at which 9,058 animals were offered.

**The ratio of animals presented that were ultimately adopted increased dramatically from an average of 36% the previous two years to 65% during AIP Year One.**

The launch of the AIP also coincided with a concerted effort by the WHB program to standardize brand identity and implement certain best practices gleaned from a professional marketing analysis initiated the previous year. This included integrating the use of social media and targeted digital advertising in promoting adoption opportunities. The Program also began more aggressively marketing and utilizing its re-vamped and more user-friendly Online Corral (OLC) platform which accounted for 611 total placements (adoptions and sales) in AIP Year One.

## **Increase in Sales**

One initial concern with implementing the AIP was that it could potentially persuade people who might otherwise purchase animals to adopt instead, offsetting potential gains in overall private placements. This does not appear to have happened. During AIP Year One, sales continued a generally upward trend with a total of 1,924 animals being sold, an increase of 1,403 over the previous five-year average.

## **AIP Payments**

The number of AIP payments processed during AIP Year One (1,602 payments for 2,779 animals totaling \$1,389,500) reflect the initial \$500 payments made for animals adopted during roughly the first 10 months of the program. Animals adopted during the last 60 days of AIP Year One would not be eligible to receive their first payment until after the end of AIP Year One. As such, they are not captured in the data used in preparing this report. Expenditures for AIP Year Two are expected to be greater than AIP Year One, as the second \$500 tranche for AIP Year One will come due alongside the initial \$500 payments for adoptions that occur in AIP Year Two.

## **Mandatory Compliance Checks**

The number of mandatory compliance checks completed during AIP Year One (642) represents approximately six months of work by field staff. This is because most offices do not conduct initial compliance checks on animals until about six months after the adoption date.

Consequently, mandatory compliance checks for AIP animals did not begin in earnest until around mid-September 2019. For AIP animals adopted *after* mid-September 2019, compliance checks likely didn't begin until after the end of AIP Year One. As such, they are not captured in the data used in preparing this report.

## **Process Challenges and Improvements**

AIP Year One presented many opportunities and challenges for the Program to assess the effectiveness and efficiency of the application and payment processes. Through close collaboration with field specialists and the NOC, the Program identified the following areas where improvements can or have been made:

- Quality Control – Some incentive payments were initially delayed due to inaccurate, inconsistent or illegible information on the required forms. As errors became known, the Program clarified requirements for the field and stressed the need to closely review forms before submitting them to the NOC. The Program also appointed an ombudsman to facilitate corrections and information flow. To address the issue of legibility, use of fillable electronic forms has been suggested. The Program is currently looking into that possibility with the NOC.
- Unanticipated issues/questions – Certain unique issues regarding payments to individuals arose during AIP Year One. Some adopters did not receive their expected payments despite having completed their paperwork correctly and on time. Looking into the matter with the NOC, the Program learned that AIP payments can and will be garnished to cover any outstanding debts a person may owe to the Internal Revenue Service. Another

question that arose during the final months of AIP Year One concerned the taxability of AIP payments. The Program learned that the NOC does not issue 1099s for payments as little as those authorized under the AIP. These issues required the Program to develop appropriate responses that provided clear and accurate information without entangling the agency in individuals' personal financial/tax situations.

### **Recommendations**

The Program contends that one year provides insufficient data to propose or recommend any immediate or fundamental changes to the AIP. Accordingly, the Program recommends continuing the AIP as it is currently structured to allow for multi-year performance evaluation. However, the following policy changes may warrant consideration in the future:

- Recover incentive payments when animals are relinquished or repossessed
- Change/increase the dollar amount of the incentive
- Target the incentive on animals with lower adoption demand (e.g. "three-strike" animals)
- Modify the compliance inspection requirement to consider adopters' past performance
- Eliminate or reduce the incentive for burros