

Investing in Iowa's Environment

Budget Trends 1997-2006

By Teresa Galluzzo

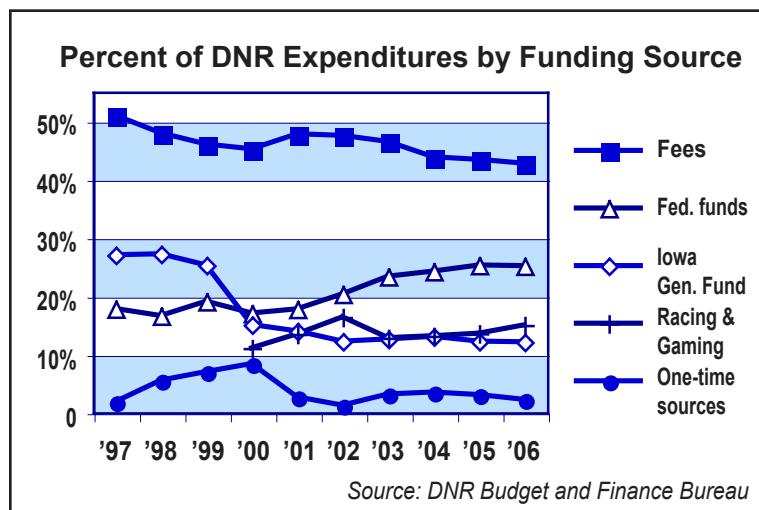
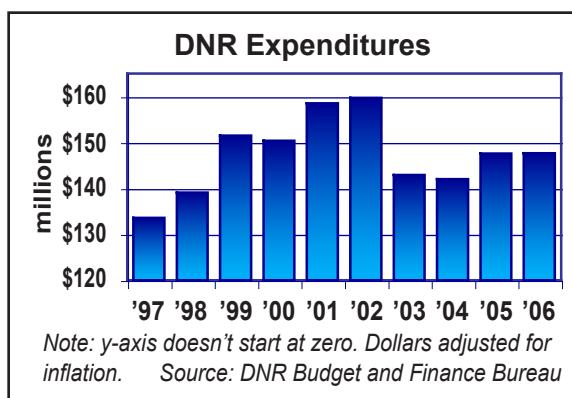
Iowa is blessed with abundant natural resources. However, we have not made protecting and enhancing our resources a priority. According to U.S. Census data for fiscal year (FY) 2004, Iowa ranked 38th nationally in the percent of state and local expenditures spent on the environment.¹ This inferior investment is reflected in our state's severe water quality problems and lack of public land (Iowa ranked second to last on this measure).² Ultimately the condition of our environment impacts Iowans' quality of life and the state's economy. People need clean air and water and access to natural areas for their physical and mental health. A strong economy depends on clean water and air, fertile soil and an environment attractive to employees and tourists.

This report analyzes the funding provided over 10 years for two environmental stewardship organizations: the Iowa Department of Natural Resources (DNR) and Iowa's county conservation boards.

Iowa Department of Natural Resources

From FY97 to FY06, DNR expenditures increased, yet were significantly lower from FY03-06 than from FY99-02. DNR employee numbers also increased over the 10 years. However, in FY02, during the state's fiscal downturn, the DNR lost 38 full-time equivalent (FTE) employees. This was a 3.7 percent reduction, the largest one-year change over the period. Its total FTE numbers did not rebound until FY04.

Another change during the 10 years was the shift in the DNR's primary funding sources. Throughout the period, the largest portion, an average of 46 percent, of the DNR's expenditures came from fees. At the beginning of the decade studied, the state's general fund was the second most significant source of money for environmental protection. Since FY03, general fund support for the DNR has been considerably lower than any of the other years. This is particularly important because general fund dollars can be spent for a variety of purposes and thus are the most flexible dollars the DNR receives. Two sources of money that grew to an increasing share of the DNR's expenditures were federal funds and racing and gaming receipts. While revenue



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from these sources is currently expanding, it will not necessarily continue to do so. These funds may not be as stable as in-state or dedicated sources of money.

The third notable trend over the period was the big hit to the DNR and its funding sources during the state's FY02 to FY03 recession. During this time a precedent was set for taking money from environmental funds and using it for unrelated purposes. For example, \$10.1 million in FY02 and \$18.3 million in FY03 were diverted from the Environmental First Fund to balance the state's general fund.

County Conservation Boards

Every county in Iowa has a conservation board responsible for conservation efforts within the county. In this report, three counties with different geographic locations, populations and growth rates were chosen to represent the budget trends of conservation boards across the state. The conservation boards in these three counties – Johnson, Hamilton and Adams – reported one thing in common: increased responsibilities over the period.

In spite of the expanded duties, two of the county conservation boards experienced only modest increases in budget and staff and the other

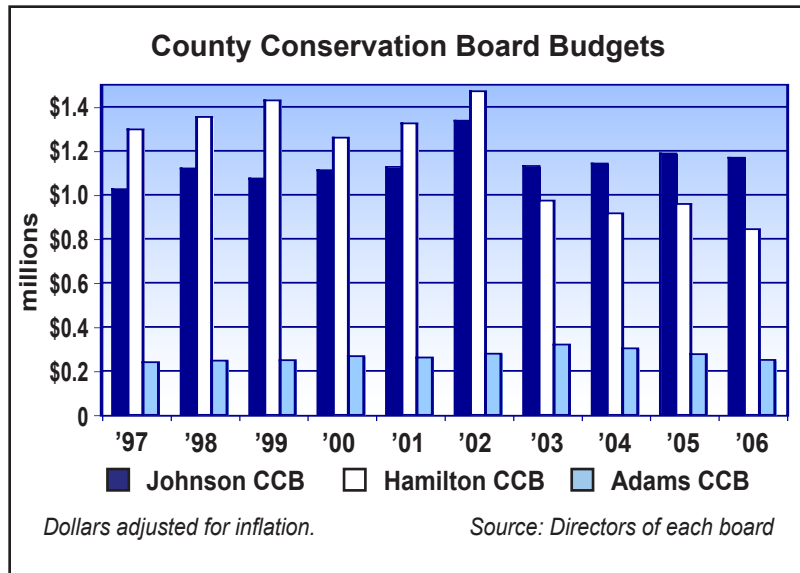
experienced a significant decrease in budget and staff. Johnson's conservation board saw a net budget increase of \$143,000 and one employee over the period; Hamilton's board experienced a net budget decrease of \$453,000 and six employees; and although Adams' board had a net budget increase of \$10,000 and a half-time employee over the decade, its budget has decreased every year since FY03.

Conclusion

Environmental protection and enhancement is long-term work and therefore requires long-term, steady funding. Unfortunately, this has not been the case in Iowa over the last 10 years. The DNR and the representative county conservation boards experienced funding decreases or minimal increases coupled with increased responsibilities. Changes to less-secure funding sources have also made environmental protection vulnerable to future funding cuts. Further, during its fiscal crisis, the state took money from its environmental funds and used it for other purposes. This indicates that, overall, the state's environment has not been treated as a vital part of the budget. Under these conditions, it is difficult to expect the state's environment to improve.

¹ U.S. Census Bureau. 2004. State and Local Government Finances: 2003-04. Available at <http://www.census.gov/govs/www/estimate04.html>.

² Natural Resources Council of Maine. Available at <http://www.maineenvironment.org/documents/publiclandownership.pdf>.



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