

Natural Resources Conservation Service
Statement of Thomas Christensen, Regional Conservationist
Before the House Transportation and Infrastructure Committee
Subcommittee on Water Resources and Environment

March 8, 2011

Mr. Chairman, Ranking Member Rahall, and members of the Committee, thank you for the opportunity to appear before you today to discuss our fiscal year (FY) 2012 budget request for the Natural Resources Conservation Service (NRCS).

Last year, NRCS celebrated its 75th anniversary, recognizing the Agency's many contributions to Americans' quality of life and our Nation's prosperity. We looked back at the landmark achievements of our predecessors in the Soil Conservation Service and NRCS, but we also continued to make some history of our own. Before providing the Subcommittee details of our FY 2012 budget, I would like to share a few of our accomplishments in FY 2010, as well as some of the work we have underway in FY 2011.

NRCS successfully entered into 1,400 contracts, grants and agreements, awarding \$340 million in American Recovery and Reinvestment Act (ARRA) funding to rebuild American infrastructure and improve natural resources. This represents 100 percent of the funding the agency received. The agency's ARRA projects are being implemented through its Floodplain Easements, Watershed Operations, and Watershed Rehabilitation programs.

NRCS Farm Bill programs and other activities, funded through discretionary accounts such as Conservation Operations both provide benefits to producers and the public through installation of additional conservation practices and adoption of activities that improve water, soil, and air

quality, and enhance wildlife habitat. They also provide flood prevention, groundwater recharge, erosion and sediment reduction, and opportunities for education and recreation.

During FY 2010, NRCS issued two key reports, providing further evidence that voluntary conservation on private lands works. The 2007 data release for the National Resources Inventory underscored the need to focus on working lands. The results showed that we have reduced soil erosion by 43 percent between 1982 and 2007. However, the nation increased development of its rural land base by 56 percent over the same period. Both findings underscore the benefits of voluntary, private lands conservation and the continued need for further conservation investments.

The second report, prepared through the Conservation Effects Assessment Project (CEAP), presented the first results of the first nationwide assessment of the effects of conservation practices on cropland. One of 14 regional reports, the Upper Mississippi River Basin CEAP Cropland Report quantified the great progress farmers have made in reducing sediment and nutrient losses from cropland and the need for focusing conservation efforts on nutrient management. A few key highlights from the basin assessment include:

- Voluntary, incentive-based conservation works. Reduced tillage is used on 95 percent of the cropland - sediment losses are reduced 69 percent.
- Nutrient management is the greatest need. Much can be done through expanded adoption of existing practices. About 60 percent of the cropland needs nutrient management; Timing, rate and method of application are important factors in managing nutrient application.
- Targeting can greatly enhance program effectiveness. Treating the most critical acres can have 3 to 5 times the benefit of treating acres with less serious problems.

- Comprehensive conservation planning is essential. Suites of practices that address multiple resource concerns are more effective than single practices.

In FY 2011, we expect to release additional CEAP reports, starting with the Cropland Report for the Chesapeake Bay. The Department is also finalizing the Soil and Water Resources Conservation Act appraisal which will describe important changes in the structure of U.S. agriculture, the changes in conditions of the land base, and the allocation of public resources for natural resource conservation.

NRCS is actively delivering Farm Bill conservation programs and we have sign-ups underway across the country. We are on track to have another successful year of conservation program delivery.

The President's FY 2012 Budget

Discretionary Funding

The President's FY 2012 budget was developed after closely examining all NRCS programs and our operations in the coming years. The budget prioritizes limited resources to ensure NRCS is positioned to meet the needs of America's farmers and ranchers while doing its share to help reduce the budget deficit. It also makes a number of difficult decisions that were necessary to support the President's goals of living within our means and improving program delivery through streamlining operations and administrative efficiencies. To afford the strategic investments we need to grow the economy in the long term while also tackling the deficit, this budget makes difficult cuts. It responsibly manages deficit reduction while preserving the values that matter to Americans. American families have been forced to tighten their belts and government must do the same.

Conservation Operations

The purpose of Conservation Operations (CO) is to provide technical assistance supported by science-based technology and tools that help people conserve, maintain, and improve the Nation's natural resources. The major program components of CO are: Conservation Technical Assistance (CTA); Soil Survey, Snow Survey and Water Supply Forecasting (SSWSF); and Plant Materials Centers (PMCs).

Funding in the Conservation Operations account provides for the development and delivery of a major portion of the products and services associated with four of the Agency's five business lines: 1) Conservation Planning and Technical Consultation; 2) Conservation Implementation; 3) Natural Resource Inventory and Assessment; and 4) Natural Resource Technology Transfer. The fifth business line (Financial Assistance) is funded primarily through other conservation programs.

The President's FY 2012 budget request for CO proposes a funding level of \$898.6 million, which includes \$782.6 million for Conservation Technical Assistance, \$93.94 million for the Soil Survey, \$10.97 million for Snow Surveys and \$11.1 million for Plant Material Centers.

The CO budget does not include funding for the Grazing Lands Conservation Initiative. NRCS will continue to maintain and improve the management, productivity and health of the Nation's privately owned grazing land through ongoing activities within other NRCS programs, such as the Environmental Quality Incentives Program, the Wildlife Habitat Incentives Program and the Grassland Reserve Program.

The budget proposes legislation for a user fee to cover the costs of providing technical assistance for completing a conservation plan. This fee would be applied based on the

complexity of the natural resource issues addressed in the conservation plan. Total collections from this proposal are estimated to be \$22 million.

Watershed and Flood Prevention Operations Program

The Watershed Protection and Flood Prevention Operations program authorizes the Secretary of Agriculture to provide technical and financial assistance to entities of State and local governments and Tribes (project sponsors) for planning and installing watershed projects. The Watershed Protection and Flood Prevention Program is available nationwide to protect and improve watersheds up to 250,000 acres in size. Currently, there are approximately 300 active small watershed projects throughout the country. Assistance under the Flood Control Act of 1944 is available only in areas authorized by Congress; and these areas cover about 38 million acres in 11 States.

The FY 2012 budget does not include funding for the Watershed Protection and Flood Prevention Operations Program, including the Watershed Operations (PL 78-534) and Small Watersheds (PL 83-566). This reduction is in keeping with the Administration's efforts to curb spending. In addition, recent funding for this program has not been distributed based on agency prioritization including anticipated project outcomes or measurable impacts.

Watershed Rehabilitation Program

The purpose of the Watershed Rehabilitation Program is to extend the service life of dams and bring them into compliance with applicable safety and performance standards or to decommission the dams so that they do not pose a threat to life and property. NRCS may provide technical and financial assistance for the planning, design, and implementation of rehabilitation projects that may include upgrading or removing the dams.

Eleven dam rehabilitations were completed in FY 2010, and there are 23 dam rehabilitation projects currently under construction. Additionally, there were 650 ongoing assessments of high hazard dams that provided communities with technical information about the condition of their dams and alternatives for rehabilitation for dams that do not meet Federal dam safety standards.

The FY 2012 budget does not include funding for the Watershed Rehabilitation Program, reflecting the many difficult choices that were made in order to ensure fiscal responsibility within the current economic climate. Further, the continuing operations and maintenance of Federally-built dams under the program has long been understood to be the responsibility of local project sponsors.

Resource Conservation and Development

The Resource Conservation and Development (RC&D) Program encourages and improves the capability of State and local units of government and non-profit organizations in rural areas to plan, develop, and implement programs for resource conservation and development. NRCS provides program administration and assistance to RC&D areas through volunteer non-profit RC&D Councils.

The FY2012 budget does not include funding for the Resource Conservation and Development program, as other USDA agencies provide technical and limited financial assistance to RC&D Councils, which also obtain assistance from State, local, and other Federal agencies, private organizations, and foundations to carry out specific projects.

Food, Conservation, and Energy Act of 2008

The President's FY 2012 budget includes \$3.6 billion in Farm Bill program spending and an additional \$124 million is included for Conservation Reserve Program technical assistance. The following discussion summarizes NRCS administration of the Farm Bill conservation programs.

Easement Programs

The Wetlands Reserve Program (WRP) provides technical and financial assistance to enable eligible landowners to restore, protect and enhance valuable wetland ecosystems, including associated habitats such as uplands, riparian areas, and forest lands. The goal of WRP is to achieve the greatest wetlands functions and values, along with optimum wildlife habitat, on every acre enrolled in the program. The FY 2012 budget includes \$785 million in mandatory funding for financial and technical assistance for the Wetlands Reserve Program and NRCS expects to enroll 271,158 acres.

The Farm and Ranch Lands Protection Program (FRPP) protects the Nation's highly productive agricultural lands by providing matching funds to keep productive farm and ranch lands in agricultural uses. Farm and ranch lands enrolled in FRPP are protected from threats of conversion to non-agricultural uses, and remain productive and sustainable sources of food, fiber, and fuel for the Nation. The FY 2012 budget includes \$200 million in mandatory funding for financial and technical assistance for the Farm and Ranch Lands Protection Program.

The Grasslands Reserve Program (GRP) helps landowners and operators restore and protect rangeland, pastureland, and other grassland while maintaining the land's suitability for grazing. Participants voluntarily limit future development and cropping uses of the land while retaining the right to conduct common grazing practices and operations related to the production of forage and seeding. The FY 2012 budget includes \$67 million in mandatory funding for financial

and technical assistance for the Grasslands Reserve Program to enroll an estimated 203,515 acres.

Healthy Forest Reserve Program (HFRP) assists landowners in restoring, enhancing, and protecting forest ecosystems to: 1) promote the recovery of threatened and endangered species; 2) improve biodiversity; and 3) enhance carbon sequestration. The FY 2012 budget includes \$9.75 million in mandatory funding for the Healthy Forest Reserve Program.

Financial Assistance Programs

The Environmental Quality Incentives Program (EQIP) provides financial and technical assistance to agricultural producers to help them address environmental challenges. To meet these challenges, EQIP provides incentives for the application of farming and other land use practices that maintain or improve the condition of soil, water, air, and other natural resources. The FY 2012 budget includes \$1.408 billion in mandatory funding for financial and technical assistance for the Environmental Quality Incentives Program.

The purpose of the Agricultural Water Enhancement Program (AWEP) is to promote improved ground and surface water conservation and water quality by leveraging the Federal government's investment in natural resources conservation with services and resources of other eligible partners. The AWEP program was specifically created to address serious surface and ground water shortages as well as water quality concerns in many agricultural areas. The FY 2012 budget includes \$60 million in mandatory funding for financial and technical assistance for the Agricultural Water Enhancement Program.

The Wildlife Habitat Incentive Program (WHIP) provides wildlife habitat, to benefit threatened, endangered and other at-risk species. This effort is accomplished while educating and changing

public attitudes toward wildlife habitat management and land stewardship on private agricultural land, nonindustrial private forest land, and Tribal land, but the benefits extend far beyond wildlife. By prioritizing specific geographic areas, WHIP is able to target financial and technical assistance funds to benefit habitats for specific declining wildlife species such as the sage grouse. The FY2012 budget includes \$73 million in mandatory funding for financial and technical assistance for the Wildlife Habitat Incentive Program.

The Conservation Security Program was a voluntary program that provided financial and technical assistance for the conservation, protection, and improvement of natural resources on tribal and private working lands. It provided payments for producers who practice good stewardship on their agricultural lands and provided incentives for those who wanted to do more. Under the 2008 Farm Bill, NRCS is not authorized to enter into new Conservation Security Program contracts, but continues to make payments to producers with five- to ten-year contracts from prior years. The FY 2012 budget includes \$197 million in mandatory funding for the Conservation Security Program.

The Conservation Stewardship Program (CSP) encourages agricultural and forestry producers to maintain existing conservation activities and to adopt additional ones on their operations. CSP provides opportunities to both recognize excellent stewards and deliver valuable new conservation. The program helps producers identify natural resource problems in their operation and provides technical and financial assistance to go beyond existing conservation and deliver new environmental benefits in an environmentally beneficial and cost-effective manner. The FY 2012 budget includes \$788 million in mandatory funding for financial and technical assistance for the Conservation Stewardship Program to enroll 12 million acres.

NRCS administers the conservation provisions of the Agricultural Management Assistance (AMA) program, which provides financial assistance to agricultural producers to address water management, water quality, and erosion control issues by incorporating conservation into their farming operations. The FY 2012 budget includes \$2.5 million in mandatory funding for the Agricultural Management Assistance program.

The Chesapeake Bay Watershed Program (CBWP) helps agricultural producers improve water quality and quantity, and restore, enhance, and preserve soil, air, and related resources in the Chesapeake Bay Watershed through the implementation of conservation practices. CBWP encompasses all tributaries, backwaters, and side channels, including their watersheds, draining into the Chesapeake Bay. This area includes portions of the states of Delaware, Maryland, New York, Pennsylvania, Virginia, and West Virginia. The FY 2012 budget includes \$50 million in mandatory funding for financial and technical assistance for the Chesapeake Bay Watershed Program.

All told, this budget takes important steps to grow the economy, support conservation, and enhance critical infrastructure in rural communities, while taking responsibility for our deficit. I would like to thank you for the opportunity to be here today to discuss the work of NRCS. I am happy to answer any questions from the Subcommittee members.