

Federal Investment in Natural Resources and the Environment

Introduction

Federal support for natural resource conservation programs, and investment in environmental protection and restoration projects, has been enormously important in helping protect and maintain the natural resource strength upon which the Nation depends. Programs dating from the latter part of the 19th Century — National Parks, National Forests, Wildlife Refuges — have established a federal legacy of public lands that are, today, among the Nation's most highly prized recreational and environmental landscapes. Wilderness designation, Wild and Scenic Rivers, and other forms of protection assure that some places will remain free of modern development, but their future quality depends in large measure upon the ability of management agencies to provide the protection, restoration, and management needed.

Cooperation with state governments and other countries has enhanced wildlife protection, created coordinated programs for managing migratory wildlife, and improved critical wildlife habitat in North America. Federal grants have been a critical incentive to state and local governments seeking to improve pollution control facilities, provide safe drinking water, and protect people from toxic substances and other health hazards.

Federal assistance programs to private landowners — to encourage sustainable forestry and range management practices, improved soil and water conservation measures, and the reduction of nonpoint water pollution — have greatly enhanced the quality of the two-thirds of our landscape that is privately owned.

Throughout the history of this federal activism in natural resource management and environmental protection, there have been ongoing political debates over how much federal involvement was appropriate. Those debates continue, the hallmark of a democratic society seeking the will of its citizens.

Much of the debate takes place within the context of the federal budget, and the annual spending levels allocated to the various functions of the federal government. Here is where priorities

are set; activities are expanded or contracted; and the national will is expressed. For while the outcomes are measured in dollars, the real decisions are about what is most important in the Nation's public activities and investments.

On that basis, federal spending for programs designed to enhance natural resources and the environment have fared poorly in the last quarter of the 20th Century. In terms of the proportion of total federal spending, they have shrunk by half. Where the Nation once allocated almost two and one-half cents out of every federal dollar to these programs, today the proportion is about 1.2 cents per dollar.

Much of this reduction has occurred since 1980, as the federal government expanded an enormous national debt by running huge annual budget deficits. In attempting to control those deficits, political decisionmakers were pressed to reduce federal spending wherever possible. That meant severe constraints on the programs where options existed—where other laws did not require federal response to claims by people to whom federal support was an entitlement of law.

In the period of budget deficits, the supporters of natural resource and environmental programs were often willing to take smaller allocations, believing that the goal of eliminating deficit spending was important enough to justify letting natural resource investments wait until the Nation was better able to meet its obligations. Often, those were hard decisions for people who were watching environmental damage that would be far easier to avoid with prudent investments than it would be to repair later, or who felt that the country's responsibility for sound stewardship of its public land endowment and its public trust obligations for protecting shared resources were not being adequately met.

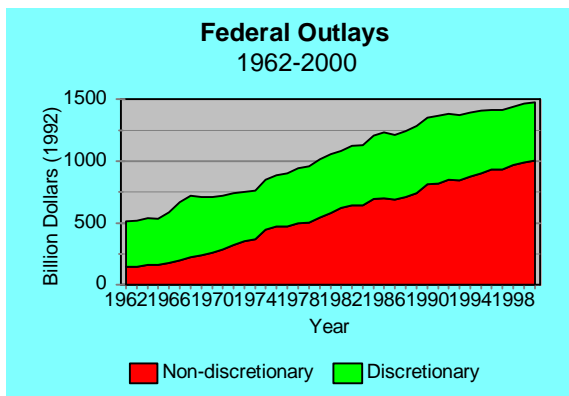
As the 20th Century comes to a close, the federal budget situation has turned around, it appears. Budget surpluses are available to begin bringing down national debts and investing in the national activities that have been cut back in recent years. As the Nation contemplates the appropriate priorities for federal activities in light of this new situation, the agencies and programs that manage and

protect its natural resources need to be considered. Held down or cut back for many years, they have enormous needs that should be considered.

A sustainable society can only be maintained on a sustainable natural environment. That means, in many cases, re-investment in those natural areas that have been over-used or abused as well as continued research and monitoring to assure that conditions are staying truly sustainable, and not just deteriorating at a rate too slow to be readily apparent. As our population grows past 275 million, and our economy continues to grow as well, it takes additional effort and attention to maintain adequate habitat for wildlife, and provide adequate incentives so that pollution and resource waste do not rob the future from our children.

The following graphic display is taken from the 1999 federal budget documents, as produced by the Office of Management and Budget. It highlights some of the recent trends in federal spending to help illustrate what has happened to national spending on natural resources and the environment. It is intended to provide factual data and trends for those individuals and organizations who wish to enter the national debate over federal spending, and advocate priorities that they feel are needed.

The numbers shown are all calculated in terms of 1992 dollar levels, again using the OMB calcu-

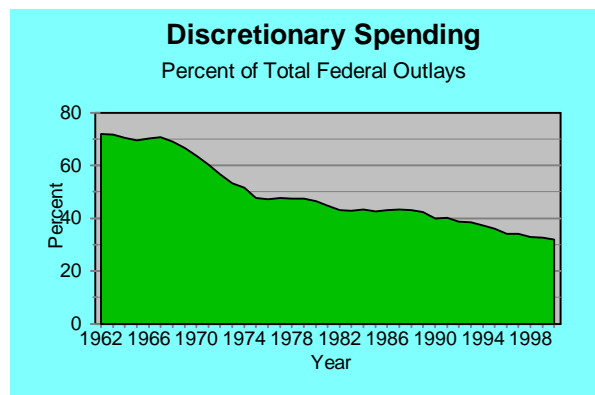


lations. This provides a sense of the real purchasing power of these programs over the years, helping eliminate the effects of inflation. The figures shown for the years 1998-2000 are the estimates

provided by OMB.

National Spending Trends

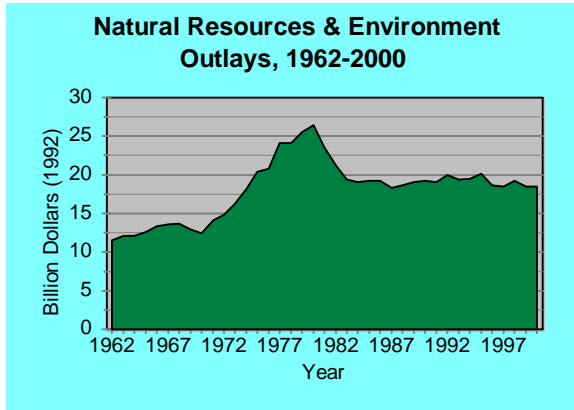
Since 1962, federal spending has increased almost 3-fold, from somewhere in the \$500 billion per year range to nearly \$1.5 trillion. Virtually all of that spending increase — close to \$850 billion—has come in the non-discretionary programs



where the law demands payments to people who qualify. This includes expenditures on such things as interest on the national debt, social security, medicare, aid to dependent children, and food stamps. Whereas, in 1962, almost 2/3 of the annual budget was within the discretionary category, by 2000, lawmakers will have discretionary control of only around 1/3 of the annual expenditures. What this means, of course is a heightened competition for limited funds among the programs where decisionmakers have options.

Natural Resources and the Environment

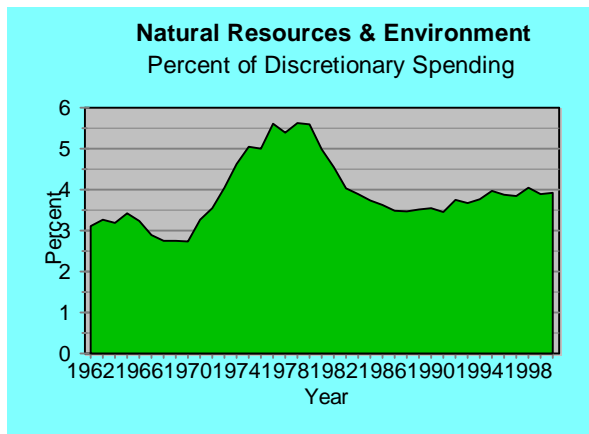
This broad budget category includes almost all of the programs that improve, protect, and manage the Nation's natural resources and environment. It includes all public land management activities such



began to decline, moving rapidly to a level around \$18-19 billion per year, where it remains after 20 years.

Another way of looking at the same data is to illustrate how those programs fared in terms of their proportion of discretionary spending. In that measure, they have recovered slightly from a low of around 3.5 percent in 1988, but they are still only 4 percent; down from 5.5 percent in the late 1970's.

as National Parks, National Forests, and wildlife refuges which add up to some 660 million acres, plus assistance to 56 million acres of tribal trust lands. Private land conservation programs include soil and water conservation and such efforts as the Conservation Reserve and Wetlands Reserve programs. Fish and wildlife, recreation management, and environmental mapping and monitoring are included, as are water resource projects such as dams and locks, and the air and water quality

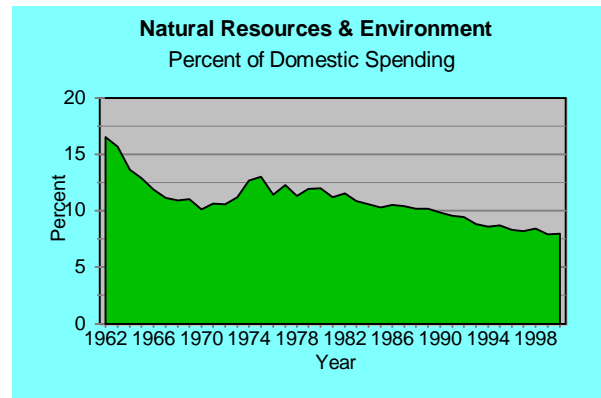


programs of the Environmental Protection Agency.

It can be readily seen, as illustrated by the constant-dollar expenditures for Natural Resources and Environment (NRE) programs, those priorities have responded to political leadership. In the 1970's, as the Nation geared up to meet pollution control needs, investment in NRE programs effectively doubled, from around \$12 billion to over \$25 billion. With the 1980 elections, that priority

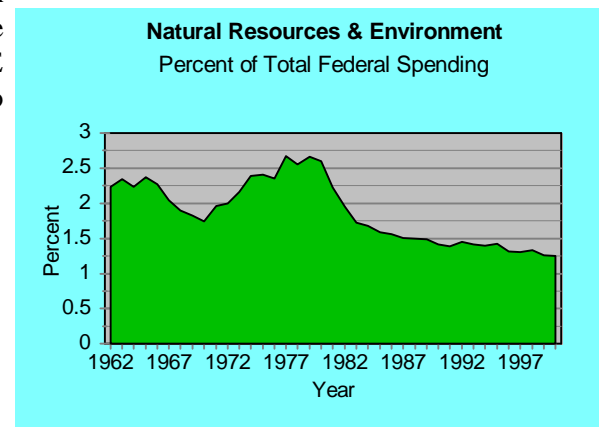
Still another measure is to test the proportion of total domestic spending directed to natural resources and environment programs. On that measure, NRE spending declined precipitously in the 1960's, to be revived a bit by the environmental efforts spawned around Earth Day 1970, but the long-term downward trend has continued in an almost unbroken line since then. Today, NRE spending, as a percent of total domestic spending, is slightly less than half of what it was in 1962 (8% vs 16.5%).

In terms of proportion of total federal spending, NRE programs now garner about 1.2 cents out of every federal dollar spent, down from 2.5 in 1980.

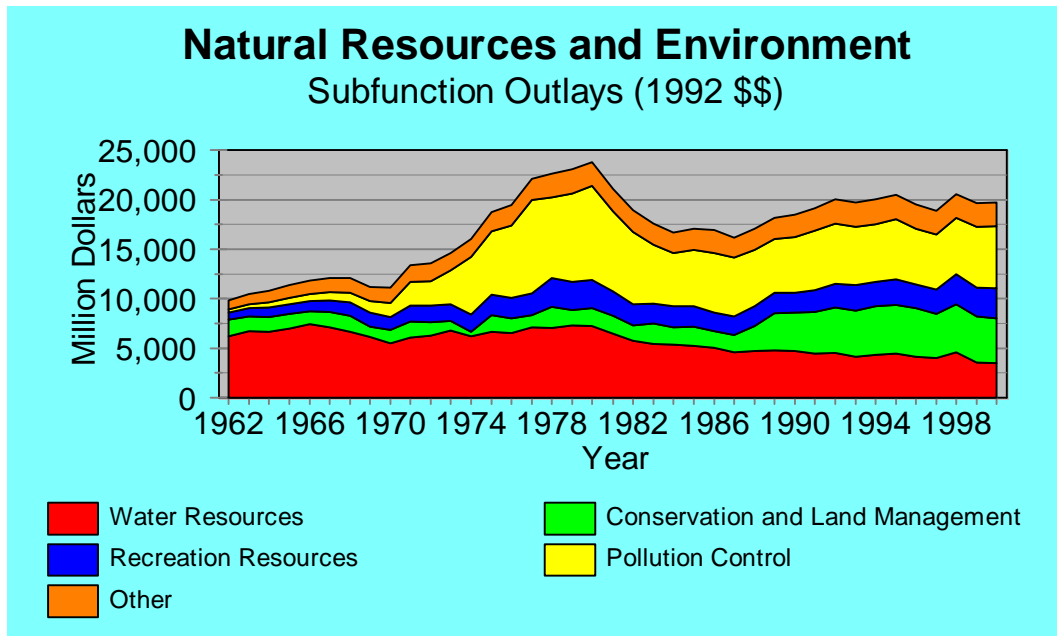


National Priorities within Natural Resources and Environment

There have been some definite trends in national priorities in the recent decades that only become apparent when the NRE budget is viewed in terms of its sub-functions. It is apparent, for example, that national spending on water resources projects, such as those done by the Corps of Engineers and Bureau of Reclamation, as well as the Small Watershed Program in USDA, have been declining steadily. The decline is more apparent when viewed as a percent of the total NRE budget, where it has gone from about 60% in 1962 to around 20% today.

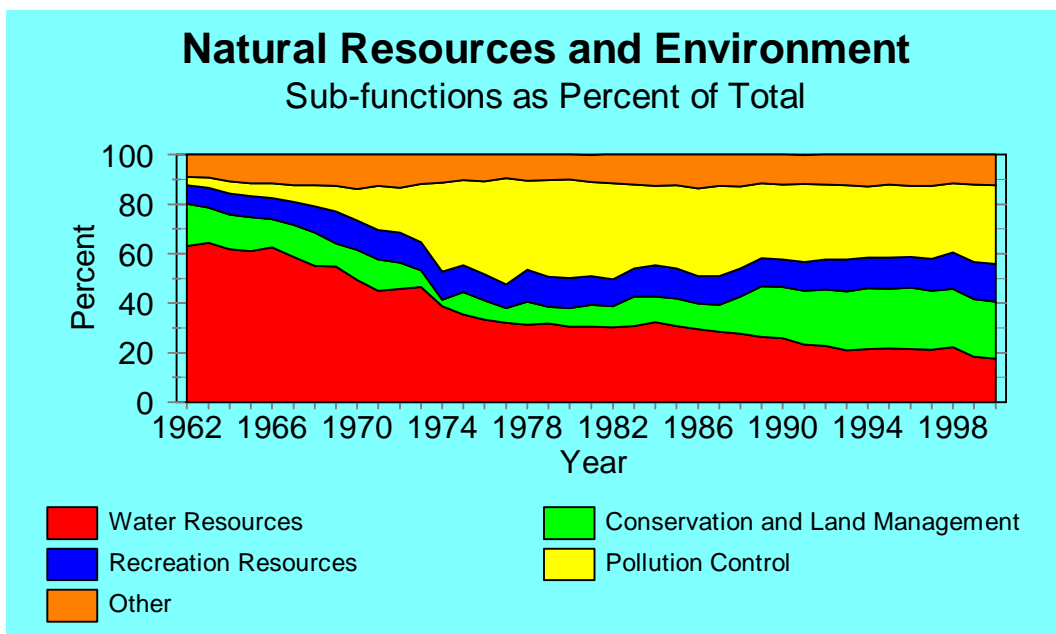


The expansion of air and water pollution control programs, including the large construction grants programs of EPA, is evident from the 1970's until about 1982. In the mid-1980's, the effect of the Conservation Reserve Program is seen in the Conservation and Land Management category. The general categories of recreation resources and "other programs" are both the smallest and the least-changed over the last 40 years.



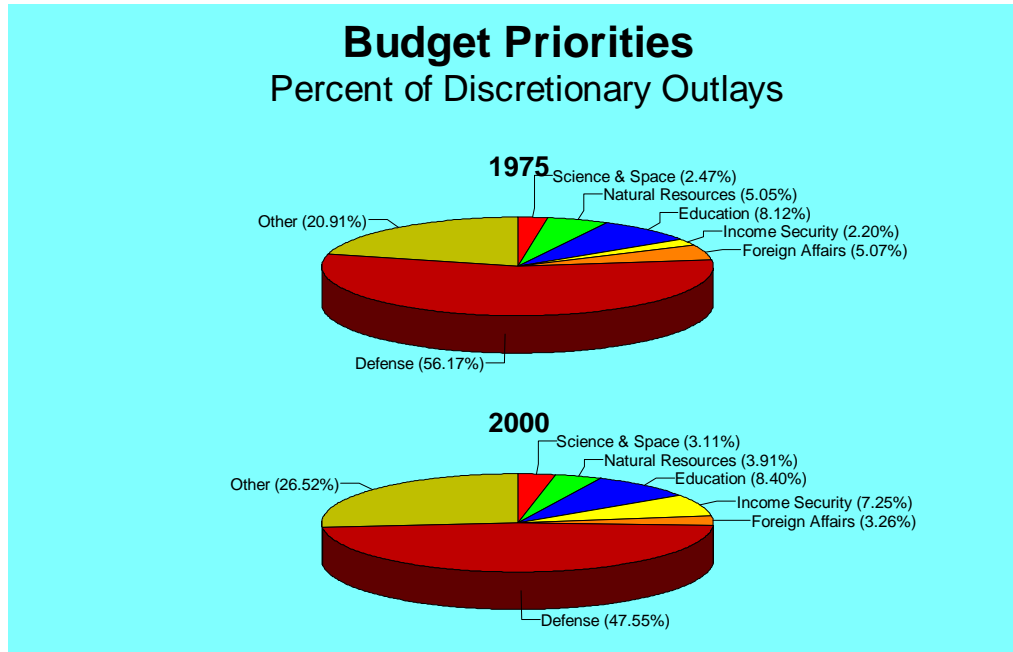
The Last Quarter-Century

Another visual comparison can be created by comparing the discretionary spending priorities between 1975 and 2000. These give a sense of the last quarter-century in American public priorities and the changes that have occurred. What jumps out is that defense spending is back to where it was a quarter-century ago. While defense expenditures rose to almost \$340 billion during the buildup of the 1980's, by 1999 they will be back to



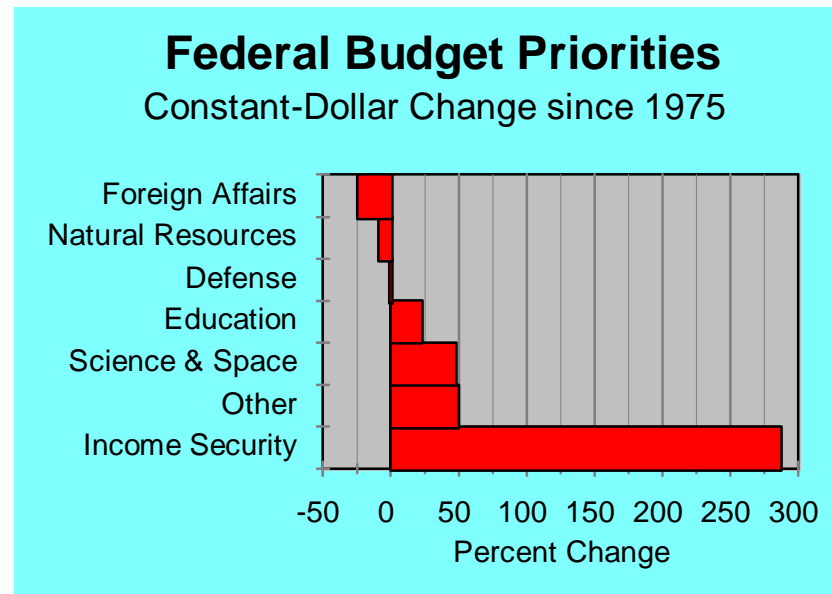
around the 1975 level of \$227 billion.

In terms of the real spending trend within the major federal budget categories, the trend in constant-dollar outlays for the past quarter-century shows even more clearly. The outlays for natural resources and environment have declined by about 9 percent (from 20.4 to 18.5 million 1992 dollars) over the period, exceeded only by the 25 percent drop in spending on foreign affairs. Defense returned to its 1975 levels, while education, science and space, and other programs recorded modest gains. The big increase was seen in the



income security programs. Clearly, the Nation's priorities have been shifting toward domestic spending programs that meet people's needs. Few politicians would oppose such priority shifts—after all, trees don't vote. But avoiding investment and management in natural resource systems can also mean, after a while, that they do not function partic-

ularly well in terms of their environmental quality and, eventually, in terms of meeting people's needs and expectations. At that point, voters do care, and begin to ask whether or not the land stewards are discharging their responsibility adequately. That may be the situation in the near future, as the true price of the quarter-century decline in natural resource and environmental investment becomes clear.



Analysis and story by R. Neil Sampson, The Sampson Group, Inc., Alexandria, VA, on behalf of Wildlife Forever. Published in *Conservation Voices*, October-November, 1998, pp.19-21. Data from *Historical Tables: Budget of the United States Government, Fiscal Year 1999*. Washington: Government Printing Office. 279 pp.