



Everglades Restoration: The Federal Role in Funding

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Summary

In 2000, Congress approved a 30-year restoration plan, termed the Comprehensive Everglades Restoration Plan (CERP), for the Everglades ecosystem in southern Florida, and authorized an initial set of projects at a cost of \$1.4 billion. Implementing the plan is estimated to cost \$10.9 billion; the federal government is expected to pay half that, with an array of state, tribal, and local agencies paying the other half. In addition to the activities under CERP, other federal and state efforts also are contributing to Everglades restoration.

As of FY2010, all of these efforts combined (CERP and non-CERP activities) represent an investment of more than \$12.2 billion in state funds and \$3.6 billion in federal funds since FY1993. The debate and resolution of issues surrounding the authorization and appropriations for Everglades restoration projects could have implications for large-scale restoration initiatives elsewhere. Consequently, Everglades funding receives attention not only from those interested in Everglades restoration, but also from stakeholders of other restoration initiatives such as those in coastal Louisiana, the Great Lakes, and Chesapeake Bay. This report provides information on federal appropriations for Everglades restoration, and discusses some issues related to the authorization and appropriations for restoration projects. It will be updated annually.

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Introduction

The Florida Everglades are a unique network of subtropical wetlands that is now half its original size. The federal government has had a long history of involvement in the Everglades, beginning in the 1940s with the U.S. Army Corps of Engineers (Corps) constructing flood control projects that shunted water away from the Everglades. Many factors, including these flood control projects and agricultural and urban development, have contributed to the shrinking and altering of the wetlands ecosystem.

Federal agencies began ecosystem restoration activities in the Everglades more than 15 years ago, but it was not until 2000 that the majority of restoration activities became coordinated under an integrated plan. With the Water Resources Development Act of 2000 (WRDA 2000; P.L. 106-541), Congress approved the Comprehensive Everglades Restoration Plan (CERP) as a framework for Everglades restoration and authorized \$700 million for the federal share of appropriations for initial projects. According to the process established in WRDA 2000, additional Everglades projects are to be presented to Congress for authorization as their planning is completed. Once authorized, the projects will be eligible to receive federal appropriations. In WRDA 2007, three additional projects were authorized.

Stakeholders involved with planning other large-scale restoration initiatives look to the Everglades as a model and a test case. Some believe the types of activities funded and the level and conditions of funding for the Everglades may set a precedent for other restoration initiatives. This report summarizes the process, history, and current funding of Everglades restoration.

CERP Authorizations

CERP focuses on increasing storage of excess water in the rainy season to provide more water during the dry season for the ecosystem and for urban and agricultural users. CERP will take more than 30 years and \$10.9 billion (approximately \$5.5 billion in federal funds) to complete.¹ WRDA 2000 authorized initial projects, established cost-sharing ratios for Everglades restoration, and created a process for additional projects to be authorized as part of the CERP framework. WRDA 2007 authorized an additional three CERP projects. The federal government is expected to pay half of CERP's costs, and an array of state, tribal, and local agencies (i.e., nonfederal sponsors) will pay the other half. This cost share also applies to all project operation and maintenance costs.

Everglades Restoration Appropriations

Although authorizations for CERP construction are expected to occur primarily through WRDAs (which are the main legislative vehicle for Corps authorization), federal appropriations for CERP and non-CERP² activities are spread across several federal agencies. The South Florida

¹ This figure represents the cost in October 2004 dollars according to the U.S. Army Corps of Engineers, *Comprehensive Everglades Restoration Plan, 2005 Report to Congress* (Washington, DC: December 2005).

² Everglades restoration not conducted under the authority of CERP is referred to as non-CERP activities or programs. For example, non-CERP activities would include the Everglades National Park maintenance and critical ecosystem studies done by the National Park Service.

Ecosystem Restoration Task Force in an annual cross-cut budget organizes data on past and current state and federal restoration appropriations, and requests for future appropriations.³

Federal funding for Everglades restoration is largely concentrated in two appropriations bills—the Interior and Related Agencies appropriations bill and the Energy and Water Development appropriations bill. The Interior and Related Agencies appropriations laws provide funds for restoration projects to several Department of the Interior (DOI) agencies, including the National Park Service (NPS), Fish and Wildlife Service (FWS), U.S. Geological Survey, and Bureau of Indian Affairs. Everglades restoration appropriations in the Energy and Water Development appropriations bill are for the Corps. Smaller amounts of restoration funding have been spread across other appropriations bills for use by a diverse set of agencies, including the National Oceanic and Atmospheric Administration (Commerce, Justice, and State, the Judiciary, and Related Agencies appropriations), U.S. Environmental Protection Agency (VA, HUD, and Related Agencies appropriations), and U.S. Department of Agriculture (U.S. Department of Agriculture and Related Agencies appropriations).

DOI Funding

Interior and Related Agencies appropriations laws and conference reports typically do not specify appropriations levels for many Everglades restoration activities. Rather, the Administration’s budget request identifies restoration funding totals for the previous fiscal year. **Table 1** shows funding totals for FY2005-FY2011.

Table 1. DOI Everglades Restoration Funds, FY2005-FY2011
(\$ in thousands)

DOI Agencies with Everglades Restoration Funds	FY2005	FY2006	FY2007	FY2008	FY2009	ARRA^a	FY2010	FY2011 Request
National Park Service	45,116	44,704	50,563	53,893	100,433	18,537	50,570	54,843
Modified Waters Deliveries ^b	[8,000]	[24,900]	[13,300]	[14,300]	[60,000]	n/a	[8,400]	[8,000]
Fish and Wildlife Service	12,075	10,686	10,686	11,877	10,548	n/a	10,548	12,323
U.S. Geological Survey	7,738	7,771	7,771	6,800	6,907	n/a	6,907	6,907
Bureau of Indian Affairs	536	382	382	390	390	n/a	390	390
CERP Funding ^c	[8,517]	[7,889]	[7,927]	[7,907]	[7,950]	n/a	[8,040]	[8,001]
Total Appropriations	65,465	63,543	69,402	72,960	118,278	18,537	68,415	74,463

Source: Interior and Related Agencies appropriations laws, FY2005-FY2010; DOI, Interior Budget in Brief, FY2005-FY2011.

- a. American Recovery and Reinvestment Act of 2009, P.L. 111-5.
- b. Funding for the Modified Water Deliveries Project is a subset of funding for National Park Service.
- c. DOI CERP funding is appropriated within the above totals for NPS and FWS; thus it is only accounted for once in calculating the total DOI Everglades appropriation.

³ See <http://www.sfrestore.org/documents/index.html>, accessed Mar. 6, 2010, for historical Everglades documents, including crosscut budgets from FY1998 to FY2009.

Corps Funding

Funds for the Corps' Everglades restoration projects are generally listed under three headings: Central and Southern Florida Project (includes CERP funding), Kissimmee River Restoration, and Everglades and South Florida Restoration. Historically, funding was also included for two other areas, Florida Keys Water Quality Improvement and the Modified Waters Deliveries Project.⁴ Corps funding is directed toward planning and construction of projects under CERP and other authorities. **Table 2** shows funding totals for FY2005-FY2011.

Table 2. Corps Everglades Restoration Funds, FY2005-FY2011
(\$ in thousands)

Corps Everglades Restoration Activities	FY2005	FY2006	FY2007	FY2008	FY2009	ARRA ^a	FY2010	FY2011 Request
Central and South Florida Project (C&SF)	69,400	77,000	90,588	81,704	91,615	88,425	12,700	152,330
C&SF CERP funding ^b	[64,466]	[64,466]	[64,466]	[64,466]	[64,466]	[38,000]	[120,000]	[112,000]
Everglades and South Florida Ecosystem Restoration	25,792	12,000	4,310	8,156	3,472	4,170	2,725	5,170
Kissimmee River Restoration	17,856	13,000	34,102	30,958	28,361	7,516	44,673	22,500
Florida Keys Water Quality Improvement	2,232	2,000	3,000	4,681	2,392	0	0	0
Modified Waters Deliveries Project	0	35,000	35,000	9,840	0	0	0	0
Total	115,280	139,000	167,000	135,339	125,840	100,111	180,000	180,000

Source: Energy and Water appropriations laws, FY2005-FY2010; Congressional Justifications, U.S. Army Corps of Engineers, FY2005-FY2011.

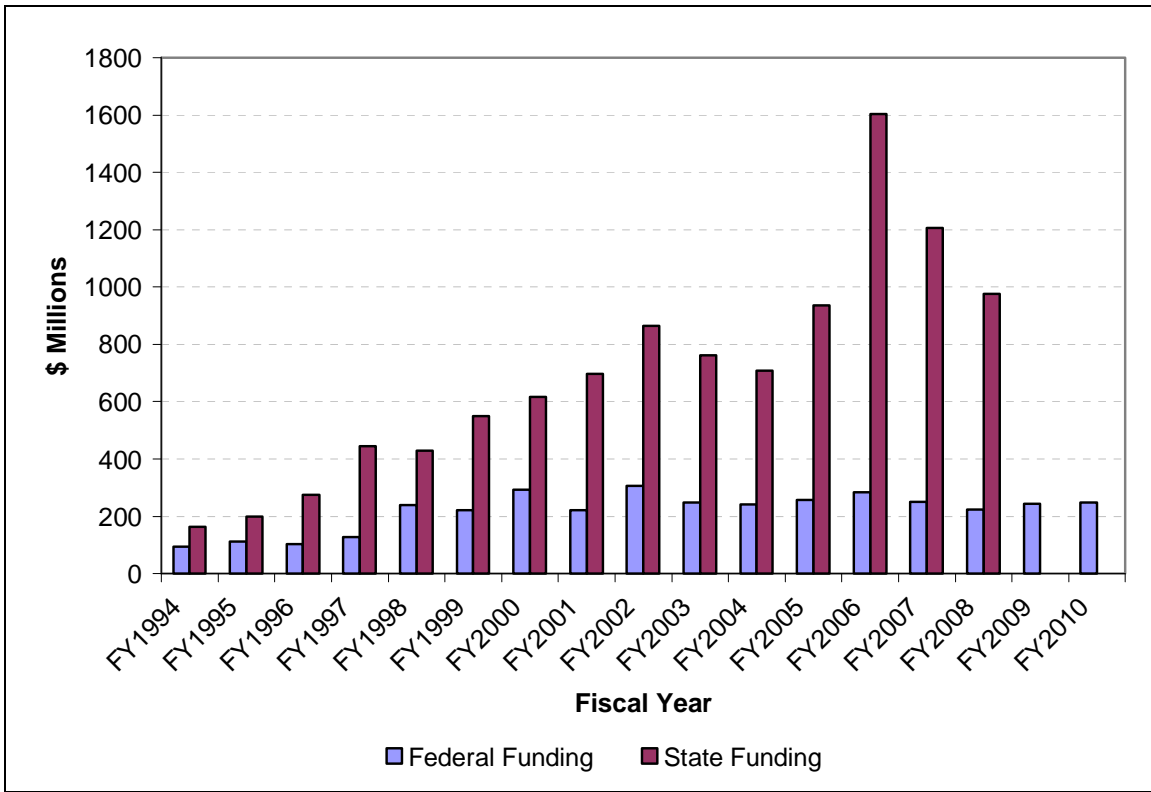
- a. American Recovery and Reinvestment Act of 2009, P.L. 111-5.
- b. C&SF CERP funding is a subset of the funds that are used for C&SF activities.

⁴ See footnote 7.

Funding History

Federal and state funding for restoration activities in the Everglades ecosystem was collected for several years before CERP’s congressional approval. Funding (CERP and non-CERP activities combined) for Everglades restoration activities by the state of Florida has exceeded federal funding every year since 1994. From FY1993 to FY2010, federal appropriations for restoration activities in the Everglades ecosystem were about \$3.6 billion dollars. Through FY2008, state funding was approximately \$12.2 billion.⁵ **Figure 1** shows annual state and federal funding over time for all Everglades restoration projects since FY1994.

Figure 1. Federal and State Funding for Everglades Restoration, FY1994-FY2010 (CERP and Non-CERP Activities)



Source: The South Florida Ecosystem Restoration Program, *Fiscal Year 2000-2009 Crosscut Budget* (Miami, FL, 2000-2009), and various appropriations laws. Federal funding for FY2010 based on FY2011 agency budget submissions.

Notes: Does not include federal funding under ARRA. State funding is based on a different fiscal year than federal funding. For example, FY2008 for the federal government is actually FY2008-FY2009 for Florida. No data on state funding has been released for FY2009 and FY2010.

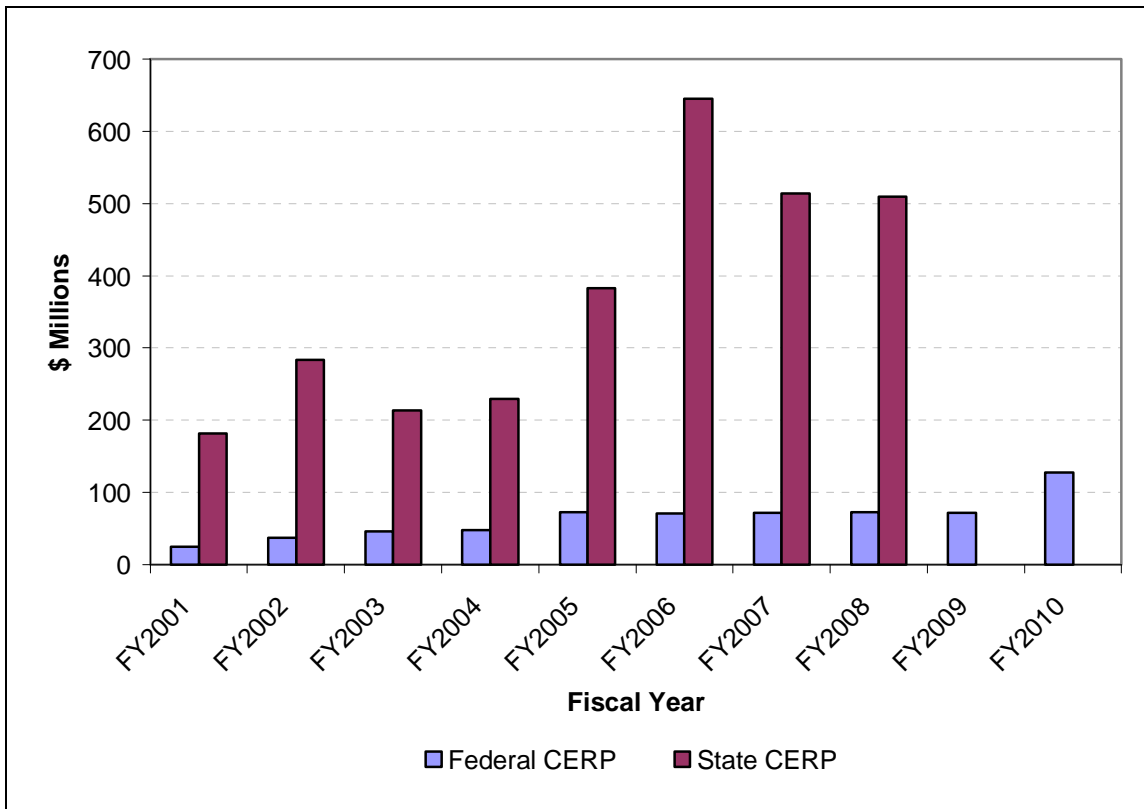
From FY1993 to FY2010, average annual federal funding for restoration activities (both CERP and non-CERP) was about \$207 million, not including funding from the American Recovery and Reinvestment Act of 2009 (ARRA; P.L. 111-5); for the state of Florida it was approximately \$812

⁵ FY2009-FY2010 state funding information for Everglades restoration has not yet been made available.

million. After the enactment of WRDA 2000, both federal and state funding increased. From FY2001 to FY2010, average annual federal funding (not including ARRA funding) was about \$257 million, an increase of approximately \$100 million from earlier funding levels. Funding from the state of Florida averaged approximately \$970 million from FY2001 to FY2009.

As previously noted, CERP funding is a subset of all Everglades funding. Florida has primarily invested its CERP funds to acquire land and to plan and design restoration projects. Because the federal government is not responsible for land acquisition under CERP, much of the federal funding appropriated under CERP has been for planning and feasibility studies for restoration projects. From FY2001 to FY2008, Florida provided a total of approximately \$1.21 billion for CERP activities, while the federal government provided about \$645 million from FY2001 to FY2010. Although some argue that this disparity violates the 50-50 cost-share principle, the cost-share agreement in WRDA 2000 is interpreted by others to apply to the overall CERP effort, not to annual totals or the amounts for each project. This allows for state-federal funding disparities among some projects and for a given project during its various phases. Notably, federal funding for CERP increased in FY2009 and FY2010 as some projects neared the construction stage. ARRA (P.L. 111-5) provided an additional infusion of approximately \$120 million for Everglades restoration projects in FY2009-FY2010. **Figure 2** provides annual state and federal funding for CERP-related projects since FY2001.

Figure 2. Federal and State CERP Funding Since FY2001



Source: The South Florida Ecosystem Restoration Program, *Fiscal Year 2000-2009 Crosscut Budget* (Miami, FL: 2000-2009), and various appropriations laws. Federal funding for FY2010 based on FY2011 agency budget submissions.

Notes: Does not include federal funding under ARRA. State funding is based on a different fiscal year than federal funding. No data on state funding has been released for FY2009 and FY2010.

Implementation Issues Related to Funding

Key Everglades funding issues include the level of funding for restoration activities, the authorization of new CERP projects, the role of the state and federal governments in setting restoration priorities, and phosphorus mitigation. Funding issues in the Everglades are of interest to stakeholders representing large-scale ecosystem restoration initiatives throughout the country. The expenses of other large-scale restoration initiatives, such as those in the coastal Louisiana (estimated \$14 billion), Great Lakes (estimated \$20 billion) and Chesapeake Bay (estimated \$15 billion) regions, are often compared to the cost of Everglades restoration. These comparisons, however, often do not distinguish among the differences in federal roles, responsibilities, and cost shares for each of these efforts.

A funding issue receiving broad attention is the level of commitment by the federal government in the Everglades. Some observers measure commitment by the frequency and number of projects authorized under CERP, and the appropriations they receive. Because only three restoration projects have been authorized since WRDA 2000, these observers are concerned that federal commitment to CERP implementation may be waning. Others are waiting to gauge federal commitment by the provision of construction funding as the first projects are completed and others are started. Some state and federal officials argue that federal funding will increase as CERP projects move beyond design and into construction. As of early 2010, two CERP projects were under construction, including the first federally constructed CERP project at Picayune Strand, which broke ground on January 7, 2010.⁶

Another issue is the role of the state in prioritizing restoration projects. The current dominance of state funds has generated some concern that the state of Florida is defining which Everglades projects proceed. Some contend that state priorities may not be in the federal interest; others argue that these concerns are unfounded because state funding is a reflection of the state's financial responsibility for acquiring land early in the restoration process. This concern was heightened when the state announced a program, *Acceler8*, that aims to accelerate the state's portion of funding, design, and construction of eight CERP projects. Most of the projects are for constructing reservoirs to collect excess water and maintain flood control; others are for restoring habitat. By fast-tracking these projects, the state contends that Everglades restoration benefits will be realized sooner and flood control and water conservation will function better. These projects require congressional authorization before they can receive federal construction funding. A revised project implementation schedule was being developed by the Corps and SFWMD to reflect project implementation priorities.

Phosphorus mitigation in the Everglades is a restoration concern sometimes addressed in Interior and Related Agencies appropriations laws. Since FY2004, Interior appropriations laws have conditioned funding for the Modified Water Deliveries Project (Mod Waters)⁷ based on meeting

⁶ While only two CERP projects (one state, one federal) were under construction in early 2010, multiple non-CERP projects with a nexus to CERP are currently underway, including the Modified Waters Deliveries Project (see footnote below).

⁷ The Modified Waters Deliveries Project is an ecological restoration project in south Florida designed to improve water delivery to Everglades National Park. The implementation schedule of Mod Waters is of interest to Congress partly because its completion is required before the implementation of portions of CERP. This project is currently funded through the Department of the Interior, National Park Service. It is scheduled for completion in 2013. For additional information, see CRS Report RS21331, *Everglades Restoration: Modified Water Deliveries Project*, by Pervaze A. Sheekh.

state water quality standards. Funds appropriated in the laws and any prior laws for Mod Waters would be provided unless administrators of four federal departments or agencies (Secretary of the Interior, Secretary of the Army, Administrator of the EPA, and the Attorney General) indicate in their joint report that water entering the A.R.M. Loxahatchee National Wildlife Refuge and Everglades National Park does not meet state water quality standards, and the House and Senate Committees on Appropriations respond in writing disapproving the further expenditure of funds. These provisions were enacted based on concerns regarding a Florida state law (Chapter 2003-12, enacted on May 20, 2003) that amended the Everglades Forever Act of 1994 (Florida Statutes §373.4592) by authorizing a new plan to mitigate phosphorus pollution in the Everglades. Phosphorus is one of the primary water pollutants in the Everglades and a primary cause of ecosystem degradation.

Separately, EPA is also under a consent decree to promulgate nutrient water quality criteria for Florida's inland and coastal waters. On January 26, 2010, EPA published a proposed rule in the *Federal Register* outlining numeric nutrient criteria for inland waters in the state of Florida under the federal Clean Water Act. The final rule is expected to be published in October 2010.

Implementation of Everglades restoration continues to evolve as the initial projects begin construction, the three CERP projects authorized in WRDA 2007 undergo design and planning, and a second set of CERP projects seek congressional authorization. Supporters of the Everglades restoration effort and of large-scale restoration efforts in other parts of the country are watching to see if the federal financial commitment keeps pace with congressional authorization, the timeline outlined in CERP, and the financial investments by the state of Florida.

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