

NATURAL RESOURCES CONSERVATION SERVICE
Statement of Jason Weller, Acting Chief
Before the Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies

Mr. Chairman, thank you for the opportunity to appear before you today to discuss our fiscal year (FY) 2014 budget request for the Natural Resources Conservation Service (NRCS). I appreciate the ongoing support of the Chairman and Members of this Subcommittee for voluntary, private lands conservation and the improvement of our soil, water, and other natural resources. Before providing the Subcommittee details of the proposed FY 2014 NRCS budget, I would like to share information about our recent activities.

Our Conservation Technical Assistance (CTA) Program is the backbone of the Agency's conservation delivery system. Many customers begin their relationship with NRCS through requests for technical assistance that later evolve into conservation plans that may include financial assistance through one of the Farm Bill programs. In FY 2012, NRCS provided technical assistance to over 716,000 customers and comprehensive CTA-funded planning assistance to over 135,000 customers to address natural resource objectives on over 37 million acres of farm and forest land. To give you a picture of the scope of conservation delivery through the CTA Program I would like to highlight a few of our FY 2012 accomplishments. The CTA Program assisted producers to address a number of resource concerns, including conservation measures applied on:

- 24 million acres to improve water quality;
- 17 million acres to improve grazing and forest land;
- 9 million acres to improve wildlife habitat;
- 9 million acres to improve soil quality; and

- Over 742,000 acres to improve water use efficiency, reduce groundwater withdrawals and surface runoff, while reducing costs to the producer.

NRCS field staff work with over 8,100 State agencies and local partners to deliver conservation technical and financial assistance. In FY 2012, these non-Federal partners contributed an estimated \$100 million of in-kind goods and services along with over \$165 million in financial assistance toward addressing local resource concerns that support our goal to “Get Conservation on the Ground.” Other program highlights include:

- Enrolling a cumulative total of over 50 million acres in the Conservation Stewardship Program (CSP) with signups being held in FY 2009 through FY 2012. This program is aimed at producers who are already established conservation stewards. It helps them deliver multiple conservation benefits on working lands, including improved water and soil quality and enhanced wildlife habitat. CSP is now one of the Nation’s largest private lands conservation program.
- Celebrating 20 years of successful wetland restoration and protection through the Wetlands Reserve Program (WRP). Nationwide, NRCS has enrolled over 14,000 projects on 2.6 million acres in WRP.
- Maximizing environmental benefits on lands enrolled in the Environmental Quality Incentives Program (EQIP). For example, from FY 2009 through FY 2012, EQIP has prevented over 115 million pounds of nitrogen on cropland from entering our waterways contracted for nutrient management on over 12,000 square miles (approximately the size of the state of Maryland) of land and saved 6.2 million tons of soil on cropland (enough to fill the Empire State Building 4.5 times).
- Creating and enhancing wildlife habitat on 600,000 acres enrolled in the Wildlife Habitat Incentive Program.
- Making over \$27 million in financial assistance available to farmers and ranchers in 22 states for drought mitigation. Participating producers are implementing conservation practices to

mitigate the effects of drought on over 1 million acres of cropland, grazing land, pastureland, and forested land. Livestock producers are using financial assistance to implement conservation practices such as pasture and hay-land plantings, use exclusion, prescribed grazing, and watering facilities.

Through key strategic management decisions related to agency and program administration, NRCS staff and partners remain positioned to assist producers to address their conservation needs on farms and forest lands across the country. As we look to become more efficient, we must remain flexible and maintain our ability to address emerging natural resource issues, which has been a hallmark of NRCS.

Improved Services

In anticipation of reduced future budgets, NRCS has taken actions to ensure we are able to continue our mission of “helping people help the land.” We have been able to manage our workforce and programs without resorting to furloughs or other actions that would negatively impact customer service and our conservation professionals by taking the following measures:

- Imposed a hiring freeze, saving us approximately \$33 million in projected FY 2013 staffing costs and positioning the agency for strategic hiring decisions;
- Invested in quality video communication equipment in order to lower travel costs. The result was \$22.5 million in avoided travel and other related costs;
- Improved IT contracting practices resulting in cost avoidance of \$19.4 million from 2009 to 2013 and decommissioned software applications and implemented operation and maintenance efficiencies; and
- Reduced vehicle fleet by over 11 percent between FY 2010 and FY 2012 and reduced operating costs by 12 percent. This avoids \$2.2 million in vehicle operation and maintenance costs.

We will manage our staffing levels strategically in FY 2013 to increase organizational effectiveness and operational efficiencies. Specifically, we are:

- Improving organizational structure and accountability. Since the summer of 2012, we imposed a hiring freeze on administrative occupational series, such as human resources,

financial management, and contracting positions, as we evaluate our organizational structure and assess alternatives to improve efficiency and accountability. Our goal is to restructure the delivery of our administrative services to enable each employee to service a larger customer base.

- Engaging partners. We are working with partners through a locally led process to identify ways to increase organizational effectiveness and operational efficiencies within our partnerships. We call this our “Field Office of the Future” project.
- Managing staff with an eye on the customer. State Conservationists are evaluating their State operations to maximize the amount of time staff spend providing technical assistance to the nation’s farmers, ranchers, and non-industrial private forest landowners.

Streamlining Technical Capacity

NRCS is taking a number of actions to improve the efficiency of our technical delivery. As part of USDA’s *Blueprint for Stronger Service* and NRCS’s ongoing reorganization of its Soil Survey Division, in FY 2012 NRCS closed 24 Soil Survey offices. NRCS is evaluating alternatives to improve the management of our Soil Survey Operations, Plant Materials Centers (PMCs), and Snowpack Telemetry (SNOTEL) weather stations to better manage discretionary funding. NRCS will be challenged to continue the technical services offered through these organizational units that provide resource information necessary for a thriving agriculture sector as well as other sectors of our rural economies. Our Soil Survey offices provide data for our National Soils Information System that provides practical applications and use of soils for many audiences, including farmers, ranchers, municipalities and developers. Our PMCs have generated extensive technical information on the selection, use, establishment, and management of conservation plants. This information forms the backbone of vegetative recommendations found in the NRCS Field Office Technical Guide, used by NRCS and partners for conservation planning. Our SNOTEL stations provide a reliable and cost effective means of collecting snowpack and other weather data needed to produce water supply forecasts used by water managers in the west from irrigators to municipalities.

We will continue to use the Conservation Effects Assessment Project (CEAP) to make decisions that maximize the efficiency of our program resources. CEAP was established nearly 10 years

ago with a purpose to provide quantitative, science-based estimates of the effects of conservation practices on the condition of the Nation's natural resource base and environment, and to help guide future agency conservation investments for maximum environmental results.

CEAP provides data, information, and analytical capacity to better inform conservation policy, program design and implementation, conservation program performance estimates, and the development and transfer of conservation technology. CEAP's three overarching findings are first, the critical need for multi-resource planning at the landscape scale; second, the importance of adopting a conservation systems approach and targeting limited funding resources to high value locations; and third, farmers and ranchers have made great strides with conservation activities, but more work is needed.

My last example relates to NRCS improvement efforts with the Technical Service Provider (TSP) Certification Program through an accelerated training and certification effort. There has been an increase in the number of certified TSPs from 1,275 in FY 2010 to 2,079 thus far in FY 2013. More TSPs have enabled NRCS to reduce the administrative burden on our State offices. We are also ensuring nationwide consistency in the program as our national office now conducts TSP certification reviews.

Increased Leveraging

NRCS has a long history of partnering with private landowners, conservation groups, State and local governments, and others to leverage our financial and staff resources to better deliver conservation services. Private landowners generally provide half of the cost of conservation implementation. Those who utilize the CTA program, without contributions from Farm Bill programs, will generally provide 100 percent of the costs for implementing any recommended practices in CTA-funded conservation plan unless another organization or agency covers a portion of the cost.

Ultimately, these partnerships enable NRCS to stretch our dollars further and address our customers' needs more quickly. For example, NRCS and the National Fish and Wildlife Foundation (NFWF) initiated the collaborative Conservation Partners Program in FY 2011.

Since then, this partnership has leveraged an initial \$10.3 million taxpayer investment in 2011 into \$40.5 million for on-the-ground conservation efforts throughout the United States. Using a competitive grant-matching program that leverages private funds, the Conservation Partners Program will accelerate service to more than 4,200 farmers and ranchers to restore or protect 1.2 million acres in areas that have vulnerable species and habitat or other conservation concerns. NRCS has renewed the partnership for FY 2013. In March, 2013, NFWF made nearly \$4.6 million available for leveraging through a competitive process.

In FY 2011, NRCS committed \$20 million in Farm Bill program funding to Strategic Watershed Action Teams, leveraging an additional \$12.6 million in partner funds. Strategic Watershed Action Teams consist of technical specialists delivering targeted assistance in support of NRCS Farm Bill programs to address specific identified needs in high-priority landscapes. NRCS and partner funding resulted in the development of 93 agreements and commitments for more than 450 staff years of non-federal support for NRCS conservation programs over a three-year period. This type of arrangement with supporting entities, a relatively recent innovation at NRCS, will be critical in the future as we look to continue providing quality service to our customers in a time of reduced budgets.

Leveraging opportunities are also found within our landscape conservation initiatives. These initiatives have enabled NRCS staff to work with producers and partners to accelerate implementation of conservation systems to address priority natural resource concerns such as water quality, wildlife habitat, and drought on a landscape scale while maintaining base level assistance through ongoing program efforts. Both the National Water Quality Initiative and the Illinois River Sub-Basin and Eucha-Spavinaw Lake Watershed Initiative have been associated with successful de-listings of impaired water bodies.

Through our Working Lands for Wildlife Initiative, we have collaborated with the U.S. Fish and Wildlife Service for producers to receive regulatory predictability under the Endangered Species Act to help species such as sage-grouse and lesser prairie-chicken. Producers install and maintain agreed upon conservation practices that benefit their lands and the species, and earn regulatory predictability for up to 30 years as they keep these measures in place. We have seen

significant producer and partner support – our Initiatives build on and reinforce partnerships to increase the reach and effectiveness of conservation efforts. A recent review of projects in the Mississippi River Basin Healthy Watersheds Initiative (MRBI) found an average of over nine partners per project helping to deliver conservation. Based on our latest science-based modeling, when compared to non-targeted approaches, the targeted approach we use through MRBI enhanced the per acre benefits by 1.7 times in reducing sediment loss, 1.4 times in reducing phosphorus loss, and 1.3 times in reducing nitrogen loss. Our Migratory Bird Habitat Initiative (MBHI) enabled us to develop habitat following the Deepwater Horizon Oil Spill on 470,000 acres. Preliminary analysis from Mississippi State University indicates the initiative was a success. Research indicates nearly 2.8 times more waterfowl used the MBHI lands versus unmanaged wetlands and the initiative provided 36 percent of the total energy needed to support wintering duck populations in southern Louisiana during the initiative’s first year.

Financial Audit

Since 2002, the conservation programs NRCS delivers have grown significantly. With this increased funding comes increased responsibility--we must ensure we have robust accounting and documentation procedures in place to protect taxpayers’ investment in private lands conservation.

Over the past several years, NRCS has made significant improvements in the areas of information technology, purchase and fleet cards, and financial obligations. However, work continues on other audit remediation issues.

Audit findings for FY 2012 will be impacted by NRCS’s May 1, 2012, conversion from the USDA Foundation Financial Information System (FFIS) to the Financial Management Modernization Initiative (FMMI) system. FMMI is an integrated real-time system providing improved functionality, accountability, internal controls, while streamlining financial processes. As a role-based application, access to the transactions and data provides for greater data integrity, reliability, and sharing across USDA. However, we have encountered new challenges in the system conversion. Our most recent audit results found that the conversion contributed to

the reporting of a new material weakness in general accounting operations as well as modifying the finding for reimbursable agreements from a significant deficiency to a material weakness. NRCS is implementing an audit remediation plan that focuses on three key areas for improvement: investing in financial management staff, streamlining financial processes and technology, and improving management and oversight controls. In FY 2013, NRCS plans to build upon these improvements by:

- Addressing critical financial management staffing shortages;
- Enhancing existing and developing new financial training for headquarters and field staff;
- Utilizing workforce planning technology to ensure the agency staffs appropriately;
- Completing an internal analysis on consolidation activities;
- Centralizing certain control activities through improved technology;
- Developing key communications tools to improve financial guidance and ensure consistency; and
- Conducting a comprehensive real property inventory.

Fiscal Year 2014 Budget

The President's Budget proposes approximately \$4 billion for NRCS conservation programs. The President's Budget is a reflection of the Administration's need to focus limited resources on critical conservation issues and to take responsible steps toward reducing the deficit. It reflects USDA's efforts to streamline, modernize, and better deliver conservation to our customers.

The budget proposes to re-title the existing "Conservation Operations" account as the "Private Lands Conservation Operations" account and includes language that would consolidate in this account the discretionary and mandatory technical assistance funding necessary to support all private lands conservation. The language provided in the budget allows for funding adjustments in this account if additional need for Farm Bill technical assistance funding is demonstrated, subject to statutory authority.

Mandatory Programs are funded at \$3.0 billion, which represents a significant investment in conservation. Some of the mandatory programs were extended through 2014 by the 2012 Appropriations Act, while others were extended through 2013 by the American Taxpayer Relief

Act. Final action on the pending Farm Bill may affect the funding levels included in the budget request.

- The budget assumes decreased spending in the Wetlands Reserve Program (WRP), where the authority to enroll new acres only extends through 2013, and the Conservation Security Program, where authority to enroll new acres was terminated by the 2008 Farm Bill.
- No changes are proposed from the authorized level for the Agricultural Water Enhancement Program and the Chesapeake Bay Watershed Program.
- The budget does not change the authorized level for the Environmental Quality Incentives Program (EQIP), Wildlife Habitat Incentive Program (WHIP), Agricultural Management Assistance (AMA), or Farm and Ranch Lands Protection Program (FRPP), but proposes temporary reductions in funding as follows: EQIP (\$400 million reduction); WHIP (\$40 million reduction,); AMA (\$5 million reduction); and FRPP (\$50 million reduction).
- The budget does not propose funding for the Healthy Forest Reserve Program and Grassland Reserve Program.

The budget includes the following proposed legislative changes:

- User Fees for conservation planning technical assistance services. The proposal estimates the collection of \$22 million in user fees.
- Easement Programs. The budget proposes to consolidate the functions of the WRP, Grassland Reserve Program and FRPP. This proposal results in a \$47 million decrease in FY 2014, but provides a total 10 year cost of \$2.4 billion.
- Conservation Stewardship Program. The proposal would limit new enrollments to 10,348,000 acres per year and result in total savings of \$2 billion over 10 years.

Conclusion

Mr. Chairman, I believe that the President's FY 2014 Budget includes a thoughtful balance of deficit reduction measures and sound investments in private lands conservation. It reflects our commitment to focus limited resources on critical conservation issues and to take responsible steps to streamline and modernize our operations while maximizing opportunities to get more conservation on the ground. I thank Members of the Subcommittee for the opportunity to appear, and would be happy to respond to any questions.