

## **SUSTAINABLE FUNDING FOR IOWA'S NATURAL RESOURCES**

**A Summary of  
Work by the  
Sustainable  
Funding Advisory  
Committee**

### **House File 2797**

**(FY 2007 Standing Appropriations Act)**

#### **Sustainable Natural Resources Funding Study**

- Passed by House & Senate, signed by Governor in 2006 session
- Created Advisory Committee to study issue
- Report to be delivered to General Assembly by Jan. 10, 2007, at beginning of session
- Named agencies and organizations to be represented (amended to add more before passing)

## **Organizations Named by Legislature, Appointed by Governor**

- Sec. of Agriculture—rep. by Ken Tow, Dir., Div. of Soil Con., IDALS
- Iowa Natural Heritage Foundation—Mark Ackelson, President
- Ducks Unlimited—Tammi Kircher, IA DU Board Member
- Pheasants Forever—Dave Van Waus, Regional Biologist
- IACCB—Dan Cohen, Director, Buchanan Co. Cons. Board
- Iowa Farm Bureau—Barbara Finch, Story Co. Farm Bureau
- Iowa Farmers Union—Marvin Shirley, Board Member
- The Nature Conservancy—Lola Lopes, IA TNC Board Member
- Iowa Environmental Council—Rich Leopold, Director
- Iowa Renewable Fuels Association—Owen Shunkwiler, Board Member
- Sierra Club of Iowa—Jane Clark, Vice Chair
- Izaak Walton League of Iowa—Pauline Novotney, IA Board Member
- State Conservation Districts of Iowa—Deb Ryun, Ex. Director

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## **Members Named and Appointed by Legislature**

- Director, Iowa DNR: Rich Leopold (replaced Jeff Vonk)—serves as Committee Chairperson (represented by Ken Herring, Div. Admin.)
- Iowa Senate: Dick Dearden (Dem., Des Moines)
- Iowa Senate: Mary Lundby (Rep., Marion)
- Iowa House: Henry Rayhons (Rep., Garner)
- Iowa House: John Whitaker (Dem., Hillsboro)

**To be Included in Report to Legislature  
(but not limited to):**

- Information on what surrounding states have done to provide sustainable funding for natural resource conservation
- Outline of a conservation funding initiative agreed upon by the advisory committee
- Outline of the amount of revenue needed and what would be accomplished if the conservation funding initiative is implemented
- Analysis of Iowa Citizens' willingness to pay for identified conservation funding initiative

**What Some Midwestern States Have Done to  
Provide more Conservation Funding**

- Dedicated fractional percentage of sales tax (constitutionally protected)--MO, AR
- Percentage of lottery revenue—MN (constitutionally protected), NE
- in-lieu-of tax on lotto tickets—MN
- Real estate transfer taxes—IL, AR

## **Definition of Natural Resources**

Committee agreed that for purposes of this funding initiative would be limited to:

- Fish, Wildlife & Natural Areas
- Parks and Trails
- Soil and Water

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## **Committee's Top 5 Recommended Funding Mechanisms**

- Utilize additional gambling and gaming revenues
- Dedicate a fractional percentage increase in state retail sales tax
- Dedicate a portion of lottery revenues
- Create tax incentives/credits for conservation practices/actions
- Utilize bonding for long-term funding stability

**Over 40 funding ideas were discussed by the committee**

**In addition to these 5 recommended mechanisms, 18 others remain open for further exploration**

## **Other Funding Possibilities Considered by Committee**

- Dedication of existing sales tax, reallocation of existing infrastructure funds, real estate transfer tax, bio-fuels severance tax, water tax on large users, expanded use of underground storage tank remediation funds, gas tax, state excise tax on outdoor recreational equipment, park user fee increases, bottle bill expansion, tax on those who adversely affect the environment, tax on out-of-state users of water, bottled water tax, severance tax on all water-based exported products, severance tax on all energy producers, fossil fuel tax (including natural gas and coal), tax on storm water run off that adversely affects the environment, recreational vehicle registration fee allocation, etc., etc.

### **\$150 M in Revenue Required**

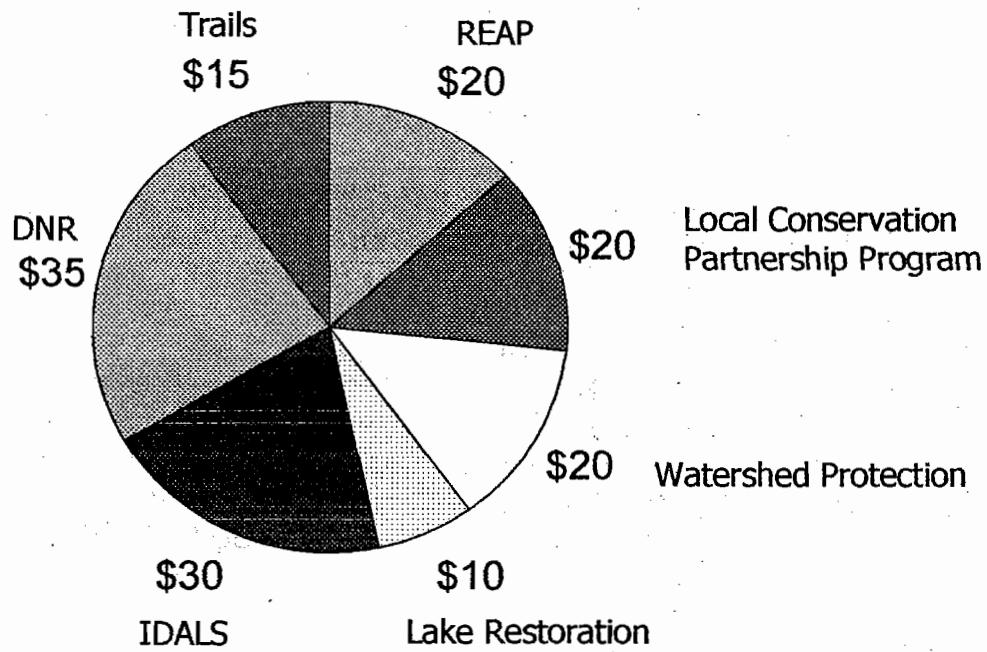
**Annually for at least 10 years**

(in addition to current conservation spending)

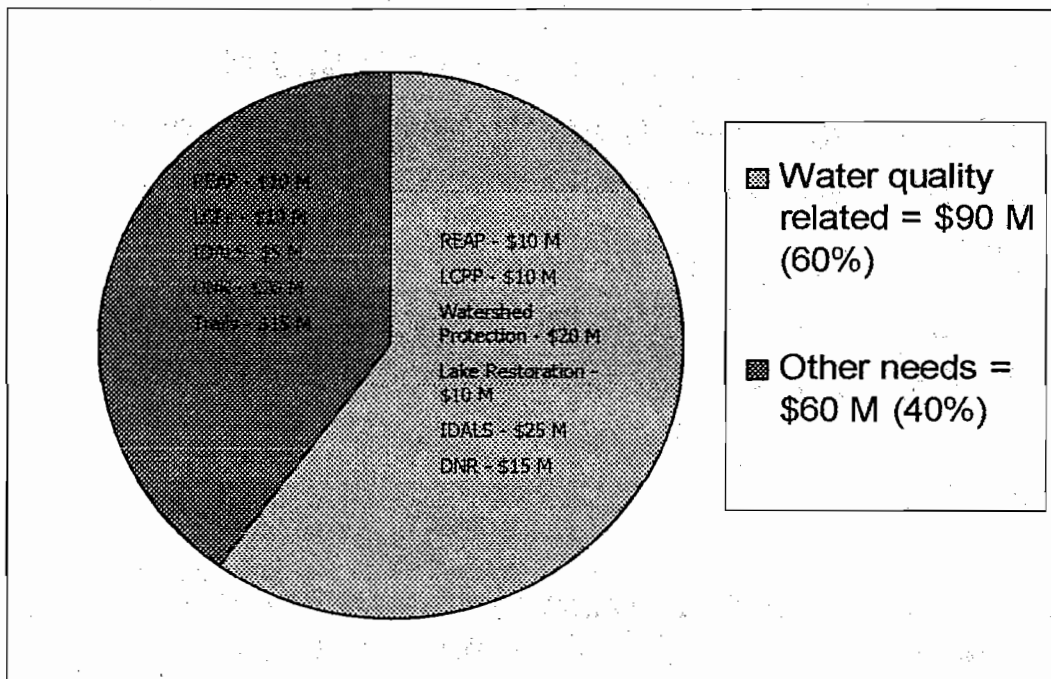
- REAP (fully fund at authorized level): \$20 M
- Local Conservation Partnership Program (counties, cities, conservation organizations): \$20 M
- Watershed Protection (multi-agency): \$20 M
- Lake Restoration (multi-agency): \$10 M
- Dept. of Natural Resources: \$35 M
- Dept. of Ag & Land Stewardship: \$30 M
- Trails: \$15 M

**This could be used to leverage \$50-100 million or more in federal and other partner funds.**

## Revenue Required, in Millions



## Estimated Portion of \$150 Million Relating to Water Quality



## **ICN Public Input Meeting, Nov. 9, 2006 at 14 sites across Iowa**

- 270 participants provided 213 comments
- 195 mention general support for sustainable funding
- 65 indicated support for "a tax" to provide needed funding (4 opposed a tax)
- 162 volunteered to support & promote the concept of sustainable funding

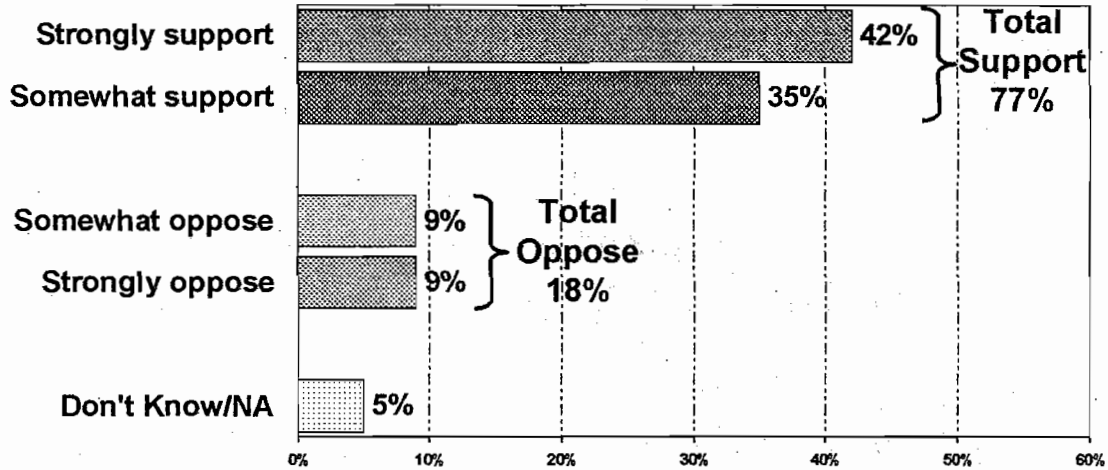
**Additional public comments were collected via the sustainable funding website, email, U.S. mail and telephone**

## **Random Survey of 800 Iowans taken in November, 2006**

- Top environmental concern is water quality
- Iowans believe environmental conservation is a shared responsibility & benefits the economy
- 77% support dedicating additional public funds to conservation
- Most are willing to pay \$10-\$25 annually in additional taxes
- Gambling & gaming revenues are the public's *preferred* means of funding natural resources
- Conservation tax credits are strongly supported

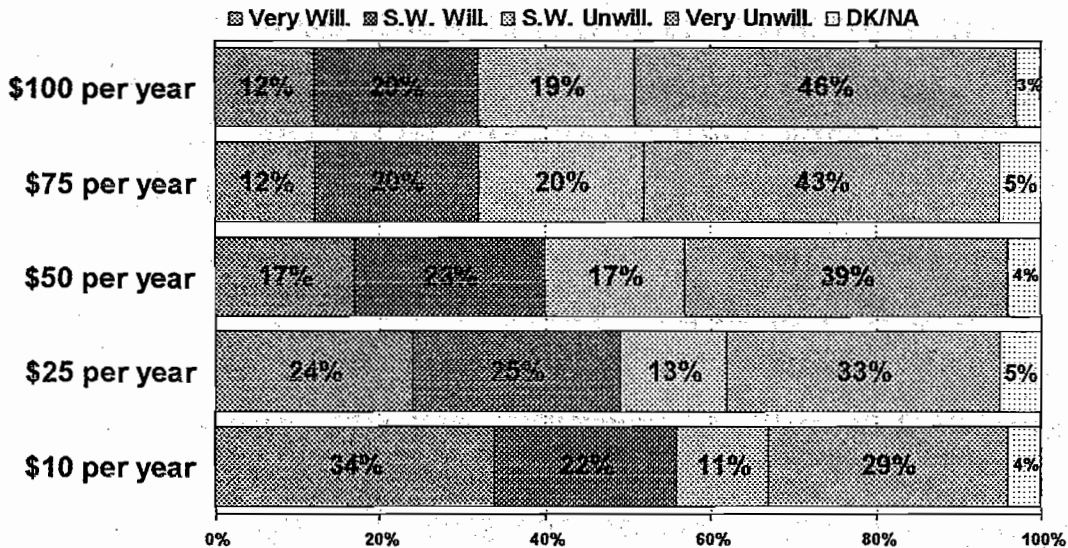
# In principle, Iowans overwhelmingly support additional conservation funding...

Would you support or oppose dedicating additional public funding to programs to protect Iowa's land, water, and wildlife?



7. Would you support or oppose dedicating additional public funding to programs to protect Iowa's land, water, and wildlife?

# A plurality of Iowans are willing to pay \$25 a year in additional taxes for conservation.



11. More generally, would you be willing to pay \_\_\_\_\_ in additional taxes if it were dedicated to programs to protect land, water and wildlife in Iowa?



The "Preliminary Report" was delivered to Legislature and Governor on January 10 - -

## **What's next?**

- Extension requested for delivery of a "Final Report" by March 1 (to include any new recommendations not included in preliminary report)--DONE
- After completion of the committee's official work, groups or interests represented will form a voluntary coalition to support or promote needed legislation; other interests will be invited—DONE

## **Additional Recommendations in March 1, 2007 Final Report**

- Work with legislature in 2007 session to authorize extending SFNRAC through 2008 session: allow further exploration and recommends regarding the "second tier" list of ideas; request funding support to cover costs of additional research, surveys, contractual assistance, committee expenses, etc.—DONE (with limitations/conditions set by LC & IC)
- Suggest/prepare language for a possible new funding bill to introduce in 2008: potentially "overarching" bill to include most or all of the funding recommended in this year's report—No action to date.

**Sustainable Funding webpage on DNR website at:**

**[www.dnr.gov/sustainablefunding/index.html](http://www.dnr.gov/sustainablefunding/index.html)**

Committee Support Staff:

Ken Herring, DNR

Diane Ford-Shivvers, DNR

Doug Harr, DNR

Kim Rasler, DNR

Peter Fritzell, DNR

Sharon Tahtinen, DNR

Deb Kozel, LSA

Duane Sand, INHF

Anthony Phillips, INHF/Drake Univ.

Matt Hare, TNC

Angela Grover, TNC

# Sustainable Natural Resource Funding Advisory Committee

August 13, 2007

## PROPOSED STUDY

**Literature review, analysis, and compilation of existing state and regional data concerning economic impact, conservation benefits, and social benefits of natural resources in Iowa.**

### **Rationale:**

After researching and reviewing current streams of funding and budgets, the Sustainable Natural Resource Funding Advisory Committee estimated that \$150 million per year over base funding is called for to address the needs of Iowa's natural resources and provide opportunities to enhance the lives of Iowa's citizens.

The committee provided an initial report for legislative review regarding sustainable funding and the next step is to complete a comprehensive report on the benefits the state of Iowa would receive for the investment of the recommended \$150 million per year.

The following are types of questions that need to be answered:

- **How will Iowa's \$150 million annual investment over the years in natural resources affect the state's economy?** What is the economic impact of more trails, more hunting areas, cleaner water that encourages more water trails and lake use, more fishing opportunities, more soil and watershed projects on the ground, etc.? How does this improvement in Iowa's natural resources affect the state's ability to recruit and retain a high-performing work force?
- **What impact will the projects funded by Iowa's \$150 million annual investment over the years in natural resources have on the conservation and environmental health of the state?** What percentage of the watersheds for critical rivers and lakes will have targeted protection? How many public parks will be able to improve potable water access, sewage systems, and electrical hookups? What percentage of increased applications of soil and water conservation practices does this fund? How many acres does this provide for people to view wildlife? How many landowners are assisted in establishing or managing habitat improvements, etc.?
- **What is the societal benefit for the citizens of Iowa if \$150 million is invested annually in natural resources?** How does increased opportunity for outdoor recreation affect physical and mental health? How does a healthy natural resource base attract a diverse age population? What is the connection between place and job satisfaction, etc.?

The Center for Agriculture and Rural Development (CARD) program at Iowa State University has the socio-economic experts in place to conduct a thorough and comprehensive literature search and analysis to answer the above questions. CARD has previously provided the State with in-depth and beneficial study results, such as the Lakes Restoration Study, which has been a valuable analytical tool leading to action. To begin the research in this proposal, existing studies and reports specific to Iowa have been identified, as well as information from surrounding states that will provide predictive estimates to fill any gaps in Iowa-specific information.

**CARD has stated they could prepare a 60-70 page report by November 2007 for an estimated cost of \$30,000. The Advisory Committee respectfully requests consideration for funding this comprehensive study which would provide valuable information to the Interim Committee for their decision-making process.**

Respectfully Submitted,  
Sustainable Natural Resource Funding Advisory Committee

# Sustainable Natural Resource Funding Advisory Committee

August 13, 2007

## LEGISLATIVE PANEL PROPOSAL

In an effort to enhance the legislative study process, an invited panel of colleagues from other states with successful conservation programs could serve as a resource by sharing models for legislative leaders in Iowa.

The panel would be afforded the opportunity to describe their conservation program including funding mechanisms. Additionally, the panel could discuss their return on investing in natural resources and their program benefits. Typically, these panels are given 15 minutes for each of their presentations and then answer questions individually or as a panel.

The panel could include legislative leaders or agency directors to discuss their programs. Possible states to consider are:

- North Carolina – trust funds for natural resources including Clean Water Management Trust Fund, North Carolina Parks and Recreation Trust Fund, North Carolina Natural Heritage Trust Fund, and the Agricultural Development and Farmland Preservation Trust Fund
- Wisconsin – Stewardship Fund
- Minnesota – Environment and Natural Resources Trust Fund
- Missouri – Design for Conservation

Individual contacts can be provided for each of these states. General travel costs, assuming flights, additional transportation arrangements, meals and lodging, if necessary, for these suggested states are estimated to be:

- North Carolina estimate - \$625 which includes an overnight stay
- Wisconsin estimate - \$246
- Minnesota estimate - \$328
- Missouri estimate - \$446

These estimates are based on air travel and may be less if alternative forms of travel are used. Only North Carolina's estimate, as noted, includes an overnight stay as others could travel to and from Des Moines for a meeting within a day should the timing allow. Total costs for the event would depend on the number of panel participants and the meeting location.

This resource of legislative and agency leaders can provide unique perspectives in exploring the important issue of sustainable funding for Iowa's natural resources.

Respectfully submitted,  
Sustainable Natural Resource Funding Advisory Committee