



## COMMITTEE ON RESOURCES DEMOCRATS

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# **The Land and Water Conservation Fund**

## **I Background**

Created in 1964, The Land and Water Conservation Fund (LWCF) is the principal source of federal monies to acquire public land. By law, the LWCF is authorized at \$900 million annually through FY2015. The Fund accrues revenues from a portion of the federal motorboat fuel tax and surplus property sales. However, the major source of revenue for the fund comes from oil and gas leases on the Outer Continental Shelf (OCS). Over the past decade, the OCS revenues have accounted for more than 90% of the deposits each year. Congress must appropriate the revenues accumulated in the fund; any unappropriated funds are available for future appropriations.

Four federal agencies – The National Park Service (NPS), Bureau of Land Management (BLM), Fish and Wildlife Service (FWS) and the Forest Service (FS) receive money from the LWCF each year for land acquisition. The LWCF also funds a grants program, administered by the NPS, to assist states in acquiring recreational lands and developing facilities. In addition to these two main purposes, the Bush

Administration has requested, and Congress has appropriated, money from the LWCF for other purposes.

## **II The Importance of Federal land acquisition**

Federal acquisition of lands within conservation areas allows federal agencies to address immediate environmental threats and to restore lands of natural and cultural significance. Often intense development pressures surrounding protected areas such as, National Parks or Wildlife Refuges, threaten wildlife species and communities. If the Bush Administration continues to give land acquisition low priority, our natural landscapes may be irrevocably damaged or lost. Wide open spaces – along with the species, plant life, scenery, and artifacts they enclose are part of the American identity and must be protected for future generations.

## **III Funds Appropriated for Land Acquisition and the Stateside Program**

### What the Bush Administration promised

In 2001 when the current Administration came into office, President Bush proposed to “fully fund” the LWCF. This is what he had to say at Oak Mountain State Park in Birmingham, AL:

...the federal government has been falling short on its commitment to this fund, and many states have been denied money that was promised to its citizens. And that's not fair, and under the budget I have submitted to the United State Congress, that practice will stop. In outlining my budget priorities this year, I proposed fully funding the Land and Water Conservation Fund: \$900 million will fully fund the fund. It's the highest request in the fund's history, and half of the money will go to the states, just like the authors of the law intended.<sup>1</sup>

As will be shown below, the LWCF has become little more than an accounting artifice under the Bush Administration and by FY2006 the Administration was forced to abandoned its pretext of claiming to "fully fund" the LWCF.

#### What the Bush Administration has delivered

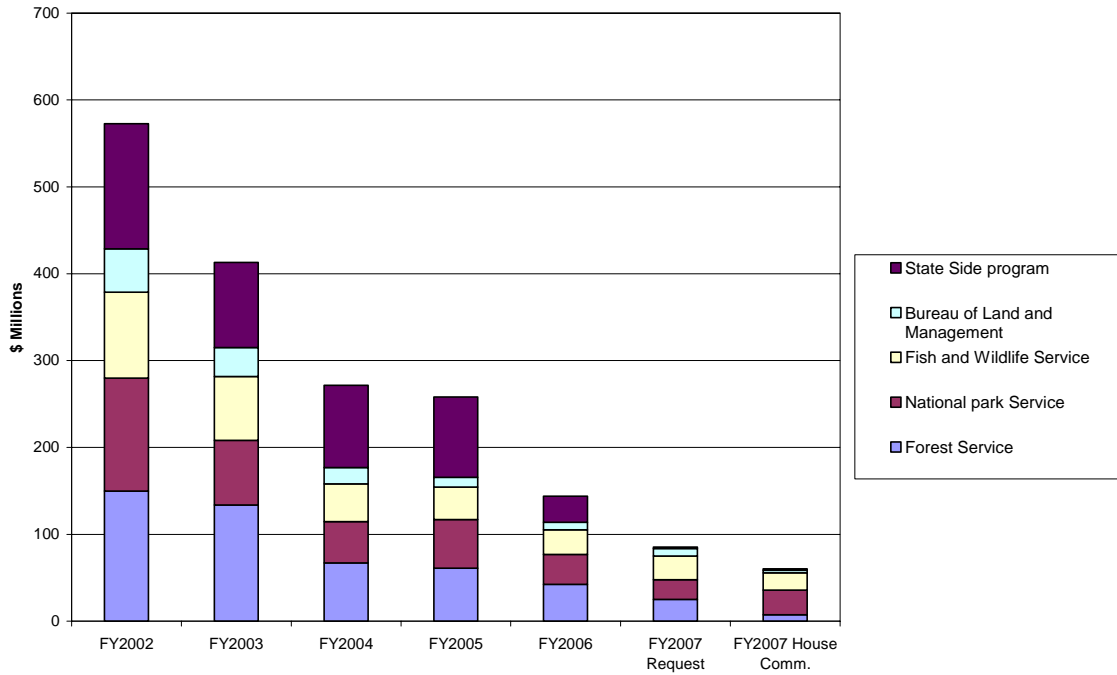
Through FY2006, the total authorized amount that could have been appropriated from the LWCF since it was established was \$29 billion. Actual appropriations have totaled \$14.3 billion. The following graph outlines appropriations for federal land acquisition and state grants under the Bush Administration.

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<sup>1</sup> See Remarks by the President on Land and Water Conservation Fund (June 2001)  
<http://www.whitehouse.gov/news/releases/2001/06/20010621-3.html> accessed May 30 2006.

**Graph 1**  
**LWCF Appropriations for Land Acquisition and State Grants,**  
**FY2002-FY2007**  
(in millions of  
dollars)

LWCF Appropriations for Federal Land Acquisition and the State Side Program, FY2002-FY2007



**Sources:** Data from FY2002 – FY2006 Public Laws.

**Note:** Appropriations for purposes other than land acquisition are not included in the table

The level of funding appropriated for federal land acquisition and state grants has steadily declined since the beginning of the Bush Administration. The large reductions that have occurred since FY2002 are comparable to those that were seen in the mid 1990s

when Republicans took control of Congress. Given that unappropriated LWCF funds remain in the Treasury and are used on other federal activities, other national priorities tied mostly to the war on terror have taken precedence over land acquisition.<sup>2</sup>

Furthermore, as noted above, the current Administration has increasingly sought to appropriate funds for other programs outside of land acquisition while labeling the expenditures as “fully funding” the LWCF – something no previous Administration has done.

The House Appropriations Committee has stated that in general its FY2006 and FY2007 budget recommendations reflected the need to stay within a constrained allocation and that new land acquisition is a low priority. Notably, it is the stateside grant program which has suffered the most. Despite its promises the Bush Administration has not given equal weight to federal land acquisition and the stateside program. The FY2006 Interior appropriations bill provided \$30 million for the stateside program, a large reduction from the \$92.5 million appropriated for FY2005.<sup>3</sup> The Administration did not seek funds for state grants in FY2006 and FY2007, arguing that there are alternative state and local sources of funding for land acquisition and development and on the belief that the current program could not adequately measure performance or demonstrate results. A Congressional Research Service Report asserts that “This is not a new phenomenon: the Clinton Administration, in FY2000 and several preceding years, also proposed eliminating funding for the stateside program, and Congress concurred.” Thus, it is suggested that reducing the stateside grant program is not a partisan initiative.

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<sup>2</sup> CRS, “Interior, Environment, and Related Agencies: FY2006 Appropriations”, RL 32893, 70

<sup>3</sup> Ibid, 71.

However, the 2007 cuts are significantly deeper demonstrating that the stateside program is an even lower priority for this Administration.

### Funding the State-side Program

As noted above, the Administration has asserted that dramatically reducing, or even terminating federal funding to the State-side program will not be detrimental because the states have sufficient funds for land acquisition and parkland development. A survey done by the National Park and Recreation Association (NPRAs) assessing local and state capital investment needs for the period 2005 – 2009 reported the following:

- Local and state park and recreation agencies identify a whopping \$72 billion in needed capital investments in land, facilities, and development for the next five years (many of these investments would be eligible for matching LWCF grants if funds were available.)
- States and local communities identify the need for acquisition or protection of 1,300,000 acres of land or water in the next five years.
- Over three quarters of agencies expect a shortfall in capital investment funding in the next five years
- Federal grants make up only 5.4% of CIP funding at present, but agencies believe that federal grants will increase in importance over the next five years.
- Fully 70% of agencies stated that if greater amounts of federal assistance were available, such assistance would leverage an increase in capital investments provided through local fiscal sources.<sup>4</sup>

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<sup>4</sup> For more detailed information on the LWCF stateside program see “The Land and Water Conservation Fund: Vital to Future of U.S. Public Parks and Recreation” (April 2005) *National Recreation and Park Association* <http://www.nrpa.org/content/default.aspx?documentId=2177> accessed May 30 2006.

Thus, contrary to the Bush Administration's assertions, the LWCF is vital source of funding for states in protecting and conserving public lands and one that is not easily replaced.

#### **IV Other Programs**

The law creating the LWCF (16 U.S.C 460l-9) does not provide for alternative uses of the LWCF outside of federal land acquisition and the state-side program. In order to appropriate the Fund for other programs the House has waived the rule against unauthorized appropriations. The following table illustrates the other programs funded by the LWCF since FY2002.

**Table 1**  
**LWCF Appropriations for Other Programs,**  
**FY2002-FY2007**  
(in millions of dollars)

<b>Program</b>	<b>FY2002</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>	<b>FY2006</b>	<b>FY2007 Request</b>	<b>FY2007 House Comm.</b>
Landowner Incentive Grants	40	40	30	21.7	23.8	24.4	15
Stewardship Grants	10	10	7.4	6.9	7.4	9.4	7
Cooperative Endangered Species Grants		51.5	49.3	48.7	61.7	80	60.3
State and Tribal	60	65	69.1	69	68.2	74.6	50

Wildlife Grants							
Forest Legacy Programs			64.1	57.1	57.1	61.5	9.2
Total	110	166.5	219.9	203.4	218.2	249.9	141.5

**Source:** D.O.I Budget Office Report

**Notes:** These numbers reflect the final appropriations, including amounts rescinded. The FY2007 Request does not include all programs for which funding was requested.

The 2002 Administration budget submission was the first time that an administration requested that a portion of the LWCF be used for purposes other than land acquisition – previously non-acquisition uses of the LWCF originated in Congress. It was also the first time that an Administration had tried to label other programs as “fully funding” the LWCF. In FY2002, \$50 million of LWCF federal funds were appropriated for purposes other than land acquisition. Specifically, \$40 million was dedicated to the Landowner Incentive Program (assisting landowners wishing to enhance habitat for endangered species “while continuing to engage in traditional land management practices,”) and \$10 million for a new Stewardship Grant Program (supporting local, private conservation activities). Of the state funds, \$85 million was appropriated for State Wildlife Grants to be used for “cost-shared, competitively awarded grants to States for conservation of a State’s full array of wildlife and their habitats”. Of that \$85 million appropriated, \$25 million was subsequently rescinded by Congress.

In FY2003, Co-operative Endangered Species Grants were added to the list of appropriations for other programs. Those Grants are awarded to recovery, and monitoring projects for endangered species and for land acquisition in “support of Habitat



Conservation Plans and species recovery efforts in partnership with local governments and other interested parties to protect species while allowing development to continue.”

In FY2004, the Administration proposed diverting \$554 million in LWCF funding - the largest amount requested for other purposes since the LWCF was established. In the final amount appropriated, \$64.1 million was put aside for the Forest Legacy Program – “a federal program that partners with states to leverage funding and support state efforts to protect environmentally sensitive forest lands”. Generally, enacted levels have been considerably lower than the Administration’s requested amount. The FY2006 level was sizably smaller than the Administration’s request of \$531.7 million for other programs, the second largest request since the LWCF was instigated.

## **V Conclusion**

While the concept of these other programs is supported, they should not be funded at the expense of further land acquisition when, according to federal land agencies, there is an estimated backlog of \$10 billion in acquisition needs in our national wildlife refuges, parks, forests and BLM lands.<sup>5</sup> Given the scarcity of resources in the face of a large budget deficit, land acquisition and the state-side program must compete with other conservation programs for funds from the LWCF. These other programs, although they have the potential to be meritorious, suffer from considerable administrative delays because of inadequate funding and heavy compliance requirements. In contrast the LWCF is a proven conservation program which, unlike recent programs, has worked well

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<sup>5</sup> See “Bipartisan Backing for Land Conservation Programs Grows” *The Wilderness Society*

for years and should continue to receive adequate funding. Other programs, if they are to continue at all, should be funded by sources outside the LWCF when those funds are available. Until the LWCF is seen as a priority, expanding the uses of appropriations will continue to reduce the amount available for federal land acquisition and state-side grants.