

## Agriculture and Natural Resources

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### Summary of the Governor's Recommendations

**Water Quality Initiative** – [House File 648](#) (FY 2014 Bond Repayment and Supplemental Appropriations Act) provided FY 2013 supplemental General Fund appropriations totaling \$20,000,000 for the Water Quality Initiative (WQI) Program that is being administered by the DALS. Of that amount, \$10,000,000 was for water quality projects, \$7,000,000 was for additional funding to the Soil Conservation Cost Share Program, and \$3,000,000 was for the Watershed Improvement Review Board. The following is a summary of the funding as of December 6, 2013:

**Water Quality Projects – \$10,000,000.** The following is a breakdown of expenditures of the \$10,000,000 for water quality projects:

- Statewide practices – \$3,000,000. A total of \$2,800,000 was allocated across the State for four different conservation practices. Funding was available to landowners to encourage them to try new conservation practices. Landowners could receive cost share funding for up to 160 acres. The following is a list of the four practices and the number of acres covered:
  - 109,415 acres in cover crops at a rate of \$25 per acre.
  - 2,675 acres using no-till at a rate of \$10 per acre.
  - 1,268 acres using strip-till at a rate of \$10 per acre.
  - 7,321 acres using nitrapyrin nitrification inhibitor at a rate of \$3 per acre.
- Targeted watersheds – \$7,000,000. The DALS was instructed to allocate funds for demonstration practices in the targeted watersheds. On December 6, 2013, the DALS announced that eight watershed projects were funded for a total of \$4,100,000. An additional \$8,000,000 in funding will be leverage for these projects. The following projects were awarded:
  - Benton/Tama Nutrient Reduction Demonstration Project -- \$468,000.
  - Boone River Watershed Nutrient Management Initiative -- \$1,000,000.
  - Central Turkey River Nutrient Reduction Demonstration Project -- \$498,000.
  - Demonstration of Targeted Nutrient Reduction Systems for Clayton County -- \$207,000.
  - Miller Creek Water Quality Improvement Project -- \$500,000.
  - Van Zante Creek Water Quality Improvement Project -- \$640,000.
  - West Branch of the Floyd River Water Quality Initiative -- \$360,000.
  - West Fork Crooked Creek Water Quality and Soil Health Initiative -- \$484,000.

**Soil Conservation Cost Share – \$7,000,000.** On July 1, 2013, 60.0% of the funding was allocated to the Soil and Water Conservation Districts after deducting the amounts for complaint administration and for publicly-owned lakes as directed in [HF 648](#). On September 1, 2013, a supplemental allocation to the Soil and Water Conservation Districts was made with remaining funds. This was in addition to the \$6,700,000 that was appropriated to the DALS from the Environment First Fund.

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**Watershed Improvement Review Board (WIRB) Grants – \$3,000,000.** Of the \$3,000,000 appropriation, the legislation required \$1,500,000 to be awarded for grants that support the WQI. The WIRB met on November 8, 2013, and awarded 10 grants totaling \$2,300,000 with \$1,300,000 for WQI projects that included:

- Rathbun Lake – \$144,000
- Silver Creek – \$240,000
- Mosquito Creek – \$279,811
- Honey Creek-Lindsey Creek-Dry Run Creek – \$60,000
- Yellow River Headwaters – \$300,000
- West Fork Middle Nodaway River – \$298,563
- Central Park Lake – \$121,698
- Hurley Creek/McKinley Lake – \$300,000
- Clear Creek Watershed – \$263,540
- Gere Creek – \$299,942

*The Governor is recommending funding of \$4,400,000 from the General Fund for the Water Quality Initiative for FY 2015. This is an increase of \$2,000,000 compared to estimated FY 2014.*

**Silos and Smokestacks National Heritage Area** – The Silos and Smokestacks National Heritage Area (SSNHA), that was designated in 1996 by the federal government and was named to include the farms and industries that comprise agribusiness. This Area covers the northeast portion of Iowa and includes 37 counties and the cities of Des Moines, Cedar Rapids, Davenport, Waterloo, Dubuque, and Iowa City. The Area is one of the 49 designated areas in the country and is an Affiliated Area of the National Park Service that recognizes over 90 community and privately-operated sites that describe the development of agriculture in the United States. This includes dairy farms, museums, vineyards, tractor production plants, as well as the Amana Colonies and Living History Farms. *The Governor is recommending funding of \$200,000 for FY 2015 from the General Fund. This is a new appropriation.*

**Agriculture Drainage Well Program** – The Program provides cost-share funding to landowners to close agriculture drainage wells. By closing the well and developing alternative drainage, drinking water aquifers are protected. Funding levels have varied over the years. In FY 2011, the Program received \$1,250,000 from the Environment First Fund and no funding appropriated for FY 2012. For FY 2013, the Program received \$1,000,000 from the Rebuild Iowa Infrastructure Fund (RIIF) and \$550,000 from the EFF. In addition, the Program received an FY 2013 supplemental General Fund appropriation of \$1,620,000. The \$1,620,000 will finish closing 12 wells in Humboldt County. There are 35 wells remaining to be closed. The DALS estimates \$1,200,000 will close eight wells in Humboldt, Wright, and Butler Counties. The other 27 registered

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wells will cost more to close as they are in areas with shallow limestone, wetlands, or underground storage tanks. *The Governor is recommending funding of \$550,000 for FY 2015 from the EFF. This is an increase of \$550,000 compared to estimated FY 2014.*

**Online Manure Applicator Education Program** – [Senate File 435](#) (FY 2014 Agriculture and Natural Resources Appropriations Act provided \$250,000 of one-time funding from the Groundwater Protection Fund to establish an online education program for certification of manure applicators.

**Loess Hills Conservation and Development Authority** – Funding for this Program is divided between the Hungry Canyons Account and the Loess Hills Account for activities in the Loess Hills region of the State. *The Governor is recommending funding of \$475,000 for FY 2015 from the EFF. This is a decrease of \$75,000 compared to estimated FY 2014.*

**Air Quality Program Support** – The Title V Air Operating Permit Program is the federal program established under the Clean Air Act and is administered by the federal Environmental Protection Agency (EPA). Air quality permits are issued to large or major sources of air pollution and fees are collected. The EPA has approved the DNR to issue federal Title V Operating Permits and collect annual emission fees. Iowa's Title V fee is based on the first 4,000 tons of each regulated air pollutant emitted each calendar year from each major stationary source. Currently, the Iowa fee is \$56 per ton for the first 4,000 tons of each regulated pollutant. The fees are deposited in the Air Contaminant Source Fund and the funds are transferred to the DNR Air Quality Bureau to pay for the cost of issuing construction permits, prevention of significant deterioration (PSD) permits, and operating permits. Funds are also used for stack test observation, emission inventory, monitoring, compliance assistance, and inspections. *The Governor is recommending funding of \$2,072,000 for FY 2015 from the General Fund. This is a new appropriation.*

**State Parks** – The Iowa State Park system will celebrate their 100th anniversary in 2020. For FY 2014, State Parks will receive funding from the General Fund, the Environment First Fund, and the Rebuild Iowa Infrastructure Fund, as well as from camping receipts and other park-generated sources of income. There are 34 State Parks with a designated Friends Group with volunteers that cut grass and complete other activities related to maintenance and operations. The Groups also volunteer as campground hosts or help with interpretive programs, and many Friends Groups host fundraising activities. In the 2011 State Parks and Recreation Areas Annual Report, the DNR estimated that 1,905 volunteers provided 39,950 hours of service with an estimated value of \$853,000 in free labor for 2011. *The Governor is recommending funding of \$5,885,000 for FY 2015 from the Environment First Fund. This is a decrease of \$475,000 compared to estimated FY 2014.*

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## General Fund

	Actual FY 2013 (1)	Estimated FY 2014 (2)	Gov Rec FY 2015 (3)	Gov Rec vs FY 2014 (4)
<b><u>Agriculture and Land Stewardship</u></b>				
Agriculture and Land Stewardship				
<a href="#">Administrative Division</a>	\$ 17,081,328	\$ 17,605,492	\$ 17,605,492	\$ 0
<a href="#">Milk Inspections</a>	189,196	189,196	189,196	0
Farmers with Disabilities	130,000	130,000	130,000	0
<a href="#">GF-Soil Conservation Division</a>	7,000,000	0	0	0
<a href="#">Local Food and Farm</a>	75,000	75,000	75,000	0
Agricultural Education	25,000	25,000	25,000	0
Water Quality Initiative	10,000,000	2,400,000	4,400,000	2,000,000
Silos And Smokestacks	0	0	200,000	200,000
<a href="#">GF-Ag Drainage Wells</a>	1,620,000	0	0	0
<b>Total Agriculture and Land Stewardship</b>	<b>\$ 36,120,524</b>	<b>\$ 20,424,688</b>	<b>\$ 22,624,688</b>	<b>\$ 2,200,000</b>
Loess Hills Dev. and Conservation				
<a href="#">Loess Hills Dev/Cons Authority</a>	\$ 0	\$ 75,000	\$ 75,000	\$ 0
<b>Total Agriculture and Land Stewardship</b>	<b>\$ 36,120,524</b>	<b>\$ 20,499,688</b>	<b>\$ 22,699,688</b>	<b>\$ 2,200,000</b>
<b><u>Natural Resources</u></b>				
<a href="#">Natural Resources Operations</a>	\$ 12,516,700	\$ 12,862,307	\$ 12,862,307	\$ 0
<a href="#">Floodplain Management Program</a>	2,000,000	2,000,000	2,000,000	0
Air Quality Program Support	0	0	2,072,000	2,072,000
<a href="#">Forestry Health Management</a>	100,000	200,000	200,000	0
<b>Total Natural Resources, Dept. of</b>	<b>\$ 14,616,700</b>	<b>\$ 15,062,307</b>	<b>\$ 17,134,307</b>	<b>\$ 2,072,000</b>
<b><u>Regents, Board of</u></b>				
Regents, Board of				
ISU - Veterinary Diagnostic Laboratory	\$ 3,237,636	\$ 3,762,636	\$ 3,762,636	\$ 0
ISU - Iowa Nutrient Research Center	0	1,500,000	1,500,000	0
<b>Total Regents, Board of</b>	<b>\$ 3,237,636</b>	<b>\$ 5,262,636</b>	<b>\$ 5,262,636</b>	<b>\$ 0</b>
<b><u>Treasurer of State</u></b>				
Treasurer of State				
<a href="#">Watershed Improvement Fund</a>	\$ 3,000,000	\$ 0	\$ 0	\$ 0
<b>Total Treasurer of State</b>	<b>\$ 3,000,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Total Agriculture and Natural Resources</b>	<b>\$ 56,974,860</b>	<b>\$ 40,824,631</b>	<b>\$ 45,096,631</b>	<b>\$ 4,272,000</b>

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## Other Funds

	Actual FY 2013 (1)	Estimated FY 2014 (2)	Gov Rec FY 2015 (3)	Gov Rec vs FY 2014 (4)
<b><u>Agriculture and Land Stewardship</u></b>				
Agriculture and Land Stewardship				
Native Horse & Dog Prog - Unclaimed Winnings	\$ 305,516	\$ 305,516	\$ 305,516	\$ 0
Motor Fuel Inspection - RFIF	500,000	500,000	500,000	0
Conservation Reserve Enhance - EFF	1,000,000	1,000,000	1,000,000	0
Watershed Protection Fund - EFF	900,000	900,000	900,000	0
Farm Management Demo - EFF	625,000	625,000	625,000	0
Agricultural Drainage Wells - EFF	550,000	0	550,000	550,000
Soil & Water Conservation - EFF	2,550,000	2,550,000	2,550,000	0
Conservation Reserve Prog - EFF	1,000,000	1,000,000	1,000,000	0
Cost Share - EFF	6,650,000	6,650,000	6,650,000	0
Fuel Inspection - UST	250,000	250,000	250,000	0
Agricultural Drainage Wells - RIIF	1,000,000	0	0	0
<b>Total Agriculture and Land Stewardship</b>	<b>\$ 15,330,516</b>	<b>\$ 13,780,516</b>	<b>\$ 14,330,516</b>	<b>\$ 550,000</b>
<b>Loess Hills Dev. and Conservation</b>				
Loess Hills - EFF	\$ 525,000	\$ 525,000	\$ 450,000	\$ -75,000
<b>Total Agriculture and Land Stewardship</b>	<b>\$ 15,855,516</b>	<b>\$ 14,305,516</b>	<b>\$ 14,780,516</b>	<b>\$ 475,000</b>

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	Actual FY 2013 (1)	Estimated FY 2014 (2)	Gov Rec FY 2015 (3)	Gov Rec vs FY 2014 (4)
<b><u>Natural Resources, Dept. of</u></b>				
<b>Natural Resources</b>				
<a href="#">Fish &amp; Game- DNR Admin Expenses</a>	\$ 41,078,234	\$ 41,223,225	\$ 41,223,225	\$ 0
<a href="#">GWF - Storage Tanks Study</a>	100,303	100,303	100,303	0
<a href="#">GWF - Household Hazardous Waste</a>	447,324	447,324	447,324	0
<a href="#">GWF - Well Testing Admin 2%</a>	62,461	62,461	62,461	0
<a href="#">GWF - Groundwater Monitoring</a>	1,686,751	1,686,751	1,686,751	0
<a href="#">GWF - Landfill Alternatives</a>	618,993	618,993	618,993	0
<a href="#">GWF - Waste Reduction and Assistance</a>	192,500	192,500	192,500	0
<a href="#">GWF - Solid Waste Authorization</a>	50,000	50,000	50,000	0
<a href="#">GWF - Geographic Information System</a>	297,500	297,500	297,500	0
<a href="#">Snowmobile Registration Fees</a>	100,000	100,000	100,000	0
Administration Match - UST	200,000	200,000	200,000	0
Technical Tank Review - UST	200,000	200,000	200,000	0
GWF - Manure Applicator Education Program	0	250,000	0	-250,000
<a href="#">Volunteers and Keepers of Land - EFF</a>	100,000	100,000	100,000	0
<a href="#">Park Operations &amp; Maintenance - EFF</a>	3,710,000	6,360,000	5,885,000	-475,000
<a href="#">GIS Information for Watershed - EFF</a>	195,000	195,000	195,000	0
<a href="#">Water Quality Monitoring - EFF</a>	2,955,000	2,955,000	2,955,000	0
Water Quality Protection - EFF	500,000	500,000	500,000	0
Animal Feeding Operations - EFF	620,000	1,320,000	1,320,000	0
<a href="#">Ambient Air Quality Monitoring - EFF</a>	425,000	425,000	425,000	0
<a href="#">Water Quantity - EFF</a>	495,000	495,000	495,000	0
<a href="#">Geological and Water Survey - EFF</a>	200,000	200,000	200,000	0
<a href="#">REAP - EFF</a>	12,000,000	16,000,000	16,000,000	0
<a href="#">Keep Iowa Beautiful - EFF</a>	0	200,000	200,000	0
<b>Total Natural Resources, Dept. of</b>	<b>\$ 66,234,066</b>	<b>\$ 74,179,057</b>	<b>\$ 73,454,057</b>	<b>\$ -725,000</b>
<b>Total Agriculture and Natural Resources</b>	<b>\$ 82,089,582</b>	<b>\$ 88,484,573</b>	<b>\$ 88,234,573</b>	<b>\$ -250,000</b>