

SWCP and Commission Updates

Jim Plassmeyer
2024 Area Meetings
August 27-29

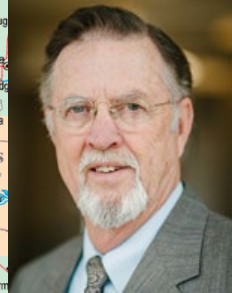
**Jeff
Lance
Member**



**Gary
Vandiver
Chair**



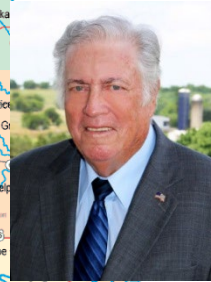
**H. Ralph
Gaw
Vice Chair**



**Keith Stevens
Member**



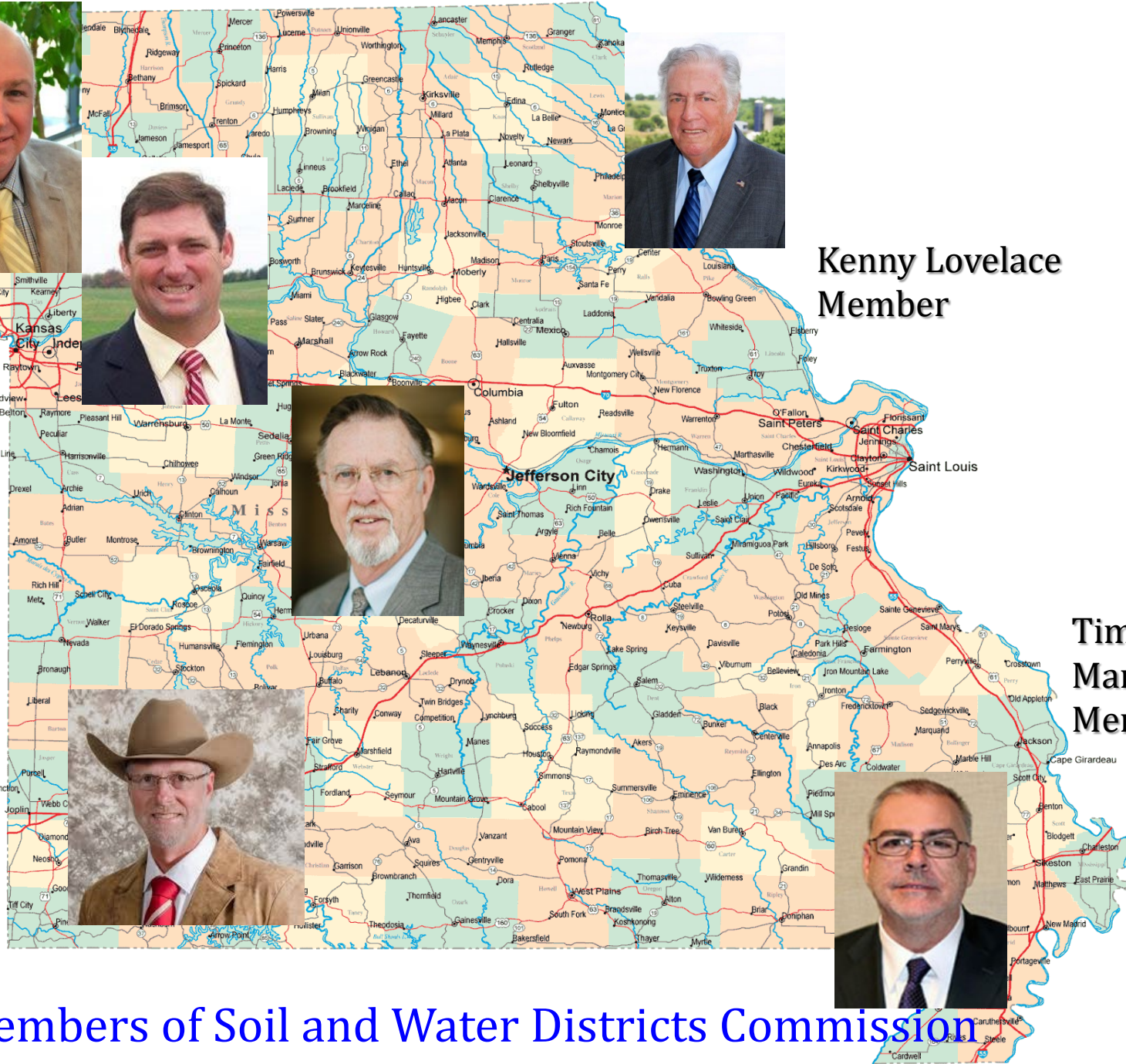
**Kenny Lovelace
Member**



**Tim
Martin
Member**



Farmer Members of Soil and Water Districts Commission



Commission Actions

- Supported increase to progression line and adding DSVI level and performance funding.
- Initiated a targeted watershed effort in the Lower Grand River Watershed.
- Supported the ACT NOW initiative in Barton, Bates, Cedar, Vernon and St. Clair.
- Changed grazing policy to allow a pond to be fenced and install a tank.
- Extended 4R Pilot and increased acre incentive to \$15.
- Changed cover crop policy to an annual maximum and removed the 2 crop rotation requirement. Still required to be in a production crop.
- Increased maximum payment for Dairy, Swine and Poultry Waste Management.
- Continuation of drought variances through FY25.

Budget Terminology

- Appropriation – authorization granted by the General Assembly to make expenditures.
- Core – prior year appropriation authority.
 - Reallocations – transfers between division and programs
 - Reductions
 - Transfers between departments
- New Decision Item (NDI) – request for additional appropriation authority

State Budget Overview

Annual Budget Process/Timeline

- State Fiscal Year: July 1 to June 30.
- Department budgets are due to the OA Office of Budget and Planning by October 1 each year.
- Budget discussions within the division and program including NDI start no later than early June.
- NDI proposals are presented to Department Director in July for approval.
- Program descriptions and performance measures are updated in July.
- Meetings between Director's office, division leadership and department accounting in August/September honing the NDI proposals that will be included in the Department's proposed budget.

State Budget Annual Approval Process

OA Office of Budget & Planning/Governor's Office:

- Reviews department budget submittals from October 1 until the release of the Governor's Recommended Budget during the State of the State Address early in the calendar year.

State Legislature:

- Both the House and Senate review Governor's Recommended Budget
 - Hold hearings for testimony from public and the department.
 - Provide recommendation to approve or deny funding on each item submitted or may add new funding authority.
 - Output of this process are house bills that go to the Governor for signature.

Governor:

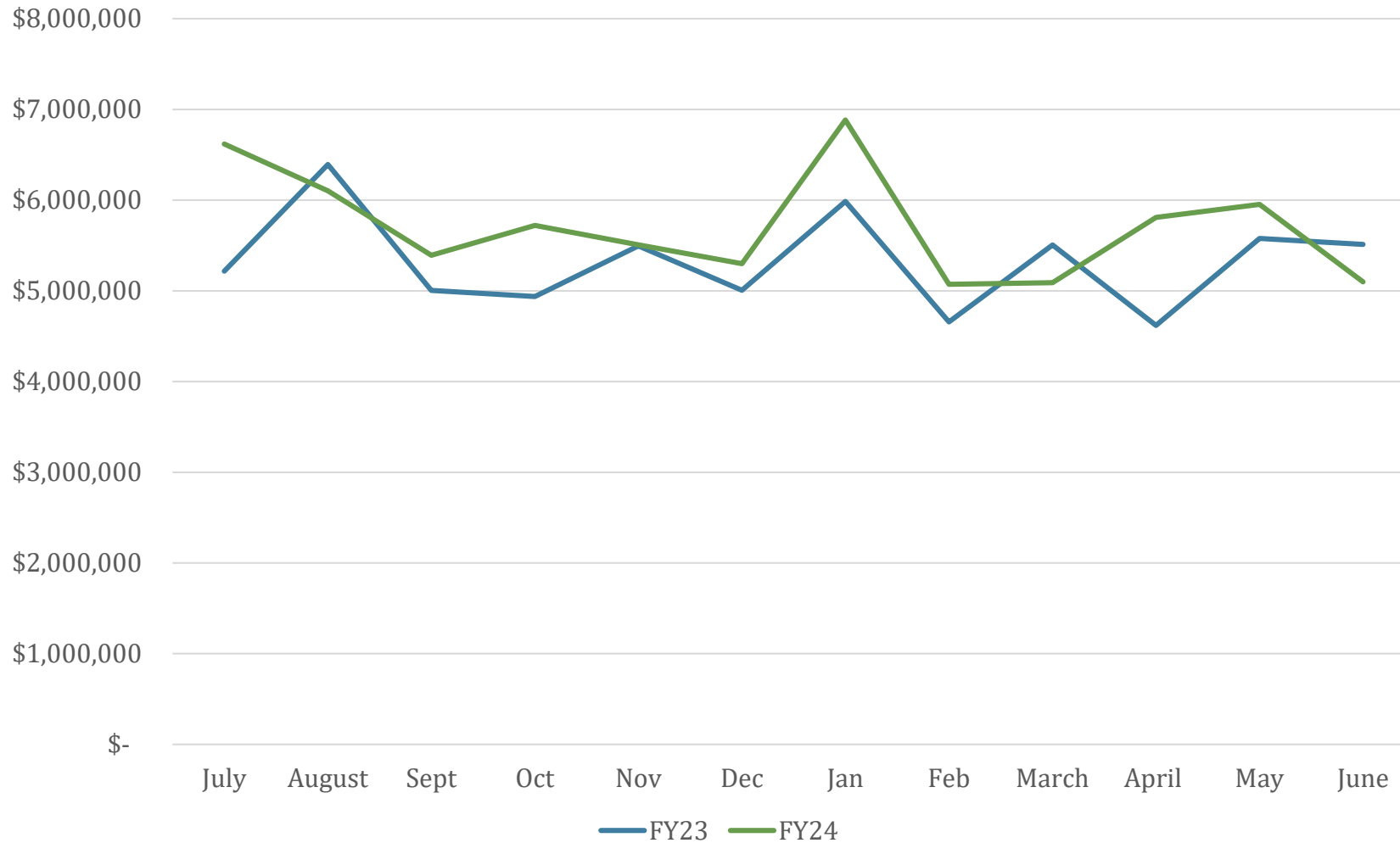
- Must sign, veto or line item veto all budget house bills by July 1

Fiscal Year 2024 Overview

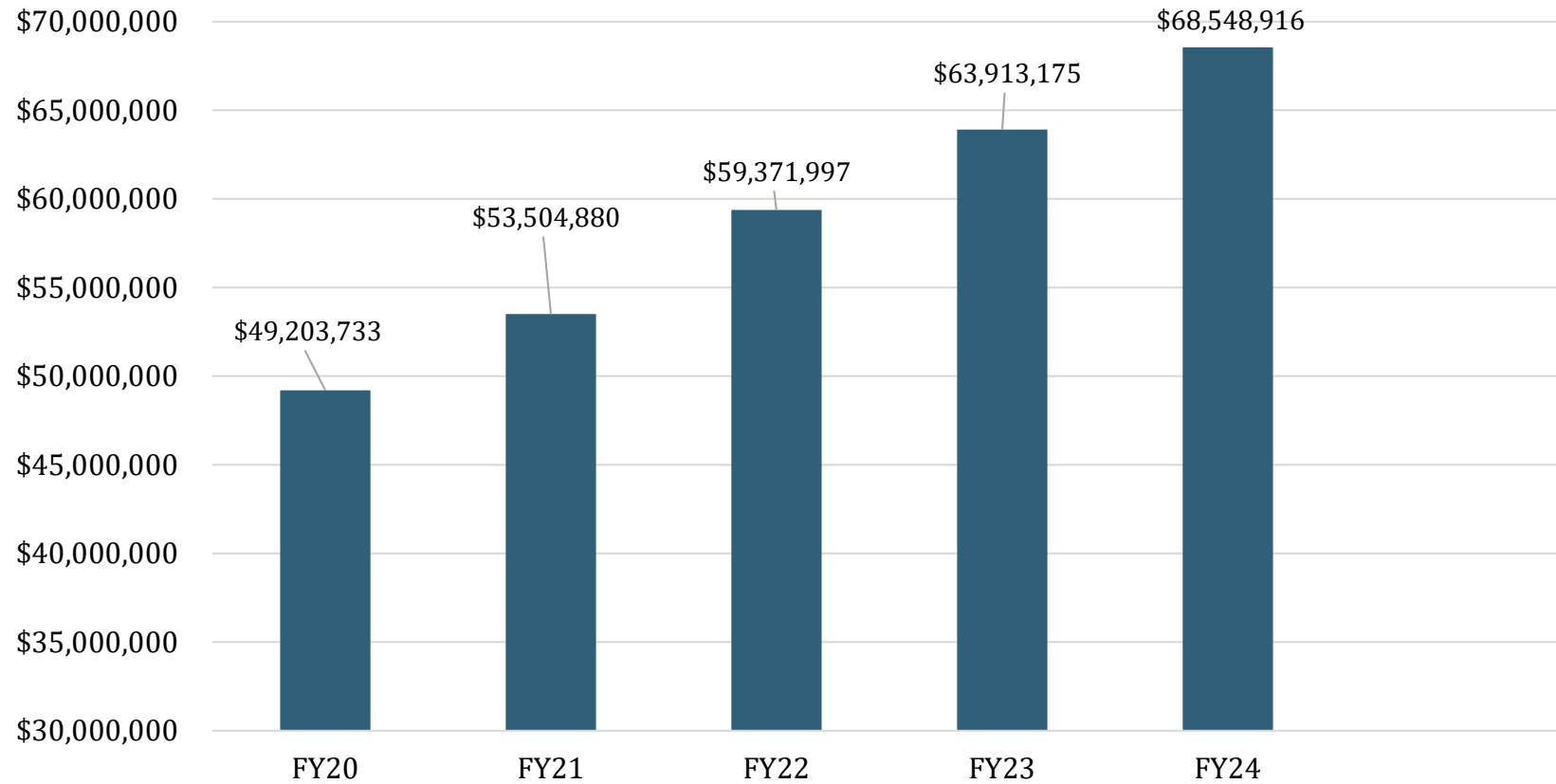
FY24 Revenue

Revenue Sources	Amount
Soil and Water Sales Tax Revenue	\$ 68,548,916
Interest	\$ 1,333,970
Vendor Refunds	\$ 19,654
	\$ 69,902,541

Sales Tax Revenue Monthly Comparison of FY23 to FY24



Sales Tax Revenue Totals for Past 5 Years



FY24 7.25% over FY23

FY24 Appropriations

Soil and Water Conservation Program

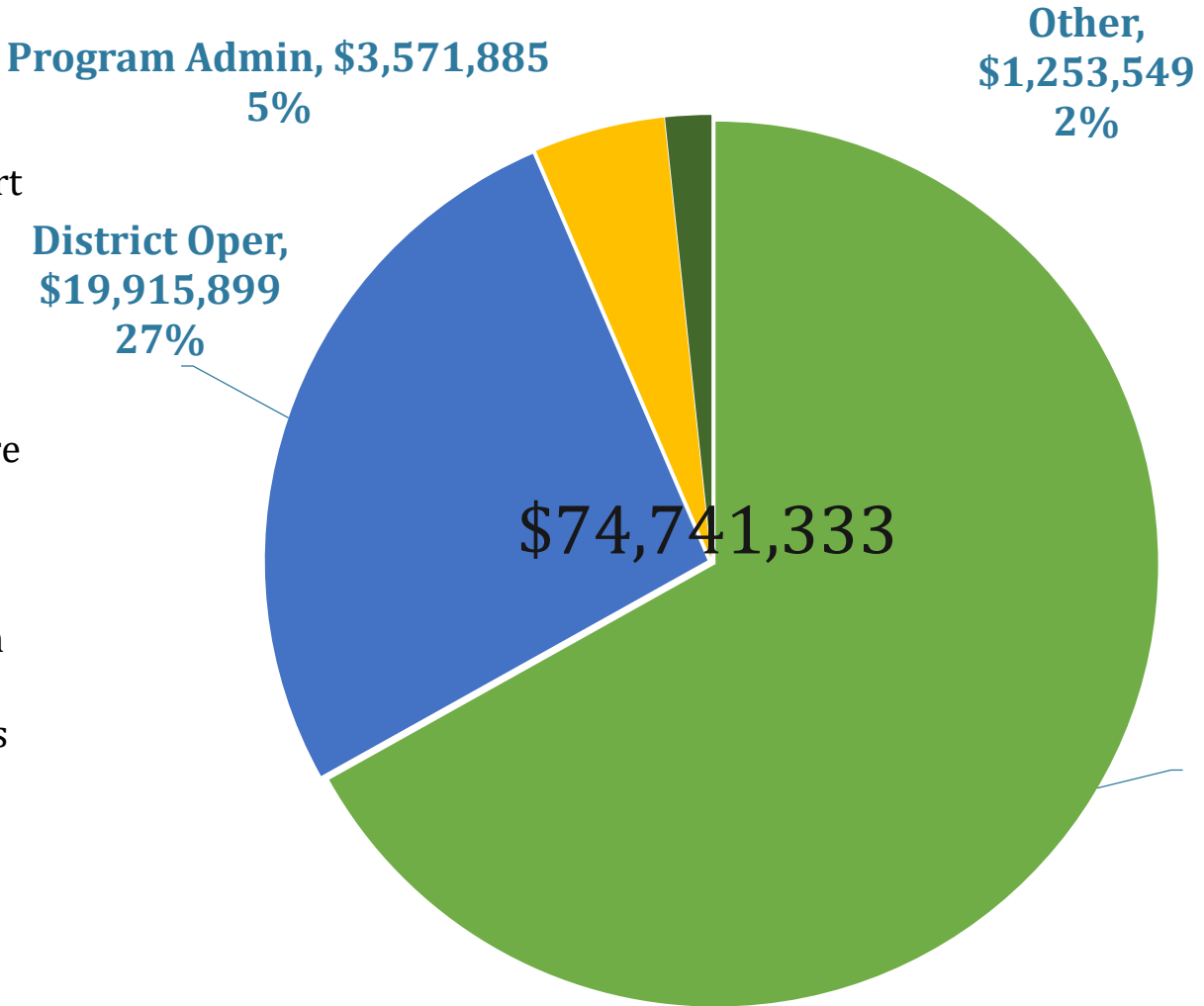
Program Administration

- Program Salary
- Social Security/Medicare
- Health Insurance
- Retirement
- Worker's Comp
- Program E&E
- Building Costs
- ITSD

DNR Department Support

District Operations

- District Salary
- Social Security/Medicare
- Health Insurance
- Retirement
- Worker's Comp
- District Administration
- ITSD
- District Contract Audits
- Surety Bond
- Technical Assistance
- No-Till Drill



- Other**
- Research
 - Conservation Monitoring
 - Refunds
 - Sales Tax Collection
 - State Auditor
 - Attorney General

FY24 Expenditures

Soil and Water Conservation Program

Program Administration

- Program Salary
- Social Security/Medicare
- Health Insurance
- Retirement
- Worker's Comp
- Program E&E
- Building Costs
- ITSD
- DNR Department Support

District Oper,
\$16,380,389
24%

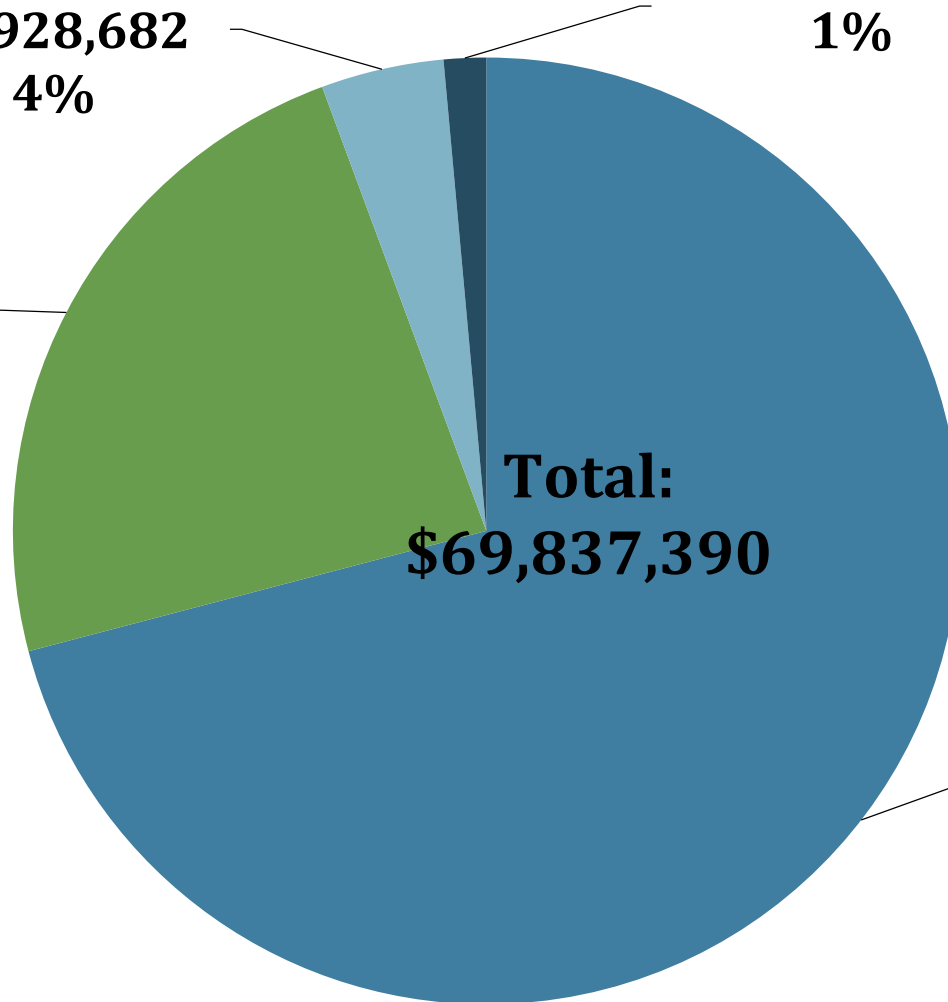
District Operations

- District Salary
- Social Security/Medicare
- Health Insurance
- Retirement
- Worker's Comp
- District Administration
- ITSD
- District Contract Audits
- Surety Bond
- Technical Assistance
- No Till Drill

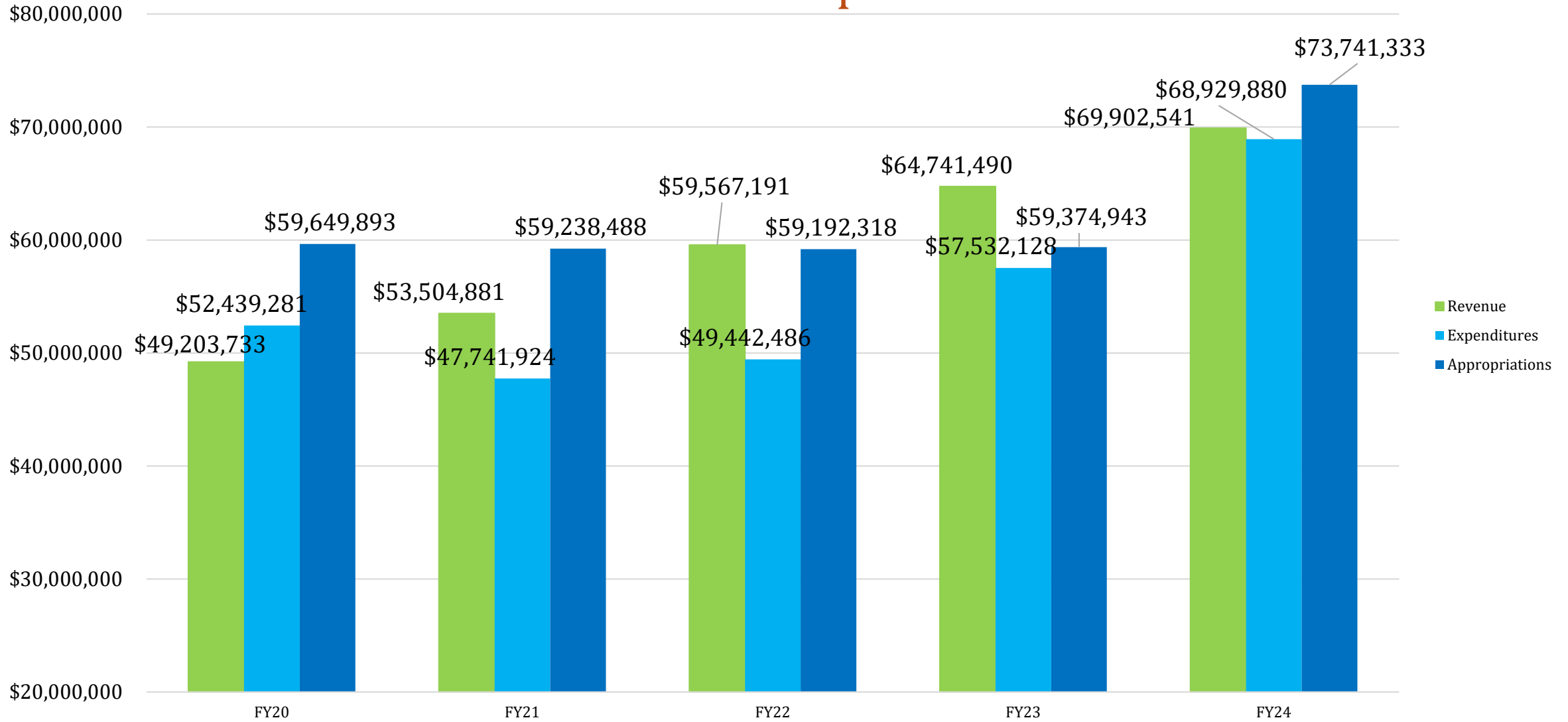
Program Admin,
\$2,928,682
4%

Other,
\$1,007,852
1%

- Other**
- Research
 - Conservation Monitoring
 - Refunds
 - Sales Tax Collection
 - State Auditor
 - Attorney General



Sales Tax Revenue vs. Expenditures



FY25 Appropriations

Soil and Water Conservation Program

Program Administration

- Program Salary
- Social Security/Medicare
- Health Insurance
- Retirement
- Worker's Comp
- Program E&E
- Building Costs
- ITSD
- DNR Department Support

Program Admin,
\$3,893,404
5%

Other,
\$1,254,463
2%

- Other
- Research
 - Conservation Monitoring
 - Refunds
 - Sales Tax Collection
 - State Auditor
 - Attorney General

District Oper,
\$20,840,899
27%

District Operations

- District Salary
- Social Security/Medicare
- Health Insurance
- Retirement
- Worker's Comp
- District Administration
- ITSD
- District Contract Audits
- Surety Bond
- Technical Assistance

Total:
\$75,988,766

Cost-Share,
\$50,000,000
66%

Status of the Cash Balance of the Soil and Water Sales Tax Fund

Cash Balance July 1, 2023	\$34,929,301
Cash Balance July 1, 2024	\$35,901,962
Projected Cash Balance July 1, 2025	\$31,978,874

Assumptions for Cash Balance Projections Through FY29:

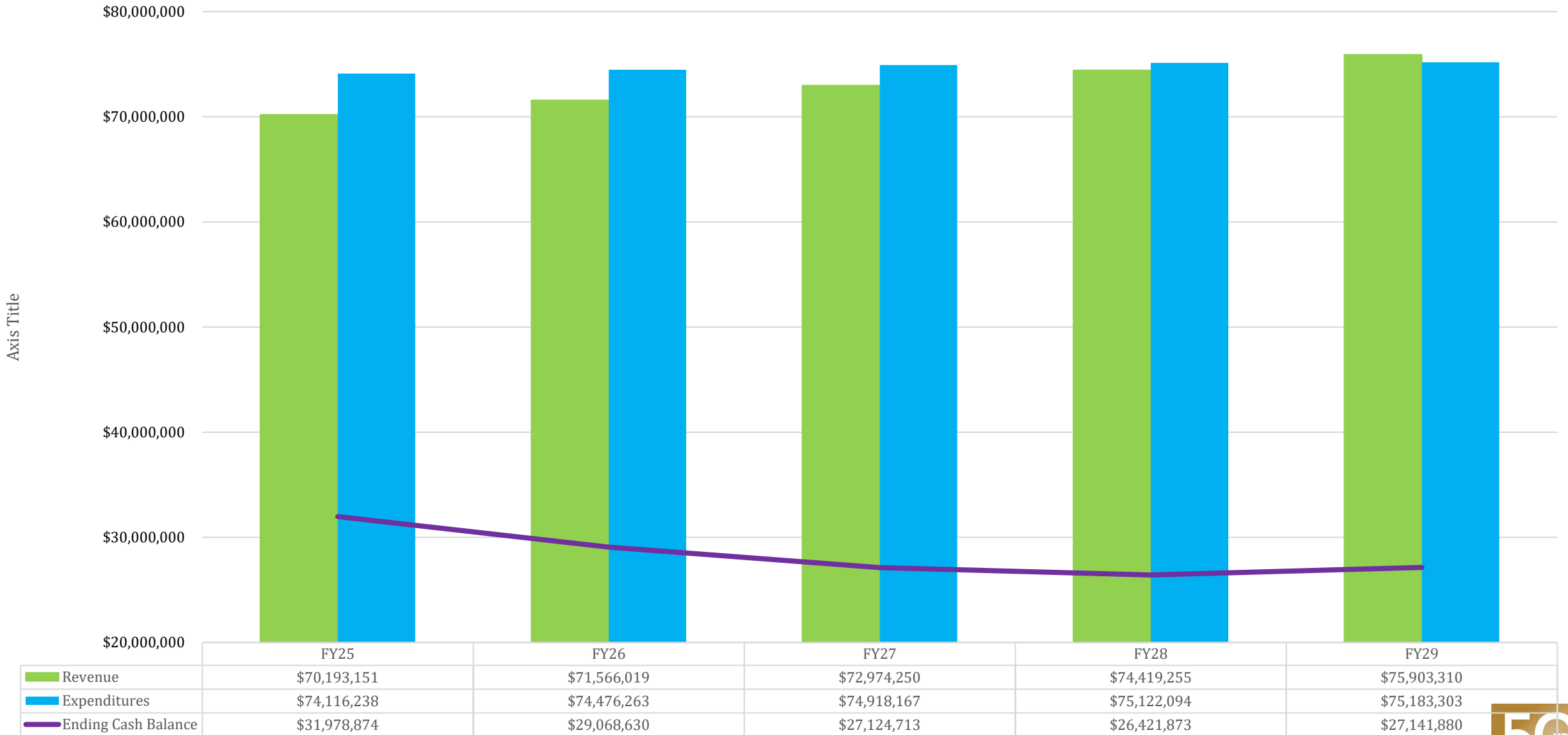
Revenue:

- 2% Increase in Sales Tax Revenue

Expenditures:

- 2% Pay plan Increase for Program
- 2% Pay plan Increase for District Staff (until FY28 when appropriation is reached \$19.6M)
- Cash Balance is calculated using \$50M cost share appropriation

FY25 – FY29 Cash Projections



Questions?

FY24 Cost-Share Year-End Report

FY24 Cost-Share Final Numbers

As of May 2024:

\$59.1 million obligated

As of June 30, 2024:

\$2.5 million cancelled

\$7.1 million rolled over

Includes
Cover Crops
\$6.738 million
3289 Contracts
207,841 acres

Resource Concern	Number of Contracts	Contract Payments
Animal Waste Management	33	\$2,267,556
Grazing Management	811	\$5,316,036
Irrigation Management	168	\$2,965,948
Nutrient & Pest Management	296	\$242,335
Sensitive Areas	224	\$2,868,678
Sheet and Rill/Gully	5770	\$35,064,823
Woodland Erosion	158	\$709,584
Mozingo Lake	7	\$78,304
Act Now	7	\$7,200
TOTAL	7474	\$49,520,466

Resource Concern	FY24 Number of Contracts	FY24 Contract Payments	FY23 Number of Contracts	FY23 Contract Payments
Animal Waste Management	33	\$2,267,556	17	\$921,318
Grazing Management	811	\$5,316,036	666	\$3,769,401
Irrigation Management	168	\$2,965,948	114	\$2,258,137
Nutrient & Pest Management	296	\$242,335	309	\$249,535
Sensitive Areas	224	\$2,868,678	167	\$2,471,696
Sheet and Rill/Gully	5770	\$35,064,823	4585	\$29,771,393
Woodland Erosion	158	\$709,584	116	\$513,856
Mozingo Lake	7	\$78,304	7	\$44,660
Act Now	7	\$7,200	0	\$0
TOTAL	7474	\$49,520,466	5981	\$39,999,999

FY24 FINAL Cost-Share Payments

All Resource Concerns

361,254 Acres Served

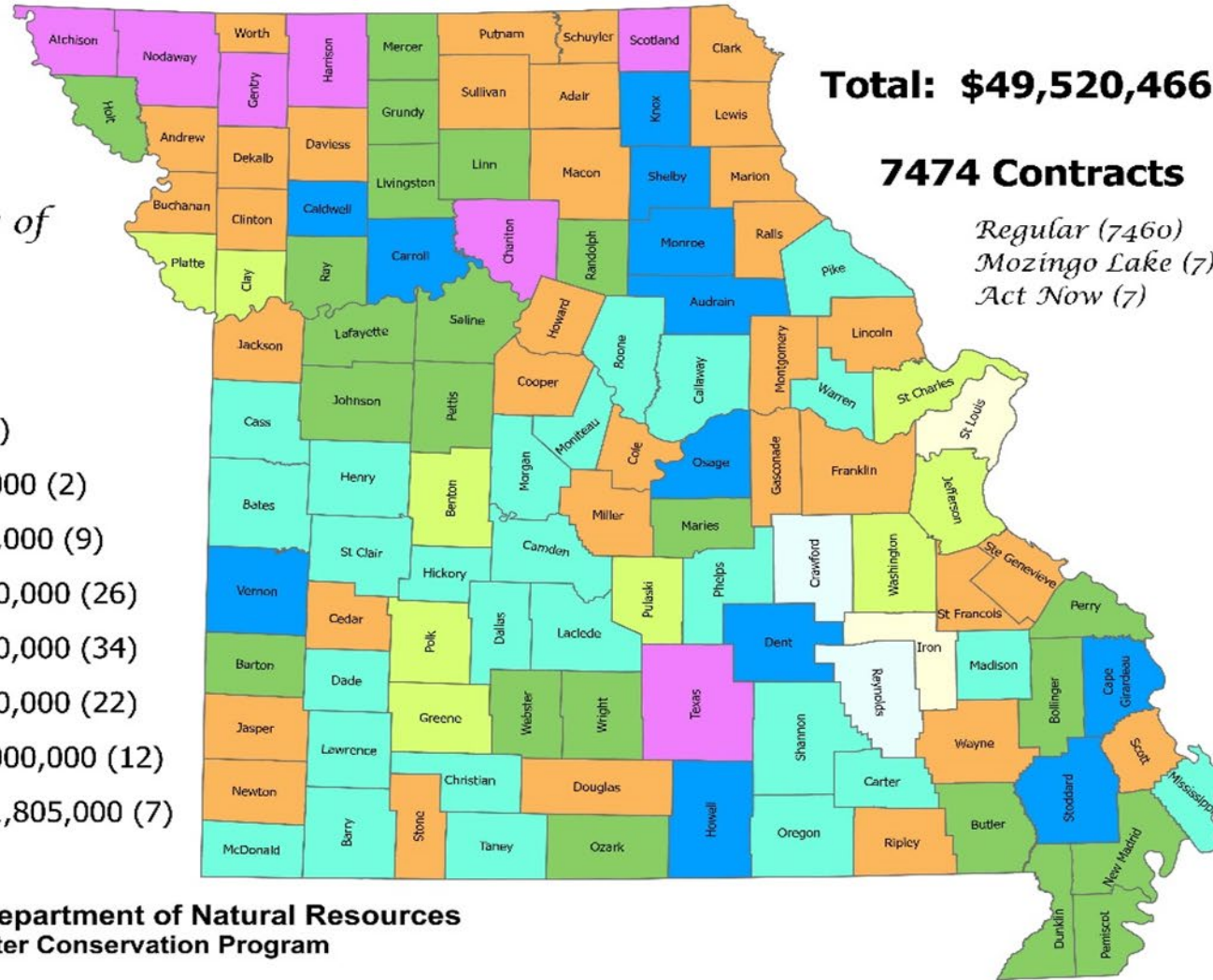
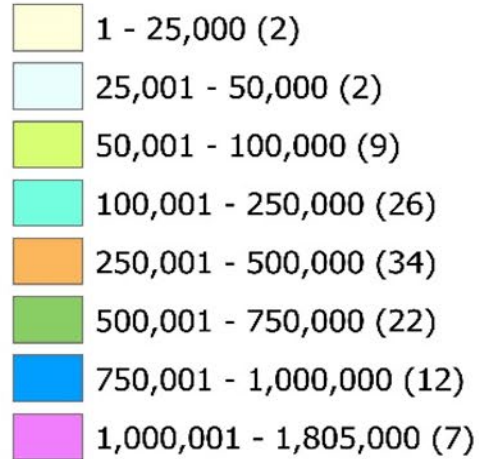
1,570,887 Tons of Soil Saved

Total: \$49,520,466.66

7474 Contracts

Regular (7460)
Mozingo Lake (7)
Act Now (7)

TOTALS



FY24 FINAL Cost-Share Payments Sheet Rill and Gully

267,285 Acres
Served

1,549,676 Tons of
Soil Saved

Total:
\$35,143,127.76

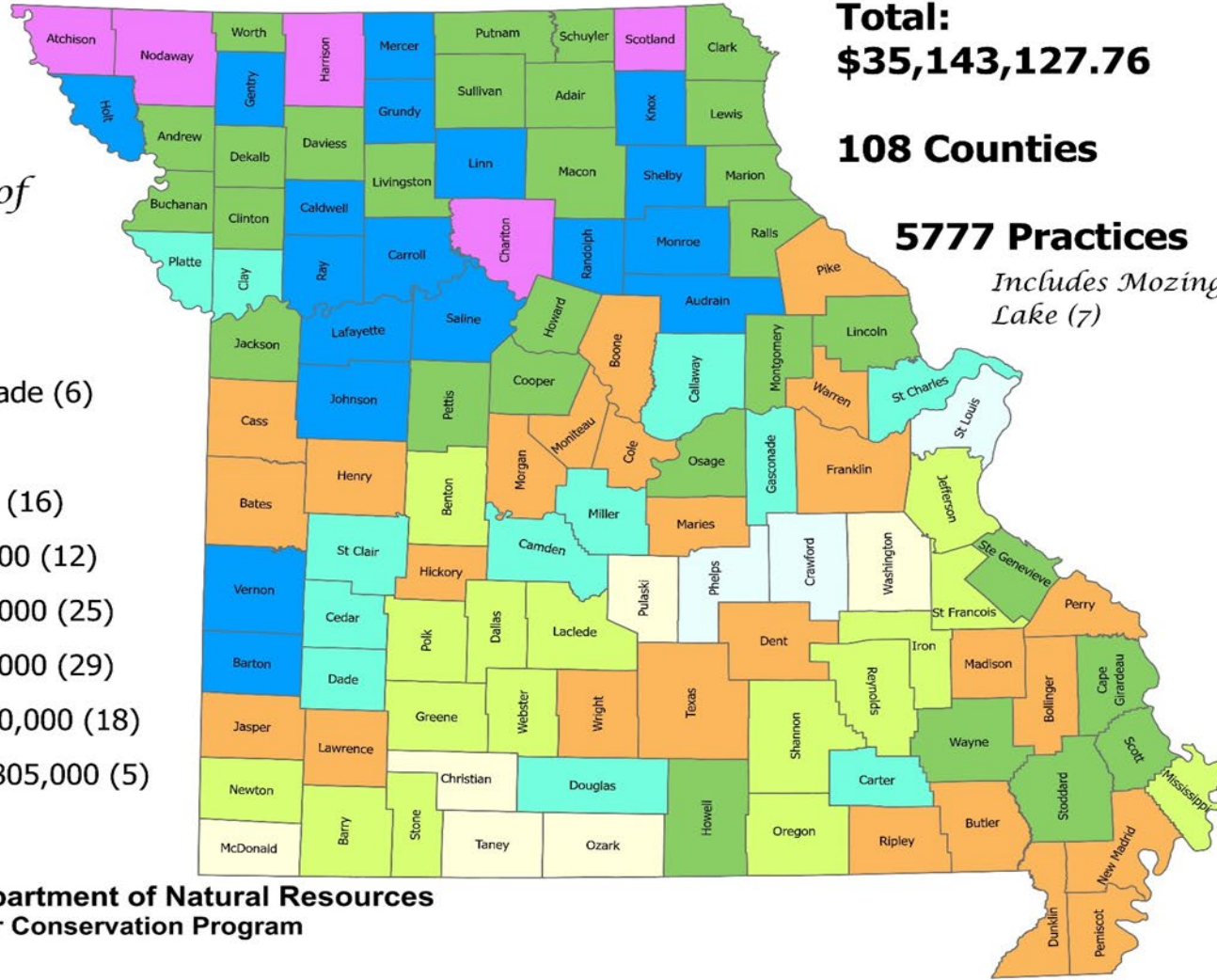
108 Counties

5777 Practices

*Includes Mazingo
Lake (7)*

SRG

- No Payment Made (6)
- 1 - 2,000 (3)
- 2,001 - 50,000 (16)
- 50,001 - 100,000 (12)
- 100,001 - 250,000 (25)
- 250,001 - 500,000 (29)
- 500,001 - 1,000,000 (18)
- 1,000,001 - 1,805,000 (5)



FY24 FINAL Cost-Share Payments Irrigation Management

9,928 Acres
Served

0 Tons of Soil
Saved

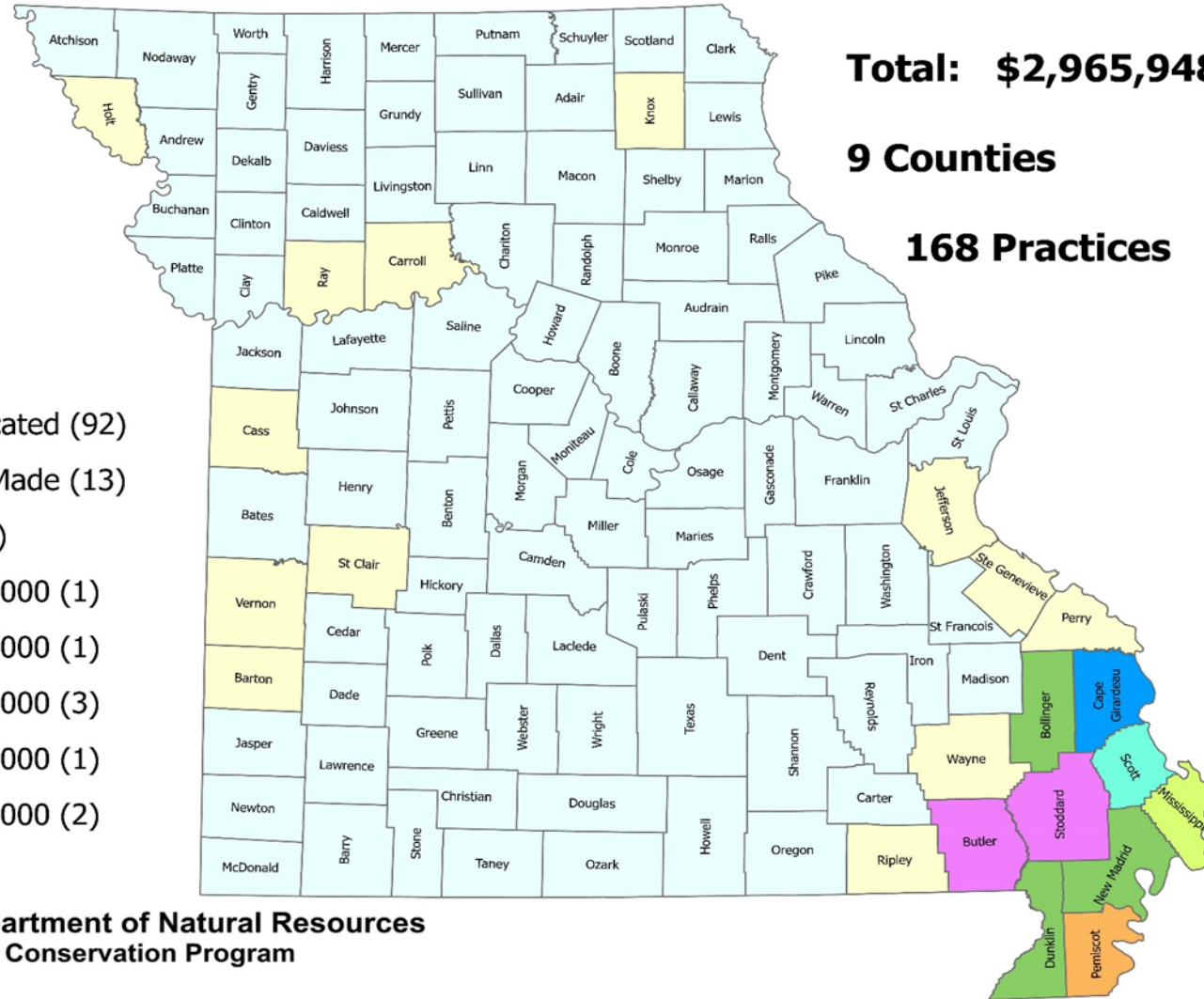
Total: \$2,965,948.54

9 Counties

168 Practices

IM

- No Funds Allocated (92)
- No Payments Made (13)
- 1 - 100,000 (1)
- 100,001 - 200,000 (1)
- 200,001 - 300,000 (1)
- 300,001 - 400,000 (3)
- 400,001 - 450,000 (1)
- 450,001 - 500,000 (2)



FY24 FINAL Cost-Share Payments Animal Waste Management

0 Acres Served

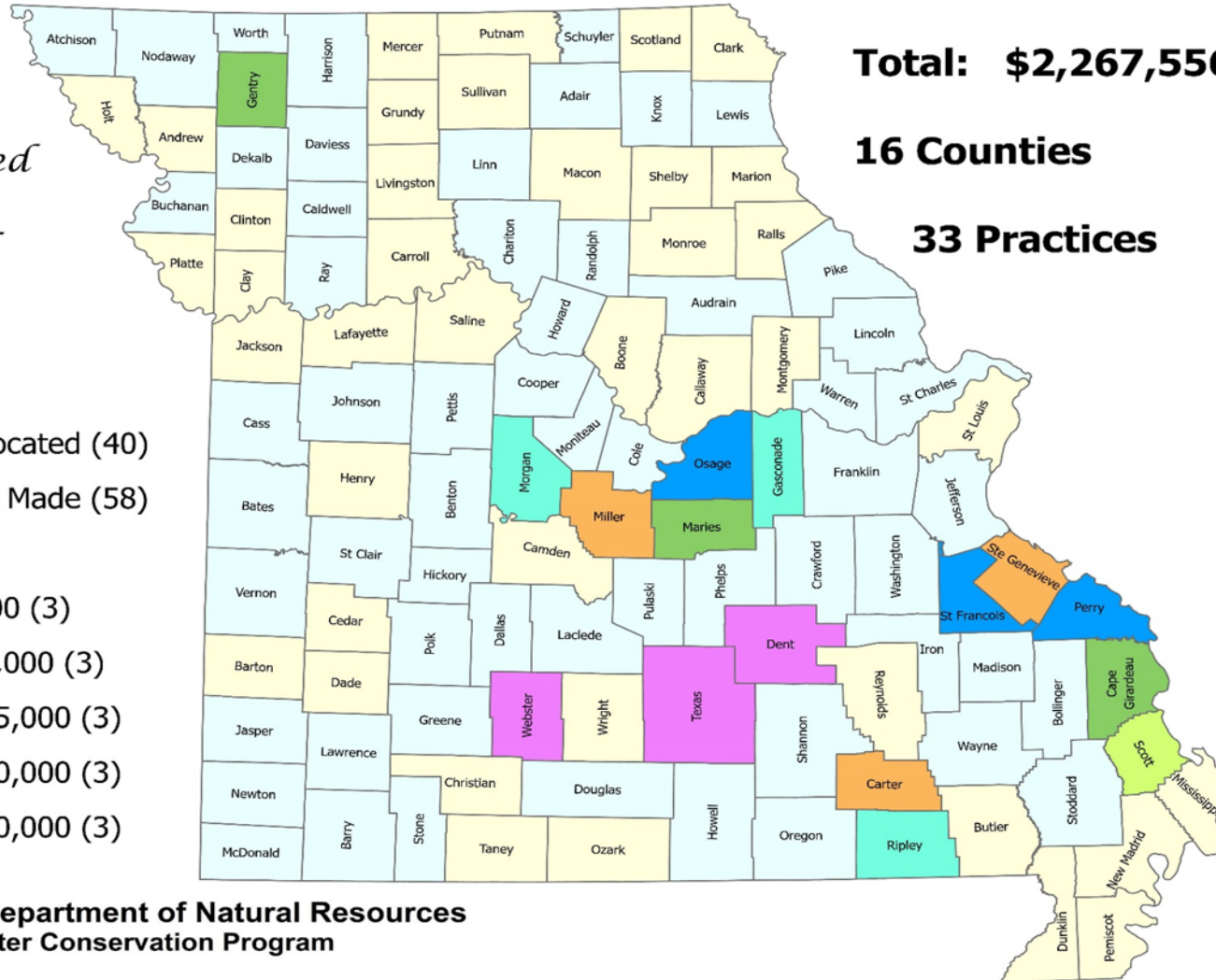
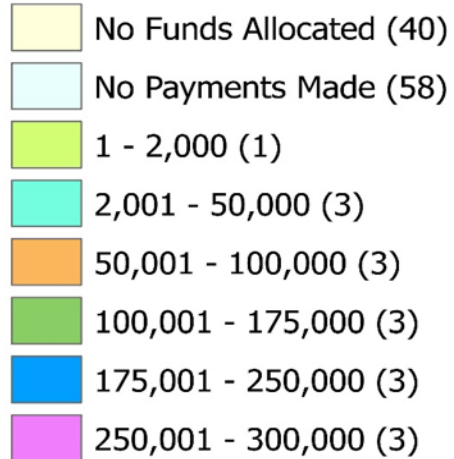
0 Tons of Soil Saved

Total: \$2,267,556

16 Counties

33 Practices

AWM



FY24 FINAL Cost-Share Payments Woodland Erosion

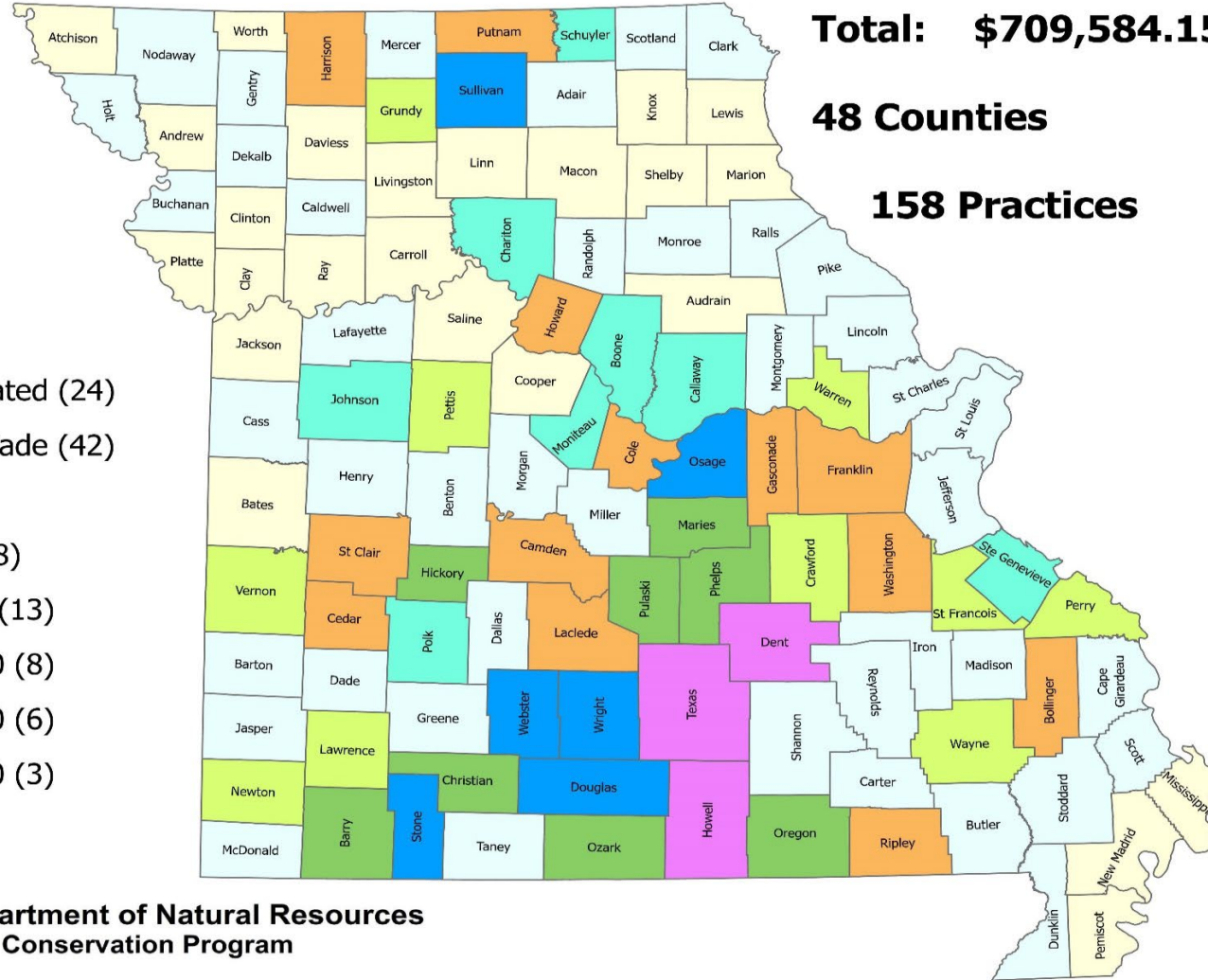
3,036 Acres
Served

0 Tons of Soil
Saved

Total: \$709,584.15

48 Counties

158 Practices



FY24 FINAL Cost-Share Payments Nutrient and Pest Management

21,210 Acres
Served

1,643 Tons of Soil
Saved

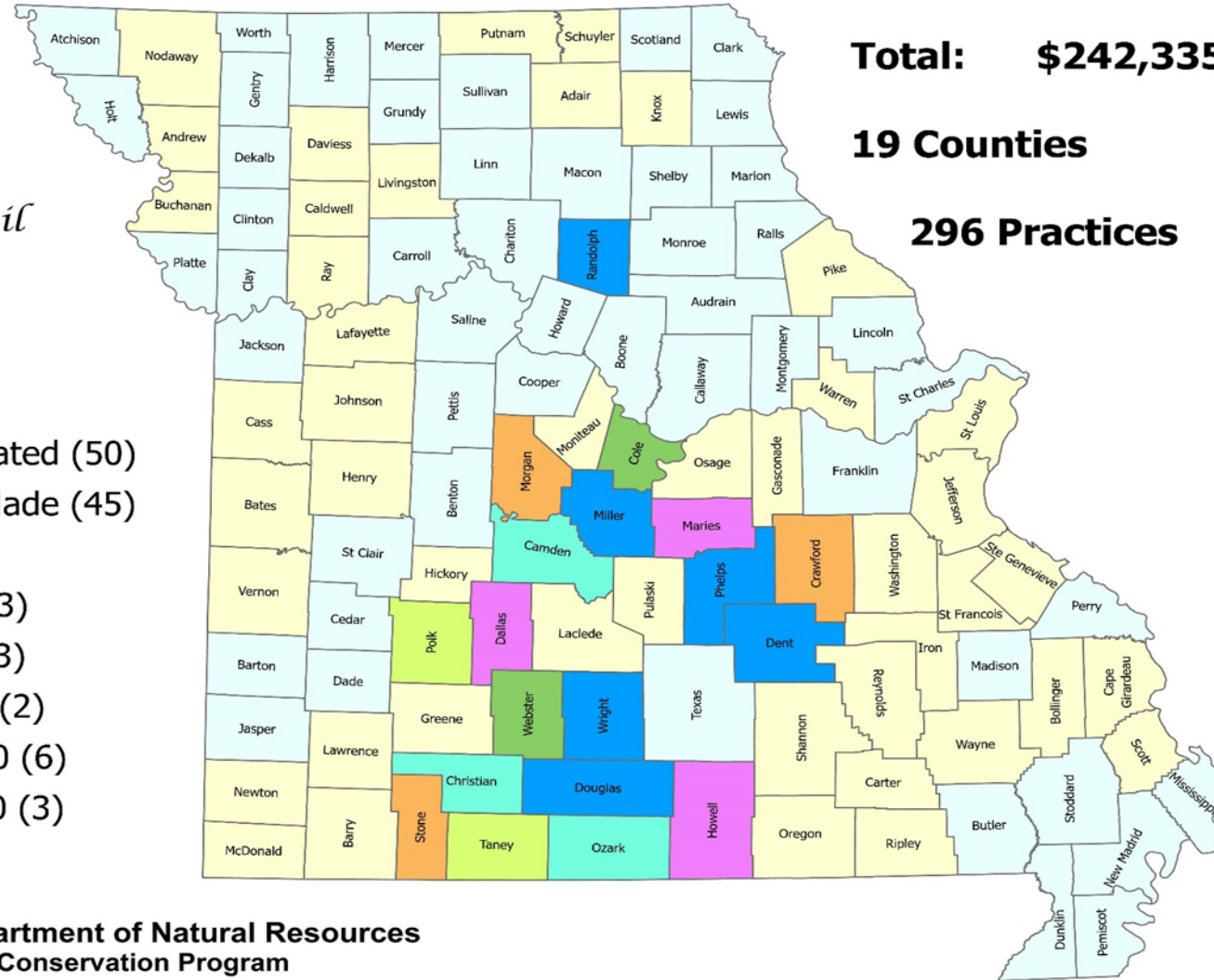
Total: \$242,335.10

19 Counties

296 Practices

NPM

- No Funds Allocated (50)
- No Payments Made (45)
- 1 - 2,000 (2)
- 2,001 - 5,000 (3)
- 5,001 - 7,500 (3)
- 7,501 - 10,000 (2)
- 10,001 - 20,000 (6)
- 20,001 - 57,000 (3)

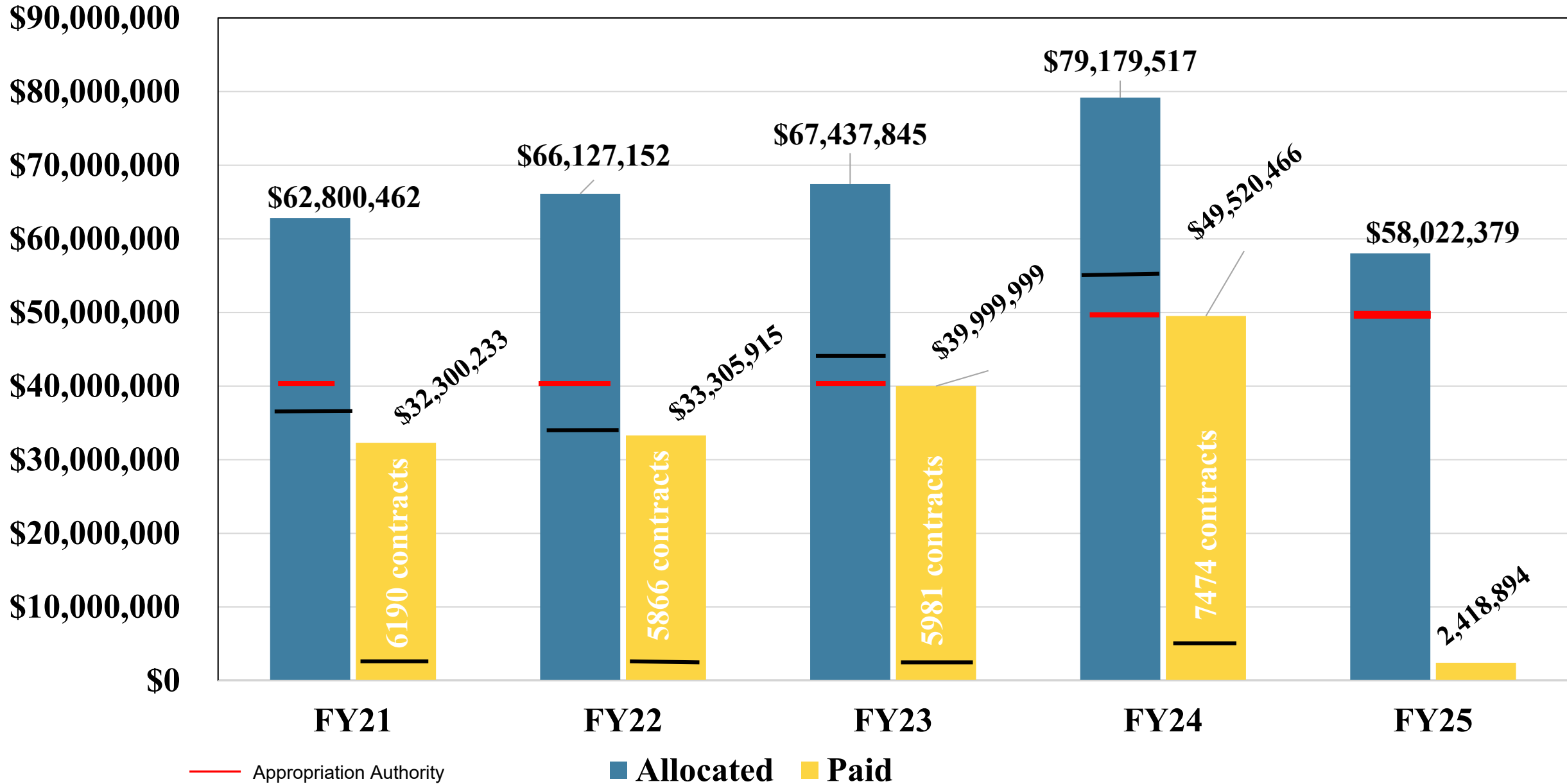


FY25 Cost-Share Fund Status as of August 6, 2024

Resource Concern	Allocated	Obligated	Percent Obligated	Number of Contracts	Contract Payments
Animal Waste Management	\$2,624,151	\$1,089,393	41%	22	\$136,405
Grazing Management	\$6,538,184	\$1,970,019	30%	371	\$211,910
Irrigation Management	\$2,455,456	\$912,631	37%	63	\$295,410
Nutrient & Pest Mgmt	\$873,375	\$130,626	14%	178	\$4,342
Sensitive Areas	\$5,416,620	\$1,210,940	22%	146	\$192,533
Sheet and Rill/Gully	\$37,746,617	\$9,402,610	24%	1434	\$1,547,541
Woodland Erosion	\$2,152,538	\$291,223	13%	86	\$28,417
ACT NOW Drought Relief	\$104,235	\$101,235	97%	39	\$2,336
Mozingo Lake	\$21,203	\$0	79%	0	\$0
Lower Grand	\$90,000	\$0	0%	4	\$0
TOTAL	\$58,022,379	\$15,108,677	26%	2343	\$2,418,894



Statewide Cost-Share Allocations vs Payments FY21 – FY25



Cost Share Questions???

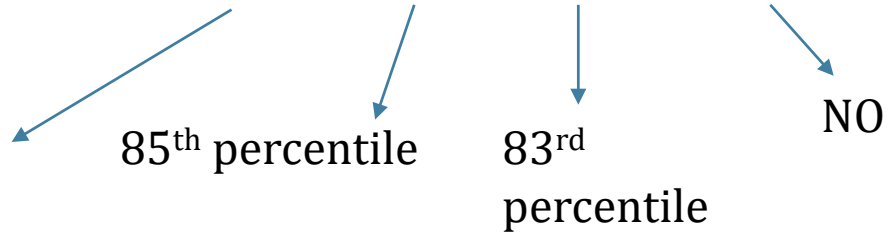
Performance Based Funding

- Additional Funding for high performing districts
- Will go to the district and board can choose how to use it (within limitations for state funding)
 - Travel and training
 - Salary
 - Insurance for employees
 - Info/ed
 - Annual Meeting
- Up to 1% of previous FY cost-share payments available to each district (with \$2,000 minimum)
- Actual payment based on 1% X a formula that considers acres served, diversity of practices, accuracy of financial reporting, and basic board metrics.

Performance Funding

\$ Acres	\$ Practice	\$ Admin	\$ Board	Max\$	Eligible \$		Not Claimed	% Claimed
\$2,093.40	\$1,958.35	\$1,859.30	\$0.00	\$9,003.89	\$5,911.05		\$3,092.84	65.65

92nd percentile



\$2,251 possible for each of 4 metrics.

Performance Funding

- Each district was provided a letter with their potential eligible funding.
- Districts need to respond with the intended use of the funds and documenting the board meetings and training.

Looking into the Future

- Review/update the Memorandum of Agreement
 - District, NRCS, Commission and DNR
- Contribution agreement with NRCS
 - Engineering support
 - Area Support
 - Continuing with FOSA positions
- DSVI positions for each area
- Conservation Desktop and DNR Mapping Tool sharing data
- Sales Tax Renewal - 2026

Final Questions or Thoughts