

SUSTAINABLE NATURAL RESOURCE FUNDING STUDY

(A requirement of HF 2797, Div. IV, Sec. 43)

PRELIMINARY REPORT

Prepared by

The Advisory Committee on Sustainable Natural Resource Funding

Edited by:

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E Resources Group

January 2007

EXECUTIVE SUMMARY

Iowa is blessed with some of the richest, most productive soils in the world. These rich soils and adequate rainfall have allowed Iowa to become a leader in corn, soybean, hog and other livestock production. Advancements in agriculture and growth of the human population have, by necessity, resulted in the conversion of most areas of native vegetation in Iowa to agricultural lands and urban landscapes and have resulted in environmental stresses, problems for wildlife, and a loss of natural areas.

In order to look at long-term funding for conservation, the Governor and Iowa Legislature required that a report be prepared to look at the problems of inadequate sustainable natural resource funding. This report has been prepared as directed in HF 2797; (Standing Appropriations Act); Div. IV; Sec. 43 passed by the General Assembly and signed by the Governor in 2006. An advisory committee was appointed by the Governor. The committee is made up of 18 individuals representing 18 different conservation agencies, organizations and the Iowa Legislature. The committee was required to submit a report to the Governor and the General Assembly by January 10, 2007. It was directed that the report contain a minimum of the following four items:

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

Surrounding states have used a variety of methods to fund natural resource conservation actions ranging from relying primarily on user fees to utilizing a dedicated portion of their general sales tax.

The committee defined which "natural resources" would be considered for purposes of this report. The list consists of three groups of natural resource categories including: **(1)** Fish, Wildlife and Natural Areas, **(2)** Soil and Water, and **(3)** Parks and Trails.

The funding options being recommended by the committee at this time include: **(a)** dedicating expanded gaming and gambling revenues from new and expanded casinos and retiring revenue bonds, **(b)** dedicating revenues from a fractional percentage increase in the state sales tax, **(c)** dedicating a portion of state lottery profits to conservation, **(d)** creating tax incentives and credits for conservation actions, and **(e)** utilizing bonding to insure long term funding stability.

The committee has estimated that a sustainable total of \$150.0 million per year is needed to begin to address Iowa's conservation needs. A discussion on how this total was determined and a suggested distribution of these funds is detailed in the report.

Public comments were received and Iowa's citizens' were polled to identify their concerns and willingness to pay for natural resource conservation actions.

BACKGROUND INFORMATION

Iowa is blessed with some of the richest, most productive soils in the world. These rich soils and adequate rainfall have allowed Iowa to become a leader in corn, soybean, hog and other livestock production. These advancements in agriculture and growth of the human population have, by necessity, resulted in the conversion of most areas of native vegetation in Iowa to agricultural lands, roads and urban landscapes and have resulted in environmental stresses, problems for wildlife, and a loss of natural areas.

Prior to European settlement (approximately 1833), Iowa was covered by a mixture of tall-grass prairie, savannas, deciduous forest and wetland-associated vegetation. Today, 99.9% of the prairie, 99.0% of the savannas, 95.0% of the wetlands and 57.0% of the woodlands have been converted to other uses.

A number of worthwhile attempts have been made to provide funding for natural resource protection and enhancement including the Resource Enhancement and Protection Fund (REAP), and the Environment First Fund. Unfortunately, these and other sources of funds have always been inadequate to sustain and protect natural resources and to increase natural open space in Iowa. Funding for natural resources has averaged less than one percent of the State's General Fund. Even this funding fluctuates from year to year and has no long-term guarantee of future availability.

As discussed later in this report, increased conservation efforts will provide multiple benefits. Soil conservation efforts will improve both surface water and groundwater quality in this State. Additional and improved natural areas including parks, wildlife areas and trails will provide open spaces for young and old alike to enjoy the Iowa outdoors. Improved quality of life and additional outdoor recreational opportunities will help slow the exodus of young Iowans to other states and should make Iowa more successful in attracting new residents.

To quote the November 6, 2006 Des Moines Register editorial, "Failing to commit to funding of natural resources hurts Iowa. It degrades the quality of life for those of us who live and boat and bike and hunt here. And it undermines attempts to attract people to vacation here and move here. A sustainable investment in the outdoors is a commitment to the future of Iowa."

In order to look at long-term funding for conservation, the Governor and Iowa Legislature has requested that a report be prepared to look at the problems of inadequate sustainable natural resource funding. This report has been prepared as directed in HF 2797; (Standing Appropriations Act); Div. IV; Sec. 43 passed by the General Assembly and signed by the Governor in 2006 (see Appendix 1). This Act requires the formation of an advisory committee to look at options that may be used to provide adequate, sustainable funding for natural resource related problems and needs in Iowa. The following report will identify potential sustainable natural resource funding options and will indicate what can be accomplished if adequate funding is available.

REPORT REQUIREMENTS AS OUTLINED IN HF 2797

Division IV; Section 43 of House File 2797 (Standing Appropriations Act) outlines the make up of the advisory group and lists required components of the final report. The Sustainable Natural Resource Funding Advisory Committee is made up of 18 individuals representing 18 different conservation agencies, organizations and the Iowa Legislature. Members were appointed by the Governor. The committee is chaired by the Director of the Department of Natural Resources (DNR). The DNR was also directed to provide staff to assist the advisory committee. The committee is made up of representatives from the following agencies and organizations:

| | | |
|--|--|-----------------------------|
| Conservation Districts of Iowa | IA Farm Bureau | IA Senate - Republican |
| IA Department of Natural Resources | IA House of Representatives - Democrat | Izaak Walton League of Iowa |
| Ducks Unlimited | IA House of Representatives - Republican | Pheasants Forever |
| Farmers Union | IA Natural Heritage Foundation | Secretary of Agriculture |
| IA Association of County Conservation Boards | IA Renewable Fuels Association | Sierra Club - Iowa Chapter |
| IA Environmental Council | IA Senate - Democrat | The Nature Conservancy |

REQUIRED REPORT COMPONENTS

House File 2797 requires that the appointed Sustainable Natural Resource Funding Advisory Committee submit a report to the Governor and the General Assembly by January 10, 2007. It was directed that the report contain a minimum of the following four items:

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

STUDY RESULTS

1. What Surrounding States Have Done

The following is a summary of what surrounding states and one other state of interest have done to fund natural resources within their borders.

ILLINOIS

-Dedicated 35.0% of Real Estate Transfer Tax to open space lands acquisition and development. Statutorily enacted in 1989. Raised \$38.0 million in FY 2005.

- Dedicated 15.0% of Real Estate Transfer Tax to natural areas acquisition. Statutorily enacted in 1989. Raised \$16.3 million in FY 2005.

MINNESOTA

- Nongame wildlife check-off on State tax forms. Statutorily enacted in 1980. Raises approximately \$1.0 million annually.
- Lottery proceeds for environmental and natural resource protection. Constitutionally protected funding enacted in 1988 and then renewed in 1998 through 2024. Raised \$28.0 million in FY 2005.
- Imposed 6.5% in-lieu-of-sales tax on lottery tickets. Approximately one third to the Game and Fish Fund, one third to parks and trails and the remainder to the General Fund. Raised approximately \$24.0 million in FY 2004.

MISSOURI

- A 1/8th percent sales tax for the Department of Conservation. Passed in 1976 and constitutionally protected. Reauthorized by a vote of the people in 2005. Missouri Constitution, Article IV, EXECUTIVE DEPARTMENT, Section 43(a). Raised \$93.0 million in FY 2004.
- A 1/10th percent sales tax to support soil and water conservation and for State parks. A constitutional amendment first passed in 1984. It has been reauthorized by the people of Missouri twice since then, most recently in 2006 with a 70% approval. Missouri Constitution, Article IV, EXECUTIVE DEPARTMENT, Section 47(a). Raised \$75.0 million in FY 2004.

NEBRASKA

- Nebraska Resources Development Fund created in 1974 to assist with the development and wise use of water and land resources. General Fund appropriation of \$3.6 million in 2004.
- Nebraska Environmental Trust Fund created in 1992. Allocated 44.5% of lottery proceeds to conserving, enhancing and restoring the natural and physical biological environment of Nebraska. Raised \$10.0 million in FY 2005.
- User fees accounted for nearly 50.0% or \$28.0 million of the Nebraska Game & Parks Commission budget.

SOUTH DAKOTA

- Natural resource protection funded primarily from user fees (hunting and fishing licenses), and federal aid with a relatively small amount coming from the State's General Fund.

WISCONSIN

- Fish and wildlife funding primarily user fee based (hunting and fishing licenses). Of the \$120.0 million FY 2004-05 total, 57.0% was license fees, 17.0% was federal aid, 15.0% was from bonds issued to acquire hunting and fishing land, 7.0% was from the State's General Fund and the remaining 4.0% from miscellaneous funding sources. In addition to this funding source, Wisconsin has the Warren Knowles-Gaylord Nelson Stewardship Fund that provides outdoor recreation opportunities and helps protect critical natural areas. This Fund also provides matching grants to local governments and nonprofit organizations to acquire conservation land. The Stewardship Fund is currently funded at \$60.0 million annually and will expire in 2010 if not reauthorized by the Legislature.

ARKANSAS

-A 1/8% sales tax split four ways; 45.0% to Arkansas Game and Fish Commission, 45.0% to Department of Parks & Tourism, 9.0% to Department of Arkansas Heritage and 1.0% to Keep Arkansas Beautiful. Constitutional amendment passed in 1996. Raised approximately \$24.0 million in FY 2004.

- Real estate transfer tax. Approximately 80.0% of the funds go to the Natural and Cultural Resources Council for acquisition and preservation of state owned lands and historic sites. Raises approximately \$12.0 million annually.

2. Conservation Funding Initiative (Funding Sources)

The Sustainable Natural Resource Funding Committee considered a broad range of options for sources of sustainable natural resource funding. To help narrow the list of possible funding sources, the committee first defined which "natural resources" would be considered for purposes of this report. The final list consists of three groups of natural resource categories including:

- (1)** Fish, Wildlife and Natural Areas
- (2)** Soil and Water
- (3)** Parks and Trails.

Additional parameters were set for the consideration of funding sources. The committee determined that any funding sources to be considered should fall within a set of common sense guidelines. They include:

1. Stakeholder pays funding sources are most desirable. The burden of funding conservation efforts should be a responsibility of all Iowans.
2. The funding source should have statewide appeal and be politically viable.
3. The source of funds should be easy to administer without the need to establish significant additional administrative staff.
4. New funds should be leveraged to increase their effectiveness.
5. Each new revenue source must raise over \$5 million annually to be considered by the committee.
6. The new funding source must conform to all state and federal commerce regulations.
7. The funding source should be "new money" and not just a replacement of existing resources.
8. The funding source should be stable and protected.
9. The new funding must unite, rather than divide, conservation agencies and organizations.

Recommended Options for Sustainable Natural Resource Funding

The committee is recommending five possible options for sources of sustainable natural resource funding. These are considered to be the most viable options and meet the parameters listed above. It should be noted that no one funding mechanism may adequately fund the annual conservation funding needs listed in the table below. If

these funding vehicles prove not to be viable options in the near or long term, other options taken from the list below or new options not previously considered may need to be evaluated. The committee also recognizes that no funding mechanism can be guaranteed as being sustainable. Therefore, a variety of funding mechanisms should be initiated in order to help maintain an adequate funding level for conservation. The funding options being recommended by the committee at this time include:

Recommended Funding Options

| | |
|---|--|
| 1 | Gaming/gambling revenues |
| 2 | Sales tax increase, that is constitutionally protected |
| 3 | Lottery profits (A dedicated portion of the state lottery profits) |
| 4 | Tax incentives/credits for conservation |
| 5 | Bonding |

Further explanation of these recommended sustainable natural resource funding options is necessary.

(1) Gaming/Gambling Revenues

This proposal would capture revenues generated by additional casino capacities and retiring bonds. It is anticipated that additional revenues will become available as casinos expand and new casinos are opened. As existing obligation bonds are paid off, these funds could be dedicated to conservation practices or additional bonding for natural resource conservation actions.

(2) Sales Tax Increase

A fractional percentage sales tax increase with the funds dedicated to conservation. For example, a 3/8% increase would fully fund the \$150.0 million annual funding need listed by the committee. A sales tax increase would require a constitutional amendment to truly protect the funds.

(3) Lottery Profits

Dedicating a portion of state lottery profits would help ensure sustainable partial funding for conservation efforts. (\$336.0 million revenue in FY 2006 reported by Iowa Lottery).

(4) Tax Incentives/Credits for Conservation

This would not be a direct funding source, but would provide conservation benefits for natural resources by allowing private landowners to apply for tax credits when providing conservation benefits on their land for wildlife, soil and water conservation and public access, when taking out conservation easements, or when selling their land at below market value to public or private conservation agencies and organizations for public benefits. These "conservation benefits" would be stable and sustainable since they would not require annual appropriations by the legislature. These incentives could provide \$38.0 million in benefits to natural resources annually. This funding option would benefit a variety of conservation actions, but other funding option would be required to ensure that all conservation needs are fully funded.

Bonding

Bonding is not as much a funding source as it is a means of making an initial investment stable over a long period of time. In addition, bonding would make more funds available immediately to take advantage of federal cost share dollars that are available now but for which there are presently inadequate state matching funds. The increased dollars could also be used now for a variety of purposes including public land acquisitions or easements to get ahead of the double-digit rate of inflation currently being exhibited by land sales. There are also immediate needs for trails and park improvements, and for other delayed maintenance items that will be more expensive in the future. Funding sources for these bonds could include the General Fund through general obligation bonds, from gambling revenues, or from the \$20.0 million in Iowa Communications Network (ICN) bonds that will be freed up in 2007.

The committee also determined that a small number of funding options should be recommended so as not to dilute future efforts. A large number of funding possibilities were discussed by the committee and ultimately rejected for a variety of reasons. Some of these funding options require further study and may be viable as future or supplemental funding sources. Those funding options that were considered by the committee but are not being recommended for additional action at this time are listed below.

Other Recommendations

The Environment First Funding should be moved to a higher priority location in the wagering tax allocation formula. The Environment First Fund should be doubled to \$70.0 million annually.

Newly generated funds should be dedicated to help insure that the funds are used for their intended conservation purpose, and to insure the long-term sustainability of these funds.

Emphasis must be placed on raising public awareness of conservation funding needs.

Other Funding Options Considered by the Committee Requiring Further Study

| | |
|----|---|
| 1 | Dedication of a portion of the existing sales tax. |
| 2 | Reallocation of existing infrastructure funds. |
| 3 | Establishing a dedicated real estate transfer tax. |
| 4 | Establishing a bio-fuels severance tax. |
| 5 | Placing a tax on large volume water users. |
| 6 | Expanded use of underground storage tank remediation funds. |
| 7 | Additional gasoline tax. |
| 8 | Placing a state excise tax on outdoor recreation equipment. |
| 9 | Park user fee. |
| 10 | Expanding the bottle bill to include bottled water and other containers. |
| 11 | Reallocation of the drinking water tax. |
| 12 | Various taxes on those who adversely affect the environment. |
| 13 | Placing a tax on out-of-state water users. |
| 14 | Placing a severance tax on products exported from Iowa that require extensive water use for production. |
| 15 | Severance tax on all energy producers. |
| 16 | Importation fee of fossil fuels. |
| 17 | Taxing storm water runoff sources that adversely impact the environment. |
| 18 | Reallocation of recreational vehicle registration fees. |

3. Revenue Needs and Accomplishments

The committee has conservatively estimated that a sustainable total of \$150.0 million per year is needed to begin to address natural resource conservation needs in Iowa. A discussion on how this total was determined and a suggested distribution of these funds is included in the table below.

Annual Additional Funding Needs by Agency or Category.

| |
|--|
| <u>REAP (Resource Enhancement and Protection)</u> |
| REAP DISCUSSION |
| - REAP funds are lacking. County applications not funded 5:1 ratio and city applications are not funded at a 3:1 ratio. - REAP's current \$11.0 million per year is not secure and not sustainable. |
| RECOMMENDATION FOR REAP |
| - Fund at authorized level of \$20.0 million. |

| |
|---|
| <u>LCPP (Local Conservation Partnership Program)</u> |
| LCPP DISCUSSION |
| -Funding should go towards county conservation boards, cities and non-government organizations (NGO's). NGO's should be included at a \$5.0 million level. -Fund local conservation education and outreach, infrastructure and land mgmt. |
| RECOMMENDATION FOR LCPP |
| - Fund at \$20.0 million. |
| <u>WATERSHED PROJECTS)</u> |
| WATERSHED PROJECT DISCUSSION |
| -Funding for watershed projects is inadequate. Annual requests by project applicants total twice the available funding. Increased emphasis on the watershed approach to solving environmental problems will further increase demand. |
| RECOMMENDATION FOR WATERSHEDS |
| - Fund at \$20.0 million. |
| <u>LAKE RESTORATION</u> |
| LAKE RESTORATION DISCUSSION |
| - Lake restoration identifies needs in the lake and the watershed is taken care of outside of the lake restoration vehicle/funds. |
| RECOMMENDATION FOR LAKE RESTORATION |
| - Fund at \$10.0 million. |
| <u>IA DNR (IA Department of Natural Resources)</u> |
| IA DNR DISCUSSION |
| - More funds than currently available are needed for State preserves, the wildlife diversity program, State parks, public access and trail improvements within parks. |
| RECOMMENDATION FOR IA DNR |
| - Fund at \$35.0 million. |
| <u>IDALS (IA Department of Agriculture and Land Stewardship)</u> |
| IDALS DISCUSSION |
| - Funds are inadequate for IDALS incentives programs that assist landowners and soil and water conservation districts. Program demand for cost-share and watershed projects exceeds available funds by a 2:1 ratio. Other programs leverage additional federal funds. Funding should include \$5.0 million specifically intended for helping livestock producers meet environmental performance requirements. |
| RECOMMENDATION FOR IDALS |
| - Fund at \$30.0 million. |

| |
|--|
| <u>TRAILS</u> |
| TRAILS DISCUSSION |
| Additional trails funding will permit the leveraging of additional funding from federal resources. Trails funding should be directed at both maintenance of existing trails and the addition of new trails, marketing and trail linkages. |
| RECOMMENDATION FOR TRAILS |
| - Fund at \$15.0 million. |
| TOTAL of All Recommendations: \$150.0 million/year |

Accomplishments

The discussion below includes a listing by conservation category of what could be accomplished if the recommended level of sustainable funding for conservation is reached.

| Natural Resource Category | Action | Possible Funding Vehicles |
|-------------------------------|---|--|
| PARKS AND TRAILS | | |
| Parks | - improve state, county, city park infrastructure | REAP LCPP Lake Restoration IA DNR Trails |
| | - 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 lowan a place to go for outdoor recreation within one half hour of their home | |
| Trails | - create a trail system that will serve the recreational diversity of lowans and attract visitors and tourists. | REAP LCPP IA DNR Trails |
| SOIL AND WATER | | |
| Soil (conservation practices) | - terraces | WIRB Lake Restoration IDALS REAP LCPP IA DNR |
| | - waterway buffers | |
| | - wetlands | |
| | - grade stabilization structures (ie ponds) | |
| | - advocate sustainable farming practices - conservation tillage - demonstrate innovative methods (soil saving techniques, nutrient management) | |
| Water (quality) | - apply strategies to targeted watershed efforts | REAP WIRB |
| | - reduce sediment | |

| | | |
|--|---|--|
| | <ul style="list-style-type: none"> - create/build federal, state, and local partnerships - help communities problem solve water issues - provide incentives to implement quality improvement programs and efforts | <p>Lake Restoration IDALS IA DNR LCPP</p> |
| FISH, WILDLIFE, NATURAL AREAS | | |
| Fish, Wildlife, Natural Areas | - protect and improve the status of Iowa's wildlife diversity | <p>REAP LCPP WIRB Lake Restoration IA DNR IDALS Trails</p> |
| | - provide safe habitat for endangered species in Iowa | |
| | - make Iowa's lakes and streams great places to recreate | |
| | - provide places for people to see wildlife (ie improve wildlife viewing opportunities) | |
| | - increase opportunities to enjoy Iowa's outdoors | |
| | - preserve and protect Iowa's high quality natural heritage | |
| | - insure that all Iowans will have access to natural areas – rural and urban | |
| | - create and protect access to natural areas | |
| | - improve hunting and fishing opportunities and access in Iowa – rural and urban | |
| | - protect, restore and manage prairies, forests, savannas, wetlands, and preserves | |
| | - provide assistance to landowners to establish/manage the prairie and forestry base | |
| | - provide adequate monitoring and management of Iowa's natural resources | |
| | - provide proactive options and quality management against invasive species | |
| ALL 3 CATEGORIES: PARKS/TRAILS, SOIL/WATER, FISH/WILDLIFE/NATURAL AREAS | | |
| Parks/Trails Soil/Water Fish/Wildlife/ Natural Areas | <ul style="list-style-type: none"> - 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 | <p>REAP LCPP IA DNR IDALS</p> |

4. Analysis of Iowa's Citizens' Willingness to Pay

A number of sources of information have been used by the committee to determine and gauge what natural resource are the most important to Iowa's citizens, as well as their willingness to pay for the protection and improvement of these natural resources. One source used includes the results of 2006 telephone survey of Iowa residents.

2006 Telephone Survey of Iowa Residents

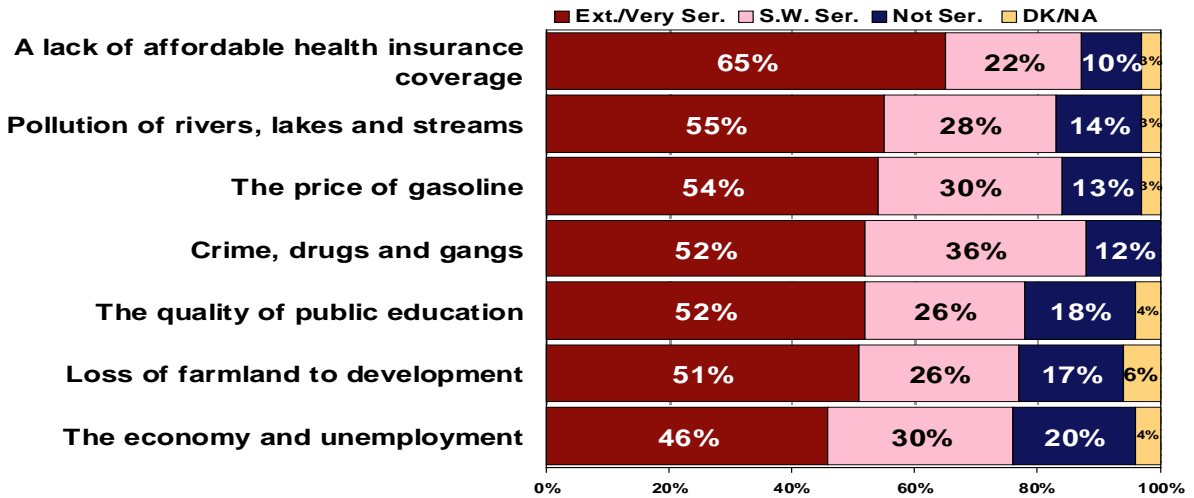
The Sustainable Funding Committee contracted with the firm of Fairbank, Maslin, Maullin and Associates to conduct a telephone survey to assess Iowa's citizens' willingness to pay for specific recommendations being forwarded by this committee, as well as to document Iowans' environmental concerns. The telephone survey of 800 adult residents of Iowa was conducted from November 27-30, 2006. The results show:

- 1.** Residents are generally pleased about conditions in Iowa, and no single issue presents a dominant statewide concern;
- 2.** Issues related to water quality, including agricultural runoff, are among Iowans' top environmental concerns;
- 3.** Iowans share strong beliefs that protecting the environment is a shared responsibility and benefits the economy;
- 4.** A total of 77% of Iowa residents support dedicating additional public funds to protect Iowa's land, water, and wildlife, and most are willing to pay \$10 - \$25 in additional taxes each year for that purpose;
- 5.** However, the only specific funding sources that received majority support at this time involve dedicating revenue from new gaming sources. Iowans are resistant to most proposals to create specific new revenue sources, especially a sales tax increase.
- 6.** The idea of a conservation tax credit is strongly supported.

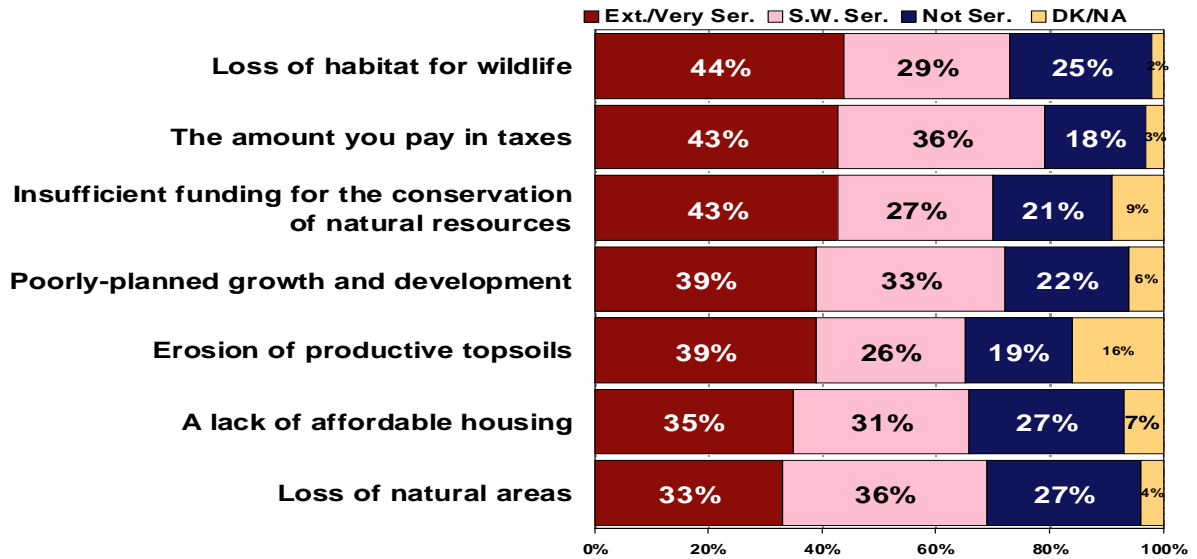
The complete telephone survey report is on file in the offices of the Iowa DNR. The survey responses to some of the most relevant questions for the purposes of this report are shown in the figures below.

When read a list of issues, respondents were asked how serious a problem each one is in Iowa.

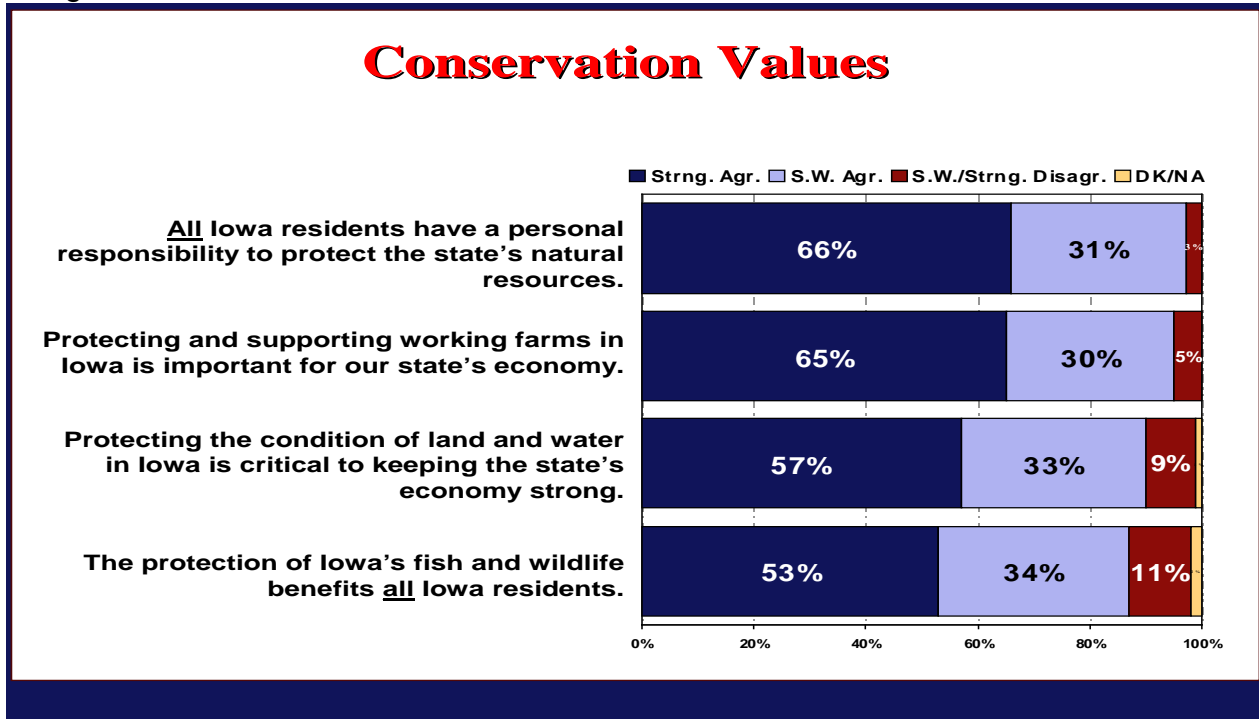
Top Concerns of Iowan's



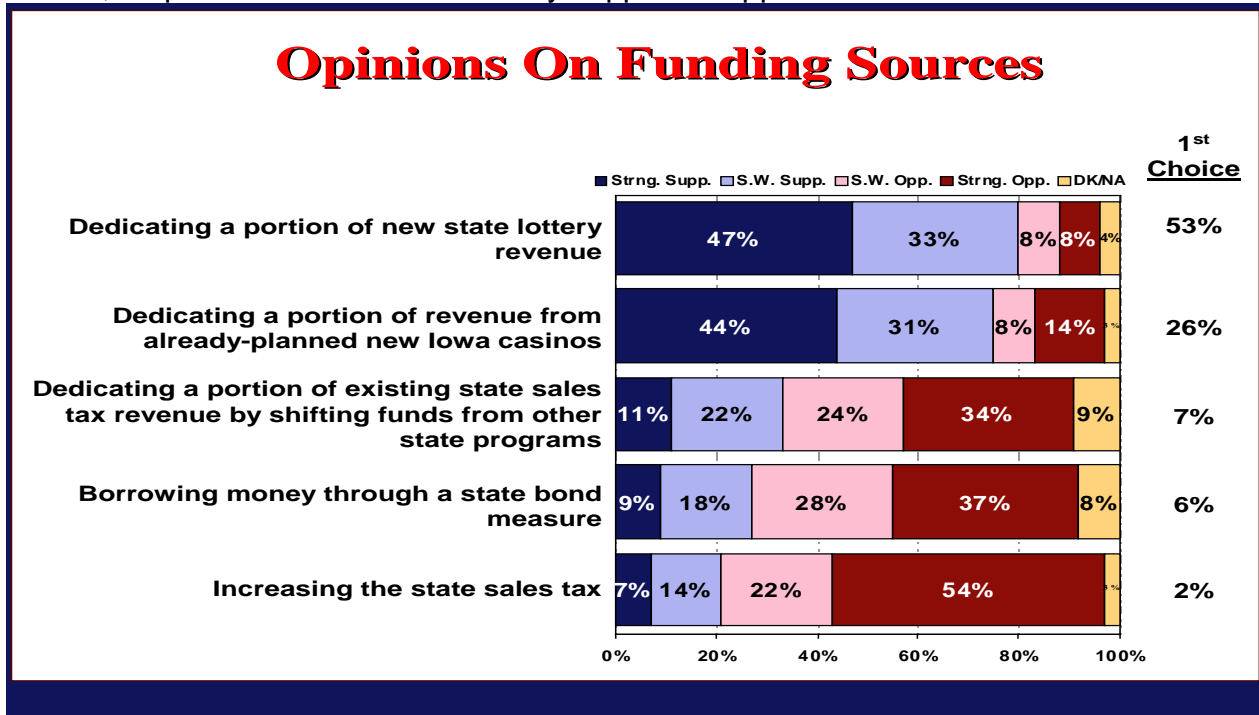
Top Concerns of Iowan's -Continued



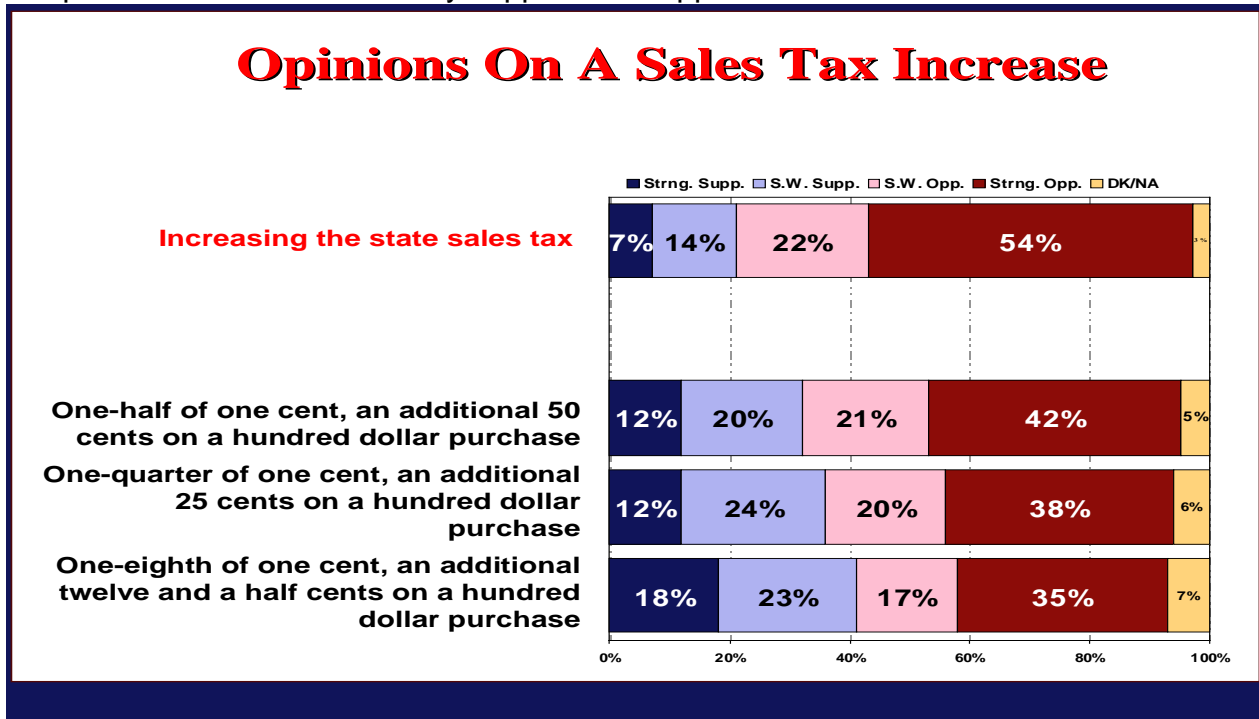
When read statements about Iowa, respondents were asked if they generally agreed or disagreed with each.



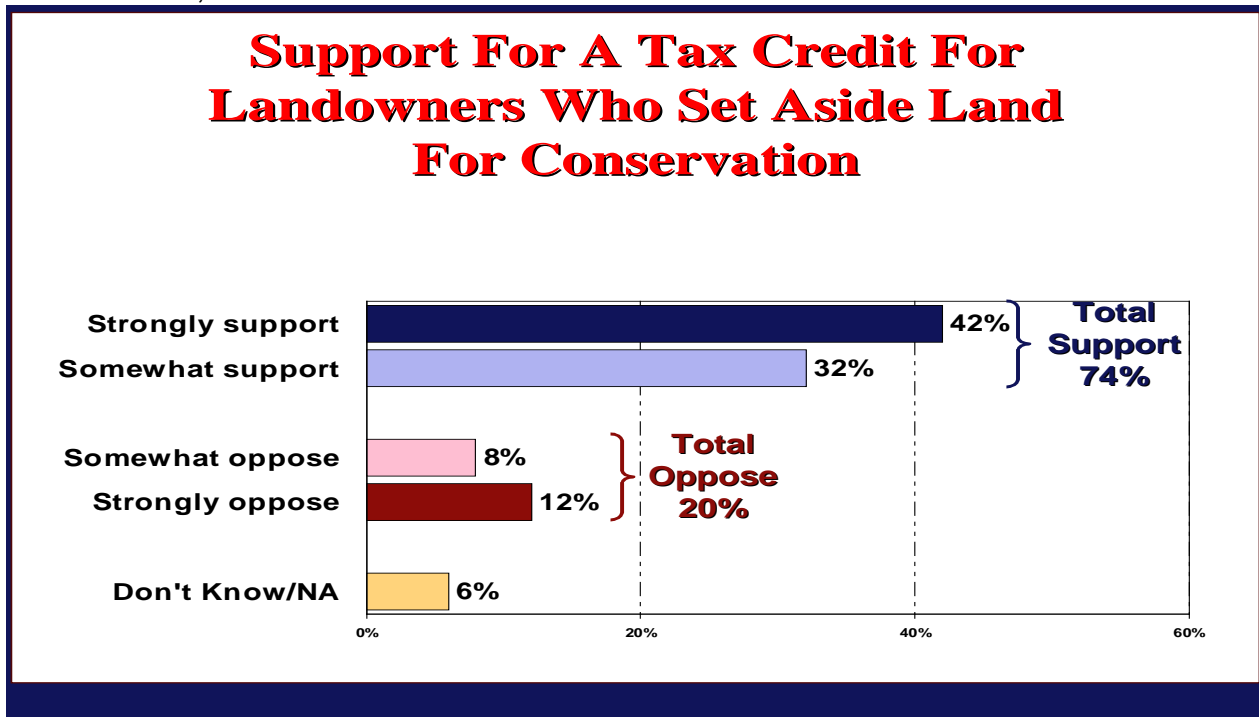
When read a list of possible funding sources for programs to protect land, water and wildlife, respondents were asked if they support or oppose each.



Respondents were asked if they supported or opposed a sales tax increase.



Respondents were asked if they would support or oppose offering state tax credits to private landowners who permanently set aside lands to prevent erosion and protect Iowa streams, lakes and wildlife.



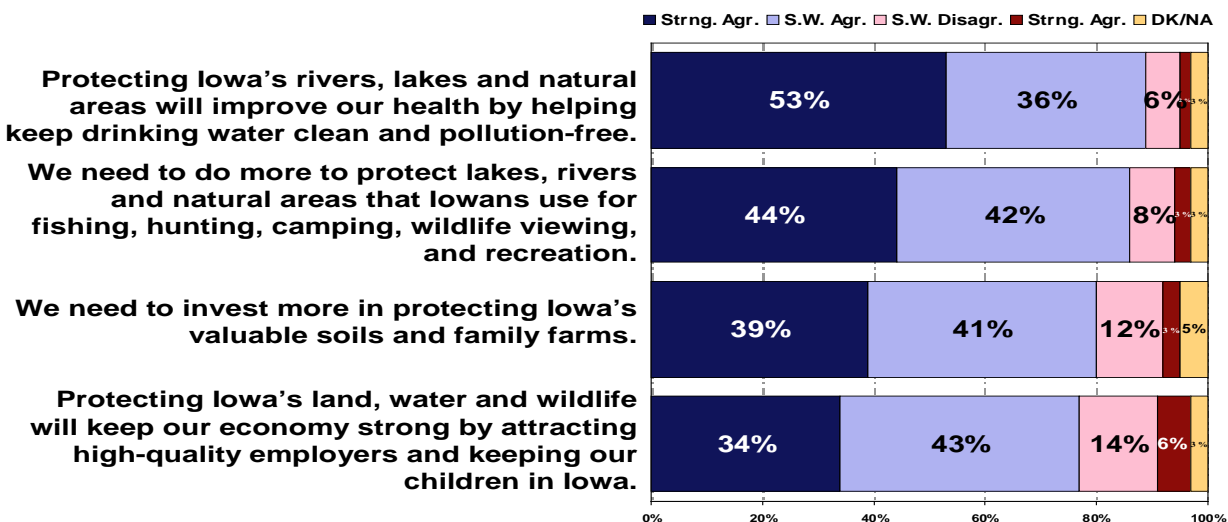
When read a list of projects that might be carried out if additional funding were available for conservation in Iowa, respondents were asked how important each project is to them. Responses included "extremely important, very important, somewhat important, and not important".

Importance of Funding Conservation Projects

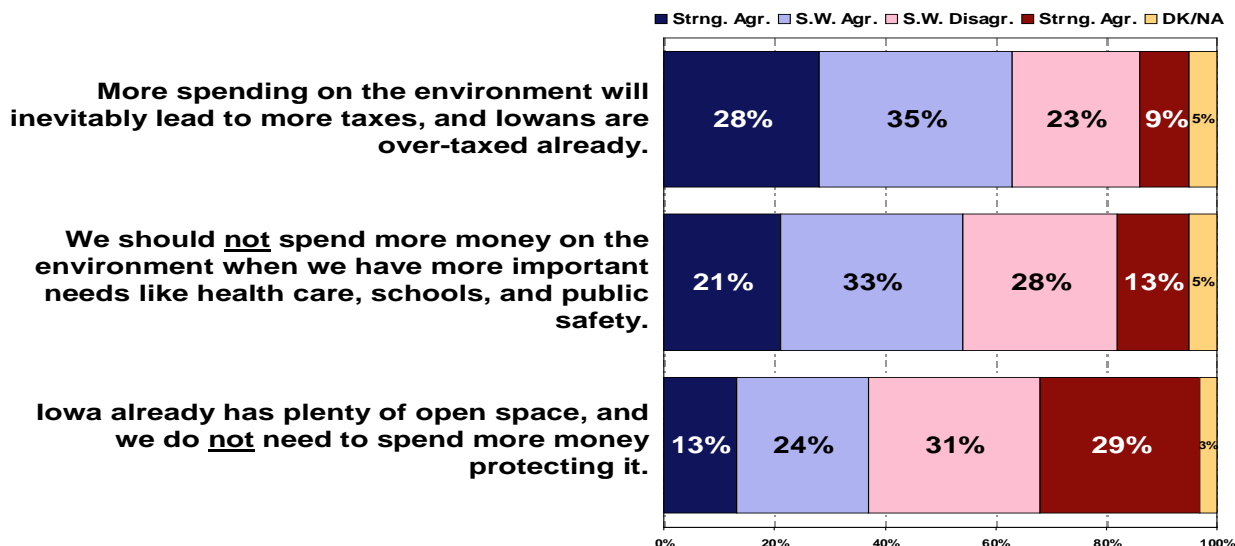
| Project | TOTAL EXT./ VERY | Ext. Imp. | Very Imp. | SW Imp. | Not Imp. |
|---|------------------|-----------|-----------|---------|----------|
| Protecting water quality in rivers and streams | 82% | 46% | 36% | 15% | 2% |
| Protecting sources of drinking water | 81% | 47% | 33% | 14% | 4% |
| Protecting Iowa's soils | 76% | 36% | 40% | 19% | 4% |
| Preserving natural areas | 71% | 30% | 41% | 24% | 3% |
| Managing and protecting endangered and threatened species | 66% | 31% | 35% | 26% | 8% |
| Preserving working farmland | 64% | 31% | 33% | 24% | 7% |
| Protecting fish and wildlife habitat | 63% | 30% | 33% | 27% | 6% |
| Protecting forests | 60% | 28% | 33% | 32% | 6% |
| Providing quality environmental and conservation education opportunities for the public | 58% | 22% | 36% | 34% | 7% |
| Repairing, improving and/or expanding state and county parks | 55% | 18% | 36% | 33% | 10% |
| Conserving and/or restoring prairies and grasslands | 50% | 21% | 29% | 33% | 14% |
| Improving access for hunting and fishing | 45% | 20% | 26% | 35% | 19% |
| Providing grants to local governments and non-profits to preserve natural areas | 45% | 19% | 26% | 43% | 9% |
| Improving and expanding trails for hiking, biking, walking and horseback riding | 43% | 17% | 26% | 39% | 17% |
| Adding new public lands for outdoor recreation, fishing, and hunting | 41% | 14% | 27% | 34% | 21% |
| Improving and expanding off road vehicle trails | 24% | 6% | 18% | 25% | 46% |

When read a list of statements about protecting Iowa's land, water and wildlife, respondents were asked if they agreed or disagreed with each.

Opinions On Protecting The Environment



Opinions On Protecting The Environment - Continued



Other Sources

The 2001 Iowa Statewide Comprehensive Outdoor Recreation Plan (SCORP) prepared by the Iowa DNR provides some helpful information on outdoor recreational use in Iowa.

A Recreational Activities and Environmental Opinions Telephone Survey completed by 1,202 Iowans showed that over 21% of those surveyed reported that their outdoor recreational activities were inhibited by limited or unsuitable recreational areas or facilities in Iowa. Natural areas were very important to quality of life according to 67% of the respondents. Increased state and local government funding for the purpose of buying privately held natural areas was supported by a majority of the respondents. It is very important according to 75% of the respondents to spend more money to protect and manage Iowa's rivers and streams, lakes and shores and wildlife habitats. There was overwhelming support (92.5%) for applying more lottery money to manage and protect Iowa's natural resources.

A survey of Clear Lake residents and visitors indicated that residents and visitors alike were highly concerned with Clear Lake water quality, particularly bacterial contamination and water clarity. They indicated a high willingness to pay to avoid further lake deterioration including improvements for a significant quality improvement to the conditions of the lake.

Public Comments Received

Public comments were received specifically for this report. These comments were in response to news releases sent out by the DNR concerning the preparation of this report. Other comments were in response to a National Public Radio program that discussed the sustainable funding for conservation effort.

Solicited comments were also received as a result of a request for comments on sustainable funding for conservation that appeared on the DNR web site, as well as verbal and written comments received through a statewide Iowa Communications Network (ICN) meeting. The ICN meeting was held on November 9, 2006 at 14 sites around the State. It was attended by approximately 267 people. A total of 213 public comments were received including 106 submitted through e-mail or through the DNR's web site, 20 mailed in comments, and 87 written comments from the ICN meeting.

Nearly every comment expressed general support for increased and sustainable funding for conservation. The public comments form shown on the DNR's web site and the comments form handed out at the ICN meeting asked the respondents the following question: "Is sustainable funding for natural resources a concept you would volunteer to support and/or promote?" Of those responding to this question, 179 answered yes, 13 answered possibly and 5 answered no. This is a good indication on the level of support that can be expected from those taking the time to submit comments on sustainable funding for conservation.

Although a broad diversity of comments was received, several ideas appeared frequently.

1. There is a general concern about the lack of adequate spending on conservation in this State. Specifically mentioned was the need for increased spending on our

parks and trails, and for the protection of our natural areas and endangered species.

2. The benefit of a healthy environment to our economy was often mentioned.
3. Support for a sales tax increase dedicated to conservation was frequently mentioned, which is somewhat contrary to the results of the telephone survey of Iowa residents that is discussed below.

A summary of these comments is on file in the offices of the Department of Natural Resources.

THE NEXT STEPS

The Sustainable Natural Resource Funding Advisory Committee does not feel that their work is done. This report is being submitted by the required date listed in HF 2797 but it is considered a preliminary report and is only the first step in insuring truly sustainable and adequate funding for conservation in Iowa. It is felt that any recommendations put forth by this committee need to receive input from the current legislature and newly elected governor. There are undoubtedly other interests looking at some of the funding sources being considered by this committee, as well as other conservation interests that may seek to introduce legislation in the next legislative session. This input needs to be considered in any final recommendations and should take the form of a final report from the Sustainable Natural Resource Funding Advisory Committee. In order for further committee work to be sanctioned by both the legislature and by the agencies and organizations represented on the committee we are asking that the committee's work be reauthorized through a joint House Senate resolution. A final report could then be compiled and submitted in the near future.

Committee members and organizations have invested considerable time and expense in the preparation of this report. A number of organizations have also been able to provide financial support for this important effort, but there were unbudgeted financial costs to the DNR for this work. The committee requests that plan preparation costs for printing, survey and other contract work, and meeting expenses in the amount of \$40,000 be reimbursed to the DNR.

The Sustainable Natural Resource Funding Committee remains dedicated to this effort and offers their assistance in refining these recommendations and in assisting in future actions to accomplish the conservation and funding goals set forth in this report.

Educating the citizens of Iowa on environmental needs and funding options will be a necessary next step following final report submission. Public understanding and support is critical if any significant gains are to be made in the sustainable funding of natural resources in this State. Additional actions will be needed by the Governor and General Assembly in order to further the implementation of recommended actions contained within this report.

APPENDIX 1. HF 2797

House File 2797 Division IV; Section 43 SUSTAINABLE NATURAL RESOURCE FUNDING STUDY

1 There is established a sustainable natural resource funding advisory committee for the purpose of studying how to provide a sustainable source or sources of funding for natural resources needs in Iowa. The department of natural resources shall provide staffing for the advisory committee. The following shall be members of the advisory committee:

a. One representative from the following organizations or entities to be appointed by the governor:

- (1) Secretary of agriculture.
- (2) Iowa natural heritage foundation.
- (3) Ducks unlimited.
- (4) Pheasants forever.
- (5) Iowa association of county conservation boards.
- (6) Iowa farm bureau.
- (7) Farmers union.
- (8) The nature conservancy.
- (9) Iowa environmental council.
- (10) Iowa renewable fuels association.
- (11) Sierra club of Iowa. [Amended addition in last bill of session]
- (12) Izaak Walton league of Iowa. [Amended addition in last bill of session]
- (13) State conservation districts of Iowa.[Amended addition in last bill of session]

b. The director of the department of natural resources, who shall be the chairperson of the advisory committee.

c. Two members of the senate, one of which is appointed by the majority leader and one of which is appointed by the minority leader.

d. Two members of the house of representatives, one of which is appointed by the majority leader and one of which is appointed by the minority leader.

2. The advisory committee shall submit a report to the governor and the general assembly by January 10, 2007. The report shall contain but is not limited to the following:

a. Information on what surrounding states have done to provide sustainable funding for natural resource conservation.

b. Outline of a conservation funding initiative agreed upon by the advisory committee.

c. Outline of the amount of revenue needed and what would be accomplished if the conservation funding initiative is implemented.

d. Analysis of Iowa's citizens' willingness to pay for identified conservation funding initiative.