

**Natural Resources Advisory Board  
Funding Committee  
Bartlett Region II Office Auditorium  
Monday, August 10, 2009  
1:00 pm**

**Funding Committee members present :** Claudia Emken, Harry Drucker

**IDNR Staff:** Deborah Stone, Laura Perna, Nancy Williamson

Chair Emken opened the meeting at 1:00 pm. She reviewed the Charge to the Committee, noted that the next meeting will be August 26, 5 pm, at the World Shooting and Recreational Complex in Sparta, reviewed the presentations made at the last meeting which gave the Committee a lot of background information, and stressed that the Committee's resulting report will include recommendations, likely including some on which constituents will need to follow up. Harry Drucker noted the need to find ways to keep funds from being swept and to move DNR off of General Revenue to be more self-supporting.

Matt Zieper, Research Director, Trust for Public Lands Conservation Finance Program, made a presentation on comparative conservation finance levels and policies in other states.

**The presentation is available on the DNR website on the Conservation Congress Funding Committee page at: <http://www.dnr.state.il.us/nrab/funding.htm>**

Mr. Zieper's presentation, besides presenting many case studies, listed **best practices** as: substantial state investment, enable local financing, state incentives for local conservation, purchase of development rights, public-private partnerships, conservation tax credits, and federal partnerships.

Some comments from Mr. Zieper's presentation and the discussion that was held throughout, not all shown on the powerpoint, include the following.

- Local governments provided 2/3 of the conservation dollars from 1998 to 2005 nationwide and need to be considered as part of a comprehensive policy program. The local role is the foundation. Consider to what extent and in what way the State then needs to play a role – authorizing legislation? Matching grants? Local money should be “first in.”
- Review federal funds carefully – take opportunities but don't let small programs that take a lot of time distract you.

- Considering new state revenue sources, niche taxes (some specific good or service) often fail at the ballot or in the legislature – they gore someone’s ox and there is resistance. They also often fluctuate more wildly than general taxes.
- Success comes when there is: support from the Governor, broad based public support (which may mean broadening what’s included in a funding initiative to bring in urban interests), support from nontraditional partners such as the business community, and a strong partnership with energetic nonprofits.
- In the last several years, NO ballot measures failed in NE Illinois – a few in the Metro East area failed. Most were successful.
- Land in Illinois is more expensive compared to other states – about \$1500/acre on average in state programs vs about \$4450 in Illinois.
- Harry Drucker concluded from some of Mr. Zieper’s case studies that having a sunset provision may help allow passage of a funding measure.
- Some states carve out a portion of sales tax on sporting goods based on an estimate of what that sector generated – but none add on an extra sales tax on just those goods because that would require retailers to treat them differently which would be a burden. The difficulty of taking away taxes that now go to the general fund was noted.
- Real Estate Transfer Taxes are now universally opposed by the Natl. Assn. of Realtors. Another variation that has developed is a flat-rate (e.g. \$25) deed recording fee (See Massachusetts – part goes to local governments who agree to match funds with a special property tax. This not only leverages the funds but solidifies local political support for the program.)
- Another successful program has been income tax credits for donation of conservation easements. There are problems – how target to high-policy-value areas? How prevent sham land trusts? Harry Drucker noted this could be a way to target key policy areas such as Conservation Opportunity Areas, Natural Area Inventory sites, expansion of state holdings etc. Per Mr. Zieper, such credits are successful where they are tradeable, giving them value to parties with no income against which to put credits.
- WATER is the number one reason people vote to protect land! See Rhode Island “penny per hundred” (gallons of water). Some goes to protect land. Ohio – creative use of monies in their Clean Water State Revolving Fund – a tiny percent goes for nonpoint source pollution programs. Loans. Locals borrow more to do these projects, and some funds go to local land trusts, but their interest rate is lowered so there is a “hold harmless” on locals’ annual payments. Harry Drucker noted TPL and New York partnership in the Catskills, fee simple acquisition and easements – NY saved billions in not expanding its water system.

## Public Comments

Don Hey of the Wetlands Initiative commented that land/open space must be put into the economic system. The concept of valuation of ecosystem services is poorly understood by the general public. He advocated for the implementation of nutrient farming in

Illinois to reap environmental benefit. Claudia Emken noted the need to understand what policies we will need to prepare for climate change.

Laura Perna of IDNR encouraged input to the American Climate and Energy Security (ACES) bill pending in the US Senate. IDNR owns a vast amount of land that can potentially store carbon that could be a long term source of revenue for conservation and land acquisition. The mandatory cap and trade system that will soon go into effect has a great potential benefit to public landowners. Accurate and thoughtful scientific input to the legislation being crafted is essential for the creation of a sustainable and fair carbon market.

Nancy Williamson of IDNR thought that the agency should work more cooperatively with Chicago Wilderness' Climate Change sub committee in order to gain potential revenues for conservation land acquisition and restoration.

Valerie Spale of Salt Creek Greenway commented on the high cost to access urban open space oases such as the Morton Arboretum – now \$10/person. The willingness of urban populations to pay to access such places speaks to the need and desire to escape urban congestion. Matt Zieper noted work by academic Robert Costanza on ecosystem services valuation – summaries of these studies helped pass a conservation measure in New Jersey.

Karen Miller of the Friends of the Fox River asked about the prospects of C2000 grant monies being restored in IDNR's budget. Ms. Spale concurred with Ms. Miller that this program should be reinstated when revenues permit.

Nancy Williamson of IDNR said the agency needs educate the general public as to the extent of their conservation efforts. This information could further mobilize citizen advocacy for dedicated funding for State sponsored conservation efforts. Photos are a great way to market conservation. Mr. Zieper noted that showing accountability with public funds also helps and that Lake County in Illinois does a great job.

Meeting was adjourned at 3:45 pm.