

**NATURAL RESOURCES SUSTAINABLE FUNDING  
ADVISORY COMMITTEE SUMMARY  
11/09/06**

In the spring of 2006, Iowa law under HF2797 established an advisory committee to study opportunities for sustainable natural resource funding. The legislation requested organizations to designate an appointee to this committee, including:

- The Secretary of Agriculture
- Iowa Natural Heritage Foundation
- Ducks Unlimited
- Pheasants Forever
- Iowa Association of County Conservation Boards
- Iowa Farm Bureau
- Iowa Farmers Union
- The Nature Conservancy
- Iowa Environmental Council
- Iowa Renewable Fuels Association
- Sierra Club of Iowa
- Izaak Walton League of Iowa
- State Conservation Districts of Iowa
- Two members of the Iowa Senate and two members of the Iowa House of Representatives

The legislation also called for the director of the Department of Natural Resources to chair the committee and provide administrative staffing. A report is due from the advisory committee by January 10, 2007, and is to contain the following components:

- A sustainable funding plan for the conservation of Iowa's natural resources;
- A summary of sustainable funding initiatives implemented in surrounding states;
- The estimated revenue needed to implement the plan and accomplishments that would be achieved if it is implemented; and
- An analysis of Iowan's willingness to pay for identified conservation actions.

The members from these Iowa organizations are conscious of Iowa's natural resource needs and bring diverse knowledge and a broad perspective to the process. The full committee has met five times (08/09/06, 08/30/06, 09/20/06, 10/11/06, and 11/01/06), and subcommittees are being identified and created as needed. To date, after reviewing materials, hearing presentations, and deliberating, the committee is nearing the completion of its legislative charge. The members have defined and categorized natural resources, for this task, into three groups:

- 1) fish, wildlife, natural areas,
- 2) soil and water, and
- 3) parks and trails.

They have also identified a \$150 million annual need to help support the inadequate current funding these natural resources are allotted. Possible sustainable funding sources, a.k.a. mechanisms, have been identified and, after in-depth discussion and research, the committee has narrowed down 4 mechanisms to focus on viability: gaming/gambling revenue, sales tax increase, sales tax on lottery tickets, and tax incentives/credit for conservation. The committee has, also, identified actions that could be achieved with the additional money created through sustainable funding to the natural resource categories (see Table on page 2).

A meeting to solicit public comments has been requested by the committee and is being held 11/09/06 with the additional opportunity for public input via online (<http://www.iowadnr.com/sustainablefunding/index.html>) or in writing submissions.

TABLE

Natural Resource Category	Action - with additional funding created through sustainable funding
<b>PARKS AND TRAILS</b>	
Parks	- improve county/city park infrastructure
	- create a Grade-A system of state and local parks - shelter houses                      - trails - campgrounds                        - shelters - beaches                                - water accesses - destination sites to draw people from other states
	- increase recreational opportunities with the goal of providing every Iowan a place to go for outdoor recreation within ½ hour of their home
Trails	- create a trail system that will serve all Iowans
<b>SOIL AND WATER</b>	
Soil (conservation practices)	- terraces
	- waterway buffers
	- wetlands
	- grade stabilization structures (ie ponds)
	- advocate farming practices - conservation tillage - demonstrate innovative methods (soil saving techniques, nutrient management)
Water (quality)	- apply strategies to targeted watershed efforts
	- reduce sediment
	- create/build federal, state, and local partnerships
	- help communities problem solve water issues - provide incentives to implement quality improvement programs and efforts
<b>FISH, WILDLIFE, NATURAL AREAS</b>	
Fish, Wildlife, Natural Areas	- protect and improve the status of Iowa’s wildlife
	- provide safe homes for endangered species in Iowa
	- make Iowa’s lakes and streams great places to go fishing
	- provide places for people to see wildlife (ie improve wildlife viewing opportunities)
	- increase opportunities to enjoy Iowa’s outdoors
	- protect Iowa’s natural heritage
	- Iowans will have access to natural areas – rural and urban
	- creation and protection of access to natural areas
	- improve hunting and fishing opportunities and access in Iowans – rural and urban
	- improve, protect, and manage prairies, forests, woodland resources, wetlands, and Preserves
	- provide assistance to landowners to establish / manage forestry base
- manage Iowa’s natural resources - provide proactive options and quality management against invasive species	
<b>ALL 3 CATEGORIES: PARKS/TRAILS, SOIL/WATER, FISH/WILDLIFE/NATURAL AREAS</b>	
Parks/Trails Soil/Water Fish/Wildlife/Natural Areas	- Provide quality engaging and significant environmental and conservation education opportunities for the public, private landowners, and community leaders
	- Establish, strengthen, and maintain nature centers and naturalist programs
	- Educate and encourage private landowners toward productive and innovative land and water management techniques
	- Train developers and community leaders on conservation and environmentally friendly principles toward Iowa’s resources - Initiate proactive outreach and interpretive programs

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



**Update on Committee Progress**

# The Problem

- Funding for natural resources inadequate with annual struggle for meager resources
- Poor water quality unacceptable to most Iowans
- Recreational infrastructure strained and opportunities inadequate
- Will of the people not conforming with will of the government



# The Start of a Solution

- House File 2792: Sustainable Natural Resources Funding Study
- Created Advisory Committee to study issue
- Report to be delivered to General Assembly by Jan. 10, 2007
- Named agencies and organizations to be represented

# Organizations Named by Legislature, Appointed by Governor

- Secretary of Agriculture: Ken Tow, Director of the Division of Soil Conservation
- Iowa Natural Heritage Foundation: Mark Ackelson, President
- Ducks Unlimited: Tammi Kircher, Board Member
- Pheasants Forever: Dave Van Waus, Regional Biologist
- Iowa Association of County Conservation Boards: Dan Cohen, Director, Buchanan County Conservation Board
- Iowa Farm Bureau: Barbara Finch, Story County Farm Bureau
- Iowa Farmers Union: Marvin Shirley, Board Member
- The Nature Conservancy: Lola Lopes, Board Member
- Iowa Environmental Council: Rich Leopold, Executive Director
- Iowa Renewable Fuels Association: Owen Shunkwiler, Board Member
- Sierra Club of Iowa: Jane Clark, Vice Chair
- Izaak Walton League of Iowa: Pauline Novotny, Board Member
- State Conservation Districts of Iowa: Deb Ryun, Executive Director

# Members Named and Appointed by Legislature

- Director, Iowa DNR: Jeff Vonk—serves as Committee Chairperson (represented by Ken Herring, C&RD DA)
- 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)

# Report to Legislature

- What other states have done
- Conservation funding initiative agreed upon by the advisory committee
- The amount of revenue needed and what would be accomplished if implemented
- Analysis of Iowan's willingness to pay for identified conservation funding initiative

# Sustainable Funding for a Sustainable Environment and Economy

Land-health is the capacity for self-renewal in the soils, waters, plants, and animals that collectively comprise the land ... Some components of land can be conserved profitably, but others not. All are profitable to the community in the long run.

Aldo Leopold in his essay  
*"Conservation: In Whole or in Part?"*

# Rules of the Game

- Committee rules, timeline, charge, etc.
- Understanding of current situation – funding streams, current spending within agencies, and perceived needs
- Special reports and advice from Duane Sand of Iowa Natural Heritage Foundation



# What Other States Have Done

(thanks to Anthony Phillips of Drake University on behalf of Iowa Natural Heritage Foundation)

- Arkansas: Conservation sales tax & real estate transfer tax
- Colorado: Lottery proceeds protected by constitutional amendment
- Illinois: Real estate transfer tax
- Kansas: User fee increases
- Minnesota: Lottery proceeds protected by constitutional amendment, in-lieu-of-sales tax on lottery tickets, state tax check-off
- Missouri: Conservation sales tax and Parks and Soils sales tax
- Nebraska: Lottery proceeds, user fee increases
- South Dakota: No sustainable funding, only general appropriations
- Texas: Sporting goods sales tax

# Conservation Funding Principals

- User pays (can't pass off on other individuals or groups)
- State-wide appeal and political viability
- Ease of administration
- Leveraging adds power
- Must raise over \$5 million annually for consideration
- Must conform to all state and federal commerce regulations
- Must unite, rather than divide, committee organizations

# Conservation Funding Possibilities by Consensus of Committee to Poll

- Gaming/gambling revenues
- Sales tax increase
- Sales tax on lottery tickets
- Tax incentives/credits for conservation



# 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, drinking water tax reallocation, 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.

# Revenue Needed

- Opening bid for need was determined in neighborhood of 1 gazillion dollars
- Realistic paring down by subcommittee settled on \$110 million annually for 10 years
- Full committee consensus recommendation now at \$150 million for 10 years

# Recommended Mechanisms for Use of Natural Resources Funding

1. Resource Enhancement and Protection (REAP) = \$20 Million
2. Local Conservation Partnership Program (includes county conservation boards, cities, and NGO's) = \$20 Million
3. Watershed Improvement Review Board = \$20 Million
4. Lake Restoration = \$10 Million
5. Iowa Wildlife Action Plan, Iowa Forest Plan, Comprehensive Parks Needs Assessment, etc. (Iowa DNR) = \$35 Million
6. Soil Erosion Control, Conservation Reserve Enhancement Program, Livestock Assistance, Nutrient Education, etc. (Iowa Dept of Agriculture & Land Stewardship) = \$30 Million
7. Recreational Trails = \$15 million

# So what do we get?

- Parks and Trails
- Soil Conservation and Water Quality
- Fish, Wildlife, and Natural Areas



# lowan's willingness to pay

- Polling to determine maximum amount lowans would be willing to pay for policy changes, and reaction to different funding mechanisms (i.e. sales tax, lotto tax, gaming monies, bonding, etc.)
- Public polling firm retained

# Consensus Principles

- Funding must be performance-based and prove accountability of allocations
- This is “new” money to add to existing resources, not a replacement “shell game”
- We must create a common-ground, common-sense initiative
- We need to create an initiative that is “legislator-proof”

# What's Next?

- Assemble information & recommendations into draft report: December 10
- Committee reviews and edits draft for final report: December 15
- Final report completed and printed: January 5, 2007
- Final report to Legislature and Governor: January 10, 2007

Next Step????????????????????????????????????



# 2006 Legislative Reaction



# 2007 Legislature and Governor-elect Culver



"In the end our society will be defined not only by that we create but by what we refuse to destroy."  
John Sawhill



Sustainable Funding webpage on DNR website at:

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

Committee Support Staff:

Diane Ford-Shivvers, DNR

Doug Harr, DNR

Kim Rasler, DNR

Sharon Tahtinen, DNR

Peter Fritzell, DNR

Duane Sand, INHF

Deb Kozel, LSA

Angela Grover, INHF

Matt Hare, TNC



## **Conservation and Recreation Division**

**For Immediate Release**

**Nov. 3, 2006**

### **MEETINGS SCHEDULED AROUND IOWA TO DISCUSS SUSTAINABLE FUNDING FOR NATURAL RESOURCES**

DES MOINES — The public is invited to learn more about and comment on the possibility of sustainable funding for natural resources at a concurrent state-wide meeting to be held from 7 p.m. to 9 p.m. on Thursday, Nov. 9.

Public interest has resulted in meetings being added in four additional Iowa cities – Cedar Rapids, Dubuque, Creston and Centerville. In addition, the northwest Iowa meeting has been moved from Spencer to Spirit Lake and the Des Moines area meeting will now be held at Valley High School in West Des Moines. The meeting sites are listed below.

The meeting will be presented by the Sustainable Funding Committee which was created during the last Legislative session to study and, ultimately, make a recommendation to the General Assembly for creating a sustainable funding source for natural resources. The committee will be updating the public on its progress as well as receiving public input on the process.

Iowa's current funding for supporting, improving, and protecting its natural resources is slightly more than 1 percent of the total budget for the State of Iowa. The legislature contends this is not sufficient to maintain Iowa's natural resources nor provide the citizens of Iowa with quality service, and the amount is not guaranteed every year. Iowa has been one of the lowest funded states in the nation for natural resource funding.

This sustainable funding effort is to identify and pursue financial mechanisms that will help provide money specifically for programs that will support and enhance the quality of our natural resources. Many states in the Midwest have sustainable funding mechanisms in place and have seen great improvement in their natural resources and the public's access and use of them.

The committee is comprised of members from diverse Iowa organizations who are conscious of Iowa's natural resource needs and bring diverse knowledge and a broad perspective to the process. To date, after reviewing materials, hearing presentations, and deliberating, the committee is nearing the completion of its legislative charge. The

members have defined and categorized natural resources, for this task, into three groups: 1) fish, wildlife, natural areas, 2) soil and water, and 3) parks and trails. They have also identified a \$150 million need to help support the inadequate current funding these natural resources are allotted. Possible sustainable funding sources have been identified and are being researched as to their viability.

Because public input is an important part of this process, interested citizens are encouraged to review the progress the committee has made through the meeting summaries posted on the Sustainable Funding website at: <http://www.iowadnr.com/sustainablefunding/index.html>. Included on the website are minutes from the Oct. 11 committee meeting which provide the most recent discussions and decisions the committee has made.

In addition to attending the Nov. 9 meeting to submit their comments, the public is encouraged to provide comments and interest online, through Friday, Nov. 17, or by submitting comments and interest in writing to: Iowa DNR - Sustainable Funding, Attention: Kim Rasler, 502 East 9th Street, Des Moines, IA 50319-0034. A comment form can be found on the website or by contacting the Iowa DNR. Written comments will be included with postmarks up to Nov. 17.

The committee is also interested in hearing from citizens on their desire to support and promote sustainable funding for Iowa's natural resources. This can be indicated, on the public comments webpage or in writing, by answering the question: "Is sustainable funding for natural resources a concept you would volunteer to support and/or promote?"

All comments received will be presented to the Sustainable Funding Committee for review and consideration.

IA Natural Resources Sustainable Funding ICN Session Date: Thursday, Nov. 9, 2006:  
6:30 pm Doors open  
7:00 pm Session begins  
7:00 pm-7:30pm Committee Presentation  
7:30 pm-9:00pm Public Comments

BETTENDORF-AEA  
Mississippi Bend AEA9  
729 21st Street  
Bettendorf, IA 52722

BURLINGTON-HS  
Burlington High School  
421 Terrace Drive  
Burlington, IA 52601

CEDAR RAPIDS  
Prairie High School

401 76<sup>th</sup> Avenue Southwest  
Cedar Rapids, IA 52404

CENTERVILLE  
Centerville High School  
600 CHS Drive  
Centerville, IA 52544

COUNCIL BLUFFS-CC3  
Iowa Western Community College-3  
2700 College Road  
Council Bluffs, IA 51502

CRESTON  
Green Valley Area Education Agency  
1405 N. Lincoln  
Creston, IA 50801

DES MOINES AREA  
Valley High School  
3650 Woodland Ave.  
West Des Moines, IA 50266

DUBUQUE  
Dubuque Senior High School  
1800 Clarke Drive  
Dubuque, IA 52001

FORT DODGE-ST EDMOND-HS  
St. Edmond High School  
501 North 22nd Street  
Fort Dodge, IA 50501

IOWA CITY (NG)  
Iowa City National Guard Armory  
925 South Dubuque Street  
Iowa City, IA 52240

MASON CITY (NG)  
Mason City - National Guard Armory  
1160 19th Street SW  
Mason City, IA 50401  
641-423-9311

SIOUX CITY-AEA  
Northwest AEA12

1520 Morningside Avenue  
Sioux City, IA 51106  
ICN ROOM: Room 206

SPIRIT LAKE  
Spirit Lake High School  
2701 Hill Ave.  
Spirit Lake, IA 51360

WATERLOO-CC2 (CART) Hawkeye Community College  
1501 East Orange Road  
Waterloo, IA 50704  
ICN ROOM: Tama Hall, Room 109

**For more information, contact Doug Harr at (515) 281-4815.**