

Pennsylvania Association of Conservation Districts, Inc.

**APPROPRIATION REQUEST
FOR
CONSERVATION DISTRICTS
2009/10 Fiscal Year**

A. Conservation Districts May Eliminate Programs

For Fiscal Year (FY) 2008/09 Conservation districts were allocated \$ 3,600,000 in the Pennsylvania Department of Environmental Protection's budget and \$ 1,660,000 in the Pennsylvania Department of Agriculture's budget for the Conservation District Fund Allocation Program (CDFAP). Since FY 2004/05, conservation districts have received less than a 1% increase in the CDFAP while the rate of inflation was 15.35% during the same period.

In addition to operating without a much needed increase in CDFAP funding, conservation districts are operating several state delegated and contracted programs without state funding support. These programs include Chapter 105 permitting, Biosolids, NPDES Phase 2, and the Resource Enhancement and Protection Program (REAP). These programs are being conducted using current staff who are already overextended by existing programs. Given that there are several state programs with no state funding, and that state funding for existing programs, such as Chapter 102, is inadequate, conservation districts are faced with the difficult decision of reducing or eliminating programs in order to meet budgetary constraints.

B. 2005 Legislative Budget and Finance Committee Recommendation Still Not Addressed

The Review of the Operation and Structure of County Conservation Districts report, released on June 7, 2005 by the Legislative Budget and Finance Committee (LBFC) concurred with the position of the Pennsylvania Association of Conservation Districts (PACD) – that Pennsylvania's conservation districts are under-funded. On page S-6, the LBFC report emphasized the need for increased state funding for conservation districts by stating "Despite their importance, many districts are struggling for funds."

The report provided several recommendations concerning conservation district funding beginning on page S-8. Of these recommendations, one major funding recommendation still has not been addressed. Recommendation 3b states that the General Assembly should strive to meet funding levels outlined in the State Conservation Commission's policy for funding the CDFAP for the conservation districts. The CDFAP is intended to cover 50% of the salary and benefits for conservation district managers, first and second technicians, and certain administrative expenses. Unfortunately, the funding levels outlined in this policy have never been met.

Given escalating operating costs for health care, travel, office overhead, etc., conservation districts are facing extremely difficult financial conditions. Adequate funding is essential to maintaining conservation district leadership and the delivery of effective conservation programs at the local level.

C. Conservation Districts Need Dedicated Funding

The PACD believes that stable and predicable State funding for conservation districts to administer programs on behalf of the State is critical. To help provide stable and predictable funding, conservation districts must be provided with a dedicated funding source. This is a high priority for the PACD and we welcome the opportunity to work with the administration and legislators to identify and establish a source of dedicated funding. Once identified, dedicated funds should be deposited into the non-lapsing Conservation District

Fund. The Conservation District Fund is administered by the State Conservation Commission and has administrative advantages, including the ability to provide advances to conservation districts.

D. Conservation District Fund Appropriation and PACD Request

The table below provides a summary of funding for conservation districts in the Commonwealth budget, identified as Local Soil and Water District Assistance in the budgets of the Pennsylvania Department of Environmental Protection and Pennsylvania Department of Agriculture. As a result of Act 110 of 2006, the funds appropriated in these line items will be deposited into the Conservation District Fund.

The first column of the table below identifies the priority of the item as identified by PACD members. The second column identifies the purpose of the funds. The third column provides the amounts allocated to conservation districts by the State Conservation Commission for FY 2008/09 (including \$193,400 in carryover funds from the previous year). The fourth column identifies the additional appropriation needed; and the last column provides the PACD funding request which is the total appropriation needed for the Conservation District Fund for FY 2009/10. A detailed description of the FY 2009/10 request is provided in the attached Appendix.

CONSERVATION DISTRICT FUND APPROPRIATION				
<u>Priority</u>	<u>Purpose</u>	<u>FY 2008/09 Allocation</u>	<u>Additional Funding Needed</u>	<u>FY 2009/10 Total Request</u>
1	50% Cost-Share for District Managers, First Technicians, and Second Technicians	\$ 3,144,600	\$ 2,375,779	\$ 5,520,379
2	Administrative Assistance	587,400	1,730,686	2,318,086
3	ACT (Technicians, Engineers, and Training)	1,093,000	103,733	1,196,733
4	Farmland Preservation Program Support	422,100	322,900	745,000
5	Leadership Development	57,500	142,500	200,000
6	Ombudsman Program	148,800	101,200	250,000
	Total	\$ 5,453,400	\$ 4,776,798	\$ 10,230,198

APPENDIX

CONSERVATION DISTRICT FUND APPROPRIATION NEEDED FOR FY 2009/10

1. Additional funding is needed to achieve 50% cost-share of district managers and cost-share for technicians.

The State Conservation Commission has the long established goal of providing 50% cost-share of salary and salary related costs for 66 conservation district managers and cost-share for 114 technicians at 35%, 50%, or 65%, depending on the program level of the conservation district. Due to inadequate funding, the FY 2008/09 maximum cost-share was limited to \$ 27,000 for a district manager, \$ 16,500 for a district's first technician, and \$ 5,800 for a second technician. The total needed in FY 2009/10 to provide full cost-share for these staff is \$ 5,520,379.

	<u>FY 2009/10</u>
Conservation District Managers (50%, all state sources)	\$ 2,316,998
1 st Technicians (35%, 50%, or 65%)	1,788,397
2 nd Technicians (35%, 50%, or 65%)	<u>1,414,984</u>
Total Needed for Cost-Share	\$ 5,520,379

2. State funding for mandated administrative expenses is inadequate.

Administrative Assistance funding helps defray documented district administrative expenses relative to actions required by the Conservation District Law or the State Conservation Commission. According to the State Conservation Commission's Statement of Policy on district funding, Administrative Assistance funds can be used only for directors' official travel, bonding, audit, liability and errors and omissions insurance, postage, publishing an annual report, legal fees, and expenses related to keeping full and accurate records. These funds are important because they can be used to reimburse conservation districts for salary and related expenses for clerical staff utilized to keep full and accurate records.

In FY 2008/09 districts were initially allocated \$ 8,900 per district for administrative assistance. This is far less than the \$ 2,107,351 total reported in FY 2006/07 in actual costs for these required expenses. Conservation districts have requested that they be reimbursed for the full amount of administration for an estimated total of \$ 2,318,086 for FY 2009/10.

Total Administrative Assistance Funds Needed	<u>FY 2009/10</u>
	\$ 2,318,086

3. Conservation districts need support for agricultural conservation technicians.

The Agriculture Conservation Technician/Engineer Program (ACT) provides one-on-one technical assistance and guidance to farmers. In FY 2008/09, funding was provided to support 51 existing ACT positions and technical training for these technicians. These technicians and engineers help farmers to comply with Pennsylvania's environmental regulations. The funding requested for this category in FY 2009/10 is the amount estimated to continue to support 51 existing agricultural conservation technician/engineer positions, and to provide them with the necessary technical training.

50% Cost-Share for 51 Existing ACT Technicians and Engineers	<u>FY 2009/10</u>
Technical Training	\$ 1,136,733
Total ACT Funding Needed	<u>60,000</u>
	\$ 1,196,733

4. Conservation districts support the Farmland Preservation Program.

Pennsylvania currently preserves more farmland than any other state in the nation through its county-based farmland preservation programs. Conservation district staff provide direct administrative support for the program in 32 counties. In 21 additional counties, district staff members provide support services such as conservation planning and annual farm inspections, and some administrative support. In FY 2008/09 the Pennsylvania Department of Agriculture provided \$ 9,000 per conservation district for reimbursement of expenses for those districts directly administering the program and \$ 4,500 for districts that perform documented indirect services. Because of the increased importance placed on preserving farmland, as well as the increased paperwork required to administer this program, funding should be increased to \$ 20,000 for districts directly administering the program and \$ 5,000 for the districts that provide indirect services. This increase would permit the 32 conservation districts administering the program to give this important program the attention it deserves.

	<u>FY 2009/10</u>
Total Needed to Support the Farmland Preservation Program	\$ 745,000

5. The accountability, and professional, managerial, and leadership skills of district directors and staff must be increased.

As conservation district programs grow, the challenge and responsibility of developing, planning and managing an effective, locally led natural resource program increases dramatically. The long-term success of a conservation district and its programs is dependent on having competent, well-trained directors and staff. District directors must develop and hone the skills necessary to envision, develop and oversee an effective natural resource program designed to meet the needs of the local community. District managers must be formally trained to operate effectively in increasingly complex managerial environments, with greater planning, financial management, and personnel administration responsibilities than ever before. It is critical that both district managers and directors receive formal ongoing training and leadership development.

In FY 2008/09, the Pennsylvania Department of Agriculture provided \$ 57,500 toward leadership development. These funds were used to provide training and leadership services and to hold the District Management Summit. An increase in funding is needed to provide conservation district directors with additional leadership training in identified core functions and responsibilities, and to track the training completed by each individual under the program.

	<u>FY 2009/10</u>
Total Needed for Leadership Development	\$ 200,000

6. Ombudsman services are needed to address complex agricultural issues.

The Pennsylvania Department of Agriculture, in conjunction with the State Conservation Commission, developed the Ombudsman Program to provide specific assistance to agricultural producers and conservation district boards dealing with complex or potentially contentious situations. The program provides an intermediary, or ombudsman to work with agricultural producers, municipalities and special interest groups to resolve issues and protect agriculture's right-to farm. This program also provides education and awareness about production agriculture and related conservation laws and programs. In FY 2008/09 the Pennsylvania Department of Agriculture allocation for this program was \$ 148,800. Increased funding is needed so that this program can be expanded to serve the agricultural community in additional areas of the state.

	<u>FY 2009/10</u>
Total Needed for the Ombudsman Program	\$ 250,000