



Recommendations for the Federal Land and Water Conservation Fund

OCTOBER 2015

*This report was produced by the **McGraw Center for Conservation Leadership**, part of the Max McGraw Wildlife Foundation of Dundee, Illinois. For more about the Center, see page 8 or visit mcgrawconservation.org.*



Recommendations for the Federal Land and Water Conservation Fund

The LWCF Act went into effect on January 1, 1965. The purpose of the Act is to assist in preserving, developing, and assuring accessibility to outdoor recreation resources for the health and vitality of our citizens.

The Act authorizes up to \$900 million annually in matching funds to States for planning, acquisition, and development of land and water areas and related facilities (referred to as “state-side” LWCF). The Act also provides for the federal lands administered by the National Park Service, Bureau of Land Management, U.S. Fish & Wildlife Service (Department of the Interior) and the U.S. Forest Service (Department of Agriculture) (referred to as “federal side” LWCF). Over most of the years, the overall split for allocating annual funds has been 60 percent to the federal side of LWCF and 40 percent to the state side of LWCF. The primary source of income to the Fund is royalties/fees deposited in the US Treasury by companies drilling offshore for oil and gas. Some additional sources of income are derived from the sale of surplus federal real estate and taxes on motorboat fuel. Legislative history documents strong support for using these royalties gained from private companies’ extraction of public trust resources on the outer-continental shelf to support land and water recreation and resource conservation at other key geographic locations

across the United States.

Congress has appropriated the full amount authorized (\$900 million) for LWCF only two times during the 50-year history of the program. If the full amount had been appropriated each year an additional \$17 billion in oil and gas revenues would have been invested in our recreation and conservation programs at the state and federal levels. The average funding level the past few years has trended to approximately \$345 million annually. In the early years of the program, state fish and wildlife agencies used LWCF to acquire wildlife management areas and in FY 2003-2006 the program funded the State & Tribal Wildlife Grants Program. However, more recently, relatively little LWCF funding has been made available to state fish and wildlife agencies for habitat conservation, most likely due to the small amounts being allocated.

As Congress turns its attention to reauthorization of LWCF, there is an opportunity to revisit the program’s purpose and realign and modernize with a new vision. Since the inception of the program 50 years ago, much has changed.

Congress has shown increasing concern over aggressive federal land acquisition and program accountability and has indicated a desire for increased oversight by congressional committee. Representatives and senators have expressed an interest in promoting better partnerships, increased sustainability and conservation efforts on working lands, and wider public/private relationships to leverage federal dollar match as we deliver conservation and recreational benefits on the landscape while trying to deal with the federal budget deficits.

Over the past three years, our leadership team of veteran federal, state and private sector conservation executives convened by the Max McGraw Wildlife Foundation has focused on the LWCF in hopes of helping to reshape its future. Our overall task is to research and analyze the sources and expenditures of funds acquired through governmental appropriation, along with other assignments on conservation management and funding.

We are looking specifically at opportunities where efficiencies and accountability can be gained by taking better advantage of public/private relationships to more efficiently deliver conservation and recreation at a variety of levels. One of our chief goals is to enable not for profit, private and local interests to invest in the funding, execution and outcomes of resources at state, federal and local levels so as to advance the changing world of conservation and outdoor recreation management and build a larger and more active base of constituents.

Recommendations

Strongly support reauthorization of the Land and Water Conservation Fund of 1965 with the following core principles:

MAKE FISH AND WILDLIFE CONSERVATION A PRIMARY PURPOSE OF LWCF ALONGSIDE OUTDOOR RECREATION. Extraction, transport and use of oil and gas taken from the outer continental shelf (OCS) impacts fish and wildlife and their habitats. LWCF should specifically support fish and wildlife conservation to ensure long-term sustainability as well as the existing priority for outdoor recreation.

AUTHORIZE THE USE OF LWCF TO SECURE ACCESS FOR SPORTSMEN. LWCF Funds should be used to secure access for sportsmen to public lands that are either landlocked or otherwise significantly restricted. There is language in the Sportsmen’s Act of 2015 that addresses this issue and the LWCF reauthorization language should support that language.

STRONGLY SUPPORT FULL FUNDING OF LWCF AND MAKE IT A DEDICATED TRUST FUND. A minimum of \$1 billion annually in OCS royalties and fees should be dedicated without further appropriation to the Land and Water Conservation Fund. Dedicating these funds to conservation and recreation will ensure that current and future generations actually benefit from the private commercial use of publicly held oil and gas resources. Dedicated funding should be indexed to the Consumer Price Index to maintain purchasing power. Taking this Fund “off-budget” helps to promote efficiencies in longer term non-profit/private partner agreements and helps generate the required match to help leverage the utilization of these funds.

STRONGLY SUPPORT THE EXISTING STATE GRANT PROGRAM AS AUTHORIZED. Currently, the state-side LWCF program receives approximately 40 percent of the funds appropriated. State administrators and their constituents who use these state-side LWCF grants

(soccer moms, recreational trail riders, etc.) have a running debate that they should receive 60 percent instead of 40 percent of the funds to support their interests and grant applications. It's up for additional debate, but reauthorization should not deduct from the average of funds that the states have been receiving over the long term average. Many states depend on state-side LWCF for a large variety of projects. Besides soccer fields, they use LWCF for lake access, fishing access, trails for hiking and biking, infrastructure in our state parks and in local parks to build and improve recreational areas for America's next generation.

STRONGLY SUPPORT A FEDERAL LWCF PROGRAM. Currently the federal side LWCF Program has been beneficial in a variety of ways: Using South Dakota as an example: The Good Earth State Park on the Big Sioux River acquired 245 acres of oak woodlands, savanna and native grass adjacent to the Big Sioux to complete the new Park. The SD Parks and Wildlife Foundation works on projects that qualify for LWCF partnerships and National Forests do their Forest "round-outs" with the LWCF Forest Legacy Funding.

ADD A CHALLENGE GRANT PARTNERSHIP PROGRAM TO LWCF. A "new" challenge grant program for non-profit, private and local interests and partnerships that focus on habitat based conservation will encourage greater acceptance and stronger constituent and political support. In recent years, partnerships have become a cornerstone to successful projects at local levels. Local investment with NGOs such as Pheasants Forever, Ducks Unlimited, Rocky Mountain Elk Foundation, Trout Unlimited and the National Wild Turkey Federation have proven successful in conserving and enhancing significant habitats. By their nature, these partnerships are locally or regionally based cooperative efforts that depend on landowner stewardship agreements, easements, involve a minimum of fee title acquisition, and have resulted in no loss of local property taxes.

Again using South Dakota as an example, when the Governor's Pheasant Habitat Working Group recommended that the State invest in a "Dedicated Habitat Trust Fund" as one of their priorities, this is the type of activity and process they envisioned. It would require a management structure similar to the North American Wetlands Conservation Act (NAWCA) and include a commission modeled after the existing Migratory Birds Conservation Commission. An LWCF Commission would oversee a "new/added" portion of the federal funding which would be matched by non-governmental dollars at least a 1:1 match, thus significantly increasing LWCF investments for qualifying projects and the work these highly financially efficient private organizations can accomplish. As an example the grant requests by sponsoring partnership organizations would be structured similarly to those of NAWCA, which specifically focuses on wetlands and wetland associated habitats. This "new" LWCF Commission would deal with a variety of terrestrial habitat and aquatic-based conservation projects such as river basins, riparian, streamside and other watershed based issues. In South Dakota these types of grants could help install best management practices into the Big Sioux, James and Vermillion Rivers, which are significantly below standards for water quality.

ESTABLISH AN LWCF COMMISSION TO OVERSEE THE NEW CHALLENGE GRANT PROGRAM. Duties of the new Commission would include overseeing a variety of funding responsibilities and accountability reports. The Commission would evaluate all projects submitted to the new challenge grant partnership program. This action would provide congressional oversight and pave the way for a non-appropriated account similar to the Migratory Bird Conservation Fund.

LWCF COMMISSION SUGGESTED STRUCTURE: The Commission would be chaired by the Secretary of the Interior and staffed by the Director of the U.S. Fish and Wildlife Service

utilizing the USFWS Chief of Realty. Additional members of the Commission would include the Secretary of Agriculture and the Administrator of the EPA, and two members each of the House of Representatives and the Senate, appointed from each chamber by the majority and the minority leader. A majority quorum of members must be present to approve/disapprove grant applications. State representation should be considered if acquisition is part of the project design.

PROCESS FOR APPLICATIONS. LWCF grant applications would be prepared by the partnership sponsors, and be coordinated with the involved state resources agencies. The proposal will be reviewed by the U.S Fish and Wildlife Service for presentation by the LWCF Commission. The Commission would make its decision to approve/disapprove the proposal for funding. The U.S. Fish and Wildlife Service would then monitor the grant project for full and successful completion in accordance with grant guidelines, similar to NAWCA/MBCC grant review requirements.

STRENGTHEN COMMUNITY INVOLVEMENT BY SUPPORTING AID TO RURAL SCHOOLS, PAYMENT IN LIEU OF TAXES AND REFUGE REVENUE SHARING. One of the big oppositions to federally owned lands devoted to conservation of resources is that the Federal Government does not pay its full and accountable amount of property taxes in the locality where their lands are situated. The Payments in Lieu of Taxes Act (PILT) authorizes the Secretary of the Interior to make annual payments to units of Government (usually counties) in which entitlement lands are located. Most public lands operated by Federal agencies fall under PILT. The purpose of the Act is to partially compensate local governments for the loss of property taxes as a result of the non-taxable lands located within their boundaries. Historically, appropriations have been far less than the authorized amount and so compensation back to the respective counties has been less than

100 percent over many years. The formula for applying PILT payments is complicated, but the real issue is that PILT is underfunded. The same can be said for the Refuge Revenue Sharing Act, which authorizes the USFWS to make payments to counties where national wildlife refuges and other USFWS-administered lands are located. Over the past several years refuge revenue-sharing payments have generally been less than the full amount owed using the USFWS formula. Consequently, PILT, Refuge Revenue Sharing and Aid to Rural Schools can and should be looked at as a possible funding area for fully appropriated LWCF funds to be allocated. At this point, we don't know what the sum totals would be nationwide to bring these local payments to acceptable levels, but it presents an opportunity to look at raising these payments at the local/county levels and increase the acceptance of conservation ownership IF the LWCF appropriated monies are available.

* * * *

In the past 50 years, since the passage of the first LWCF Act, not for profit, private and local interests have matured, evolved and become efficient in their fundraising abilities and effective at developing, enhancing and restoring terrestrial and aquatic habitats. As support for land acquisition declines and the U.S. population increases, it is only logical that more funding used effectively and efficiently be dedicated to stewardship of our resources and habitats. NGOs have accomplished a great record in working alongside local landowners and state and local governments.

We need a modern transition in LWCF policies and funding priorities to address the current political arena and focus on a more targeted and streamlined funding process with suitable accountability, if the conservation and recreation community is to succeed.

McGraw Center for Conservation Leadership

ADVISORY COMMITTEE

BRENT MANNING *is the Center's senior advisor. From 1991 to 2003, he was the top natural resources official in Illinois, first as director of the Department of Conservation and then as the first director of the Department of Natural Resources, a new umbrella agency that merged Conservation with two state agencies and parts of two more.*

He oversaw the acquisition of more than 100,000 acres for conservation, and worked with state and federal officials to convert thousands of acres at closed military bases to recreational use. He won legislative approval for programs and initiatives that generated millions of dollars for conservation efforts. He later served as Executive Director of the Forest Preserve District of DuPage County, Illinois.

Among his many honors: The Ducks Unlimited Wetland Conservation Award, Eastern Illinois University's Distinguished Alumnus Award; the American Greenways DuPont Award, and the National Leadership Award from the National Association of State Outdoor Recreation Liaison Officers. He was named to the Illinois Outdoor Hall of Fame in 2005.

JOHN COOPER *retired from his position as cabinet secretary of the South Dakota Department of Game, Fish and Parks in January, 2007 after 12 years of service as secretary under two governors.*

From January 2007 until July, 2008 he served as Governor Mike Rounds' senior policy advisor on Missouri River issues, which also included serving as the first chairman of the Missouri River Association of States and Tribes. John also served as a senior policy advisor to the Bipartisan Policy Center on climate change and wildlife management issues from 2007 until his retirement in 2010. Before his appointment as Game, Fish & Parks secretary in 1995, John served 22 years with the Law Enforcement Division of the U.S. Fish & Wildlife Service. He was the senior resident agent for North Dakota, South Dakota and Nebraska, supervising six special agents who enforced federal, state and tribal wildlife laws.

In addition to his professional career, John

served as field editor for Dakota Outdoors magazine. He has had feature articles published in Sports Afield, In-Fisherman, Western Outdoor News and Bassmaster magazine. John also served as president of the Association of Fish and Wildlife Agencies (2005-2006); chairman of the National Fish Habitat Initiative Board (2005-2007); and vice chairman of the North American Wetlands Conservation Council (1996-2006).

His professional awards include the 1982 and 2006 South Dakota Chapter of the Wildlife Society Wildlife Professional of the Year Award, the 1995 Guy Bradley Law Enforcement Professional Award, the 1991 and 2006 South Dakota Wildlife Federation Conservationist of the Year Award, the 1998 U.S. Forest Service Chief's Award for Conservation Leadership, the 2006 Wildlife Professional of the Year Award from the Western Association of Fish & Wildlife Agencies, the 2006 Ducks Unlimited Conservation Achievement Award, the Outdoor Life Conservation Award for 2006 and the 2008 Seth Gordon Award for Lifetime Excellence in Conservation from the Association of Fish & Wildlife Agencies.

In 2009, John received the National Governors Association Award for Distinguished Service to State Government. In 2010, he received the George Bird Grinnell Memorial Award for Distinguished Lifetime Conservation Service from the Wildlife Management Institute. He currently serves as the vice chair of the South Dakota Game, Fish & Parks Commission.

He enjoys fishing, camping, hunting and spending time with his wife and family (especially his four grandsons) and his black Lab, Maddie.

KEN HADDAD *retired in 2009 as executive director of the Florida Fish and Wildlife Conservation Commission. The commission is a Florida constitutional agency of more than 2,500 employees with responsibility for rule-making, management, enforcement and science relative to fish and wildlife resources statewide.*

As executive director, Ken was responsible for

wildlife management, fisheries management, game management, endangered and threatened species management, wildlife law enforcement and boating throughout Florida. He has served as a member of the state lands Acquisition and Restoration Council, was chairman of the Science Coordinating Group of the Everglades Restoration Task Force, was a member of the Executive Committee of the Association of Fish and Wildlife Agencies, and was president of the Southeastern Association of Fish and Wildlife Agencies. He is a former commissioner of the Atlantic States Marine Fisheries Commission and former council member of the South Atlantic Fisheries Management Council.

Ken is a board member of the Wildlife Foundation of Florida, a trustee of Tall Timbers Research Station and Land Conservancy Inc., and on the boards of Equine Land Conservation Resource, Florida Ocean Alliance and the Future of Hunting in Florida, Inc. He serves part-time as a marine advisor to the American Sportfishing Association, a trade association of tackle and related manufacturers, retailers and associated industries. He holds a B.S. in biology from Presbyterian College and an M.S. in marine science from the University of South Florida. He is an avid outdoorsman focusing on fishing, hunting and mounted foxhunting.

WILLIAM F. “BILL” HARTWIG *is a senior advisor at Dawson & Associates. He served more than 33 years with the federal government, including 30 years within the Department of the Interior.*

He served five years within the Office of the Secretary as staff director to the Federal Lands Planning Group and oversaw the annual expenditure of funds from the Land and Water Conservation Fund by the National Park Service, Fish and Wildlife Service, Bureau of Land Management and the Forest Service. His next position was chief of realty for the Fish and Wildlife Service and secretary to the Migratory Bird Conservation Commission before becoming assistant director of Refuges and Wildlife.

Bill was the Fish and Wildlife Service’s Midwest regional director for eight years before returning to Washington as assistant director of the Fish and Wildlife Service and chief of the National Wildlife Refuge System. He served three years

on active duty in the U.S. Army as a field artillery officer and Ranger advisor to the Vietnamese Army. He worked five years for Montgomery County, Maryland, before joining the Department of the Interior. He holds a B.S. from West Virginia University and an M.S. in public administration from George Washington University.

LLOYD JONES *has 30 years of resource management experience with the U.S. Fish and Wildlife Service, Division of National Wildlife Refuges. He has served in positions as wetland manager, project leader and refuge coordinator. Lloyd twice received the Service’s Most Outstanding Employee award. He has extensive experience in waterfowl management and conservation efforts in the Prairie Pothole Region.*

He has also served as director of the North Dakota Game and Fish Department and vice president of the Delta Waterfowl Foundation. He has the unique conservation background and experience in private, state and federal leadership positions.

Lloyd holds a B.S. in wildlife management and biology from the University of Wisconsin-Stevens Point.

SCOTT SUTHERLAND *led the Washington D.C. operation for Ducks Unlimited for 22 years. During his tenure, he was primarily responsible for the organization’s relationship with members of Congress, with federal agency leadership in Washington and with the White House. His work focused on congressional authorization, funding and agency implementation of a broad number of programs important to waterfowl and other wildlife.*

Before taking his position with Ducks Unlimited, he served on the White House staff for Presidents Ronald Reagan and George H.W. Bush. In that role he was responsible for building and maintaining relationships with key constituent groups on behalf of the President. Before his service at the White House, he was a staff member in the United States Senate, in the Alaska House of Representatives and in the Washington State Senate.

He has been a member of the Board of Directors of the Wildlife Habitat Council and served on the Theodore Roosevelt Conservation Partnership’s Policy Council. He majored in political science at the University of Washington.

About the McGraw Center for Conservation Leadership

The McGraw Center for Conservation Leadership is the nation's leading advocate for creative and entrepreneurial thought in conservation. Nonpartisan and not for profit, the Center's work enables informed strategic decisions rooted in economic efficiencies and science.

The Center was born from the realization that more than \$20 billion in taxpayer and private sector dollars set aside for conservation each year can be expended more efficiently.

It is a natural outgrowth of the Max McGraw Wildlife Foundation, created more than 50 years ago by the visionary conservationist Max McGraw, founder of McGraw-Edison Co. The Foundation, headquartered on 1,250 acres in Dundee, Illinois, aims to secure the future of hunting, fishing and land management through science, demonstration, education and communication.

Leadership Team

Charles S. Potter Jr., *President and CEO*

Kerry Luft, *Director*

Stanley D. Gehrt, Ph.D., *Vice President*

Zachary E. Lowe, Ph.D., *Vice President*

Brent Manning, *Senior Advisor*

Advisory Committee

Brent Manning, *Senior Advisor*

John Cooper, Ken Haddad, Lloyd Jones, William F. "Bill" Hartwig, Scott Sutherland

The Business Leaders Conservation Council

Ken Aldridge

John W. Childs

Christopher Galvin

Terence Graunke

David F. Grohne

George Kennedy

Diane Oberhelman

Doug Oberhelman

Governor Bruce Rauner

Richard Uihlein

David K. "Deke" Welles Jr.

Foundation Supporters

S.D. Bechtel Jr. Foundation

McGraw Foundation

Daniel F. and Ada L. Rice Foundation

CCL MISSION STATEMENT

Drive economic efficiencies, innovation and accountability in conservation.