

**SOIL & WATER CONSERVATION COMMISSION NARRATIVE**  
**SWCC\_JFAC\_2-3-15**

**SLIDE 1: FY 2015 Governor’s Budget Recommendation**

Good morning Madam Chair, Mr. Co-Chair, and JFAC Members. I’m Teri Murrison, Administrator of the Idaho Soil and Water Conservation Commission. With me today are Carolyn Watts, Terry Hoebelheinrich, Chairman Norman Wright, and Commissioners Dave Radford and Leon Slichter, Robin Finch with the Department of Administration, and Idaho Association of Soil Conservation Districts Board Members Art Beal, Glen Gier, and executive director Benjamin Kelly.

**SLIDE 2: FY 2015 International Year of Soils** Happy International Year of Soils! This

year, a number of agencies and organizations including the Natural Resources Conservation Services (NRCS), Idaho’s Larry Branen Ag Summit, and the United Nations are focusing on soil health. Our January issue of Conservation the Idaho Way is all about soil health.

Today I’ll first tell you why voluntary conservation and our work matters and then I’ll present the Governor’s recommended budget for FY 2016.

**SLIDE 3: DIVISION DESCRIPTION, IDAHO’S OLDEST CONSERVATION MOVEMENT,**

**LBB 5-15 – NEAR CD’A, STOCKTON FARM?**

Idaho was a leader in establishing our oldest official conservation movement.

During the Great Depression, there were dust and erosion issues due to what were at the time common land management practices. March 9<sup>th</sup> marks our 75<sup>th</sup> anniversary as a state agency established to help farmers and ranchers reduce erosion.

IC Title 22, Chapter 27 provided for the formation of local conservation districts to make voluntary conservation improvements on a broad scale, working with the NRCS. Statute has since expanded our responsibilities to planning and implementation of programs and projects benefitting soil, water, air, plants, and animals. Seventy five years later we have plenty of work to do.

#### **SLIDE 4: WHAT'S CONSERVATION THE IDAHO WAY?, LBB 5-15**

Idahoans love the land, clean air and water, well-managed landscapes, and they expect agriculture, fish, and wildlife to thrive together. They don't like regulations.

Conservation the Idaho Way is a way of life. We take care of and improve our natural resources for future generations while maximizing their benefits to the state and the people. We focus on cooperative and collaborative efforts with

local people who know and work the land. We embrace actions that are “voluntary and non-regulatory”.

It matters that JFAC and the State of Idaho continue strong support for voluntary conservation and the partnership because true to our agricultural roots, we sow seeds of good stewardship all around the state. The partnership, the Commission and the NRCS, supplies technical expertise, funding, and more to empower locally led conservation districts - the “boots on the ground” - undertaking projects with willing landowners.

**SLIDE 5: GOVERNOR’S RECOMMENDED FY 2016 BUDGET (LBB #5-15)**

We appreciate your consideration of the Governor’s 2016 recommended budget.

It includes:

- \$ 2,540,100 in General Funds; and
- \$ 351,300 in Dedicated funds,

totaling \$ 2,891,400. The recommendation is just 4/10ths of a % up from 2015’s appropriation.

**SLIDE 6: RECOMMENDED FY 2015 BUDGET (LBB 5-15) CONT.**

The recommended budget as shown on LBB 5-15 contains:

- \$ 1,275,900 in Personnel
- \$365,500 in Operating
- \$47,400 in Capital to replace broken and outdated survey equipment for our engineering unit; and
- \$1,203,200 in Trustee & Benefit funds appropriated for conservation districts.
- FTPs are capped @ 17.75.

Together, these bring the total Recommended Budget to \$2,891,100.

#### **SLIDE 7: ISWCC ORGANIZATIONAL STRUCTURE LBB #5-16**

The Governor appoints five Commissioners to staggered 5-year terms. They oversee policy to serve Idaho's soil and water conservation districts, perform various program duties related to water quality planning and implementation, provide low interest conservation loans, and more.

#### **SLIDE 8: Authorized and Recommended FTPs , LBB 5-16**

Of our existing 16 FTPs, 13.9 are General Fund, and 2.1 work in the RCRDP dedicated fund – most of us do a little bit in multiple programs. Twelve work in

field offices around the state, and 4 work full time in Boise. One temporary part time group position deleted last September telecommuted and worked largely in the field, another in the Boise office. I will address the Governor's recommended changes to staffing shortly.

**SLIDE 9: CORE FUNCTIONS , LBB 5-17**

We focus on three core functions: providing districts with technical and other support services, offering non-regulatory, science-based incentive programs to develop voluntary conservation practices, and administration. Administration is largely self-explanatory. Let me briefly tell you about the other two.

**SLIDE 10: SERVICES AND PROGRAMS, LBB 5-17**

First, here's a table broken down by core function categories. It shows the programs and services for which we are statutorily responsible. Due to constrained resources, we've prioritized them under the Status column. They are all important - some more than others - when resources are scarce. <PAUSE>

**SLIDE 11: KEY SERVICES & WHO WE SERVE – DISTRICTS, LBB 5-17**

There are now 50 districts in Idaho – two consolidated in 2010. We provide specialized technical assistance like conservation planning, engineering, and

watershed assessments. We strengthen districts and build capacity. We allocate trustee and benefit funds. Each district receives an annual base allocation of \$8,500, matching dollars for local contributions capped at \$50,000 per district, \$1,000 in operating funds, and approximately \$850 per district in capacity building funds.

Last year, all districts completed statutorily-required 5-year antidegradation plan updates and with a field staff of 11, we've increased our support output despite no staffing increases in the field:

In 2014 we helped 38 of 50 districts with projects (up 7 from 2013), initiated 57 new projects (up 33 from 2013), worked on 103 ongoing projects (up 62 from 2013), and with partners, served 386 landowners (140 more than in 2013).

Despite this, due to resource constraints, we still only supply ½ of every technical assistance hour requested by districts.

### **SLIDE 12: RCRDP Loan Program LBB #5-17**

Our second core function is providing incentive-based and general conservation programs and services. Our flagship incentive program, the Resource Conservation and Rangeland Development Program, or RCRDP loan program, provides low interest loans to purchase equipment and install projects that

provide conservation benefits. Prior to 2001, this dedicated fund received revenues from the estate tax. Loan rates range from 2 ½ to 3 ½ %. The maximum loan limit is \$200,000 per loan, or \$300,000 per borrower.

As of December 31<sup>st</sup>, we've 92 outstanding loans and a principal loan balance of \$3,814,595. We saw an increase in inquiries and applications in 2014. We approved 12 loans - 8 more than in 2013 – and loaned out an additional \$841,624. We've mounted an aggressive marketing campaign and as the numbers show, we're seeing an increase in interest and activity as a result.

An agreement with the Department of Environmental Quality allowed the Commission to use a portion of the Clean Water State Revolving loan to address canal breakage and seepage. We use a percentage of the interest generated to compensate for the administration, leaving the rest to build a contingency reserve over time.

Last year our Nitrate Priority Area/Ground Water Program treated about 28,000 acres, reducing nitrates by about 142k #s, Phosphorus by 32k #s, and sediment by 54,618k #s.

**SLIDE 13: KEY SERVICES & WHO WE SERVE- PROGRAMS, LBB 5-17**

Our Conservation Reserve Enhancement Program (CREP) conserves water usage on marginal farm ground in the Eastern Snake River Plain Aquifer. Participating landowners receive modest federal payments from the Farm Service Agency in exchange for not farming these lands.

Last year 156 CREP contracts were signed in the region, enrolling 16,792 acres, and saving 66,916 acre feet of water – enough to serve about 330,000 people, save almost 134,000 tons of soil erosion due to wind and water, divert up to 4.5 million pounds of fertilizer, and significantly benefit wildlife and fish habitat.

#### **SLIDE 14: TOTAL MAXIMUM DAILY LOAD PROGRAM (TMDL)**

We assist DEQ in preparing TMDL implementation plans to strategically reduce agriculturally-generated pollutants in Idaho's impaired surface waters. Since we began writing implementation plans - utilizing staff and previously, independent contractors - we've completed 99 plans. In 2014, staff completed 6 implementation plans, and juggled 15 in process. There are 19 new or to-be-updated plans pending.

#### **SLIDE 15: AGRICULTURAL POLLUTION ABATEMENT PLAN UPDATE, LBB 5-17**

This year we're updating the Idaho Agricultural Pollution Abatement Plan (Ag Plan), Idaho's response to Section 208 of the federal Clean Water Act (PL 92-500). It represents the agricultural portion or action element of the State Water Quality Management Plan and details how agricultural nonpoint source pollution is to be managed. It is updated and revised about every ten years.

We're assisted by an Advisory Committee of nineteen members representing state and federal agencies with water quality responsibilities, and representation from conservation, industry and commodity groups. A final Plan will be certified by the Governor by July 1<sup>st</sup> of this year.

**SLIDE 16: FY 2016 PROGRAM MAINTENANCE, LBB 5-18, 19**

In summary of the Governor's Recommended Budget on LBB 5-18, the original 2015 appropriation was \$2,878,500. After removing one-time expenses, the 2016 base is \$2,796,600. Added to that, the recommendation includes a \$10,500 increase in benefits, \$46,600 for replacement items, a decrease of \$11,100 in Statewide Cost Allocation fees, and an additional \$28,500 to fund a 3% increase in employee compensation. The FY 2016 program maintenance recommendation is \$2,871,100.

**SLIDE 17: RECOMMENDED ENHANCEMENTS, LBB 5-20**

The Governor's recommendation includes the conversion of 2 temporary positions – one field and one office based - to one permanent position using our existing Personnel appropriation and adding a part time –  $\frac{3}{4}$  time financial specialist.

Along with a realignment of existing staff duties, the converted FTP will assume administrative tasks related to district support and programs, freeing field staff from some duties, enabling them to shift time to other responsibilities, and insure the Commission retains current capacity.

The recommended .75 FTP will provide our currently contracted fiscal support in house. The Governor's recommendation includes an object transfer of \$32,000 in operating funds to the Personnel fund - this amount is currently paid to the Department of Administration – and adds \$20,300 to fully fund the .75 position.

The recommendation also includes \$1,100 in one-time funds is included to purchase a computer.

At this time, the Conservation Commission requests the recommended budget amount submitted by the Governor - \$2,871,100 in total.

### **SLIDE 18: JFAC INFORMATION REQUESTS**

As to the information specifically requested by the Committee:

1. There were no major changes to our workforce in FY 2015.
2. We've no alternative funding sources.
3. We haven't initiated any major program structure changes
4. We've proposed no legislation.
5. We do not have appropriation flexibility.
6. The LSO's audit office conducted audits of FYs 2011 and 12 last spring. I understand that there were no findings.
7. There are no performance evaluations of the Commission to date.

**SLIDE 19: THANK YOU**

I appreciate the opportunity to tell you what we do, why it's important to Idaho, and present for consideration the Governor's FY 2016 budget for the Conservation Commission. Thank you for your support for the work we do.

Mr./Madam Chair, I'm happy to stand for questions now.