

Gambling with Iowa's Soil and Water

By Teresa Galluzzo

Dark, rich soil and plentiful water allow Iowa to be a state that has made its name and largely built its economy on its agricultural prowess. Yet, as a state we have not adequately protected these resources.

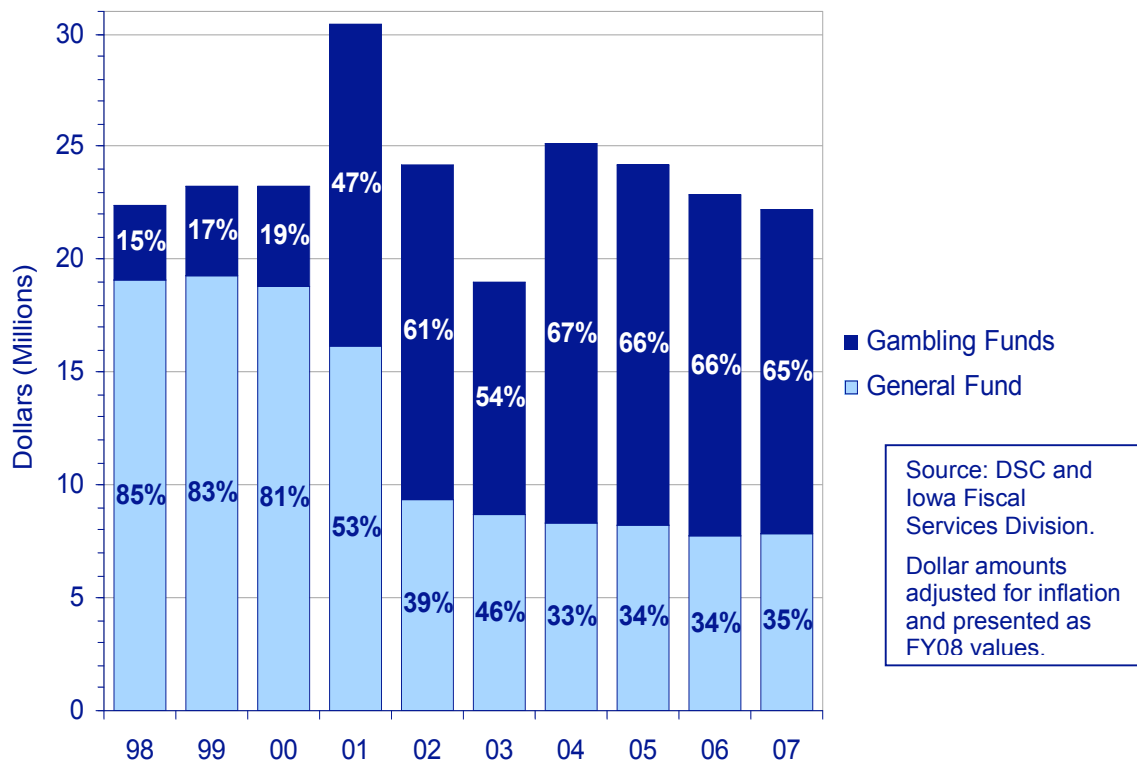
The Division of Soil Conservation (DSC) in the Iowa Department of Agriculture and Land Stewardship oversees efforts to improve water quality and reduce soil erosion. Whether DSC is able to sufficiently do its job depends, in part, on the size of its budget. This report reviews DSC funding over the last decade.

The largest portion of DSC's budget comes from state appropriations. The state appropriated between \$19 million and \$30.5 million to DSC annually over the last decade (see figure). Iowa appropriates money to DSC from the General Fund (tax receipts) and from racing and gaming receipts.

Three facts are apparent looking at DSC and its program budgets:

- Budget cuts in FY03 hampered efforts to protect and enhance soil and water quality.
- Funding matters — and without enough, DSC has not been able to meet demand or seize opportunities.
- Two of every three budgeted dollars for DSC comes from gambling.

The Growing Role of Gambling to Fund Soil and Water Conservation



Budget Cuts and Beyond

Due primarily to tax cuts in the late 1990s, lawmakers cut DSC and its programs significantly in FY03. The tax cuts had reduced state revenue and prevented the state from sustaining spending levels during the nationwide economic downturn that began in 2001. Also, because so much of DSC's funding comes from gambling revenue and there was such a large drop in gambling receipts that year, many DSC programs suffered.

Although other state departments and programs also had their budget cuts during this period, cutting from programs that help protect the state's soil and water is shortsighted. Healthy topsoil and clean water are not luxuries for Iowa. They are essential for continued crop production, as well as for other aspects of the state's economy such as attracting businesses, employees and tourists.

Falling Short and Missing Opportunities

While funding does not indicate performance, it is necessary to perform. Over the period, the state appropriated only a very small portion of its budget to the DSC. In fact only 0.2 percent of all state appropriations were allocated to DSC. State appropriations for DSC and its programs have generally decreased after accounting for inflation.

The effects of inadequate funding for soil and water conservation are fully realized when placed in the context of the demand and need for such services in Iowa. For many of DSC's programs, requests from landowners exceed what DSC is able to fund. Inadequate funding means the state loses opportunities to protect our environment. It also loses the additional money it could have leveraged. Because many of DSC's programs require the participating landowner to pay some of the cost, the landowner's match is also lost when DSC does not have the money to fund projects. And because many of these dollars are also matched by the federal government, sometimes more than dollar for dollar, the state loses that investment as well.

As Gambling Goes, So Goes Soil Funding

The third very obvious trend in DSC's budget over the period is its increased reliance on state racing and gaming receipts. Over the last six years, two-thirds of state support for the DSC has come from gambling money. Although the state has rapidly increased the number of casinos allowed in recent years, this trend may not continue since public sentiment toward gambling could change. Further, these dollars have been unstable. During the state's fiscal crisis in FY03, a significant portion of the racing and gaming dollars were transferred out of the primary gambling fund to pay for other state expenses, and due to legal issues, gambling revenue drastically declined. Because of this heavy reliance on a single source of money that has proven unstable, the state has been "gambling" with its soil and water quality.

Conclusion

The mission of DSC is to keep Iowa's soil and nutrients on the land and out of the water. Given the vital role of soil and water in our state, DSC and its programs are essential to Iowa's future. The state should recognize this with a long-term, steady commitment to Iowa's future through adequate funding of soil and water conservation.

Such a commitment would include: (1) increased funding through diverse and stable sources; (2) better quantifying results of DSC programs to enable targeting of funds to the most effective and needed areas; and (3) better outreach, to involve all citizens in soil and water protection, and to coordinate efforts among local, state and federal agencies.