

Agricultural Conservation: FY2023 and FY2024 Appropriations

May 18, 2023

Congressional Research Service

<https://crsreports.congress.gov>

R47560



R47560

May 18, 2023

Megan Stubbs

Specialist in Agricultural
Conservation and Natural
Resources Policy

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The Agriculture appropriations bill funds the U.S. Department of Agriculture (USDA) except for the U.S. Forest Service. The FY2023 Consolidated Appropriations Act (P.L. 117-328, Division A) includes funding for USDA conservation programs and activities. Appropriations for FY2024 are under consideration in Congress.

Agricultural conservation programs include both mandatory and discretionary spending. Most conservation program funding is mandatory and is authorized in omnibus farm bills. Other conservation programs—mostly technical assistance—operate with discretionary funding through annual appropriations acts. The FY2023 appropriation includes funding levels for discretionary conservation programs that are more than the amounts provided in FY2022. In FY2023, Congress also enacted legislation known as the Inflation Reduction Act of 2022 (IRA; P.L. 117-169), which provided supplemental funding for both mandatory and discretionary conservation programs in addition to what was provided in the annual appropriation. The Biden Administration’s proposed FY2024 budget requests increases to discretionary conservation programs.

The largest discretionary conservation program is the Conservation Operations (CO) account, which funds conservation planning and implementation assistance on private agricultural lands across the country. The Natural Resources Conservation Service (NRCS) administers the CO account. CO funds are used to support nearly half of the salaries and expenses for NRCS staff, as well as NRCS technology development, conservation system design, compliance reviews, grants to partners for additional technical assistance capacity, and resource assessment reports. A decline in funding for CO over the past 10 years has resulted in reduced NRCS staffing levels. Reductions in staff may affect NRCS’s ability to provide technical assistance and administer farm bill conservation programs to farmers and ranchers, including additional funding provided by the IRA.

The FY2023 appropriation increased funding for CO to \$941.1 million, a \$36.7 million increase from FY2022 levels. Compared with FY2022, the FY2023 appropriation increased the amount of CO funding directed to earmarks but reduced the amount directed to specific conservation programs and activities. Conservation programs that were funded from CO in FY2022 had separate appropriations in FY2023. The FY2023 appropriation also included a \$13.0 million increase for additional NRCS staff, the first direct increase in funding for additional staff in the last five years. The Biden Administration’s FY2024 budget requests \$1,022.5 million for CO, \$81.4 million more than enacted for FY2023. The proposed increase in CO funds would be used primarily for climate change-related initiatives, additional staff, and cooperative agreements related to conservation outreach. Separate from annual appropriations, in FY2023, the IRA provided \$1.0 billion for NRCS Conservation Technical Assistance (CTA), which is funded through CO. This supplemental funding is directly related to the additional financial assistance funding provided in the IRA for selected farm bill conservation programs. The IRA funding provided for CTA is available through FY2031 and could affect NRCS staffing levels.

Other discretionary spending for agricultural conservation is primarily for watershed programs. The largest program—Watershed and Flood Prevention Operations (WFPO)—was funded at \$75.0 million in the FY2023 appropriation, which was \$25.0 million less than the funding level provided in FY2022. The Watershed Rehabilitation Program received \$2.0 million in the FY2023 appropriation, \$1.0 million more than appropriated in FY2022. For FY2024, the Administration requests \$175.0 million for WFPO and \$10.0 million for the Watershed Rehabilitation Program. Additional requested funds are to address increased construction and staffing costs for planned watershed projects.

For FY2023, the House and Senate allowed earmarks in appropriations. The FY2023 appropriation contained 35 earmarks totaling \$42.9 million in two accounts—CO and WFPO. For FY2024, the House Appropriations Committee is allowing earmarks for CO but not WFPO, while the Senate Appropriations Committee is allowing earmarks for WFPO but not CO.

Agriculture appropriations bills may include policy-related provisions that direct how the executive branch is to carry out the appropriations. The FY2023 appropriation, as well as the FY2023 House-passed bill, included policy provisions for conservation programs, such as waiving specific programmatic requirements and requiring reports to Congress. The Senate Appropriations Committee did not take up the FY2023 appropriations bill; therefore, no explanatory statement was reported.

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The Agriculture appropriations bill—formally called the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act—funds all of the U.S. Department of Agriculture (USDA), excluding the U.S. Forest Service.

For FY2023, the House Appropriations Committee reported H.R. 8239 on June 23, 2022 (including H.Rept. 117-392), and the Senate Appropriations Committee considered but did not report S. 4661. The FY2023 agriculture appropriation was not completed before the end of FY2022. On September 30, 2022, Congress passed a continuing resolution (P.L. 117-180, Division A), which provided funding for USDA through December 16, 2022. Two additional continuing resolutions were enacted before December 29, 2022, when Congress passed, and the President signed into law, the FY2023 Consolidated Appropriations Act (P.L. 117-328). Agriculture and related agencies are included under Division A.

President Biden released a proposed FY2024 budget on March 9, 2023. Agricultural appropriations bills have not been introduced in either the House or the Senate to date.

This report provides a brief overview of the conservation-related provisions in the FY2023 Agriculture appropriations bills and requested funding in the President’s FY2024 budget. For a general analysis of FY2023 and scope of the FY2024 appropriations for agriculture, see CRS Insight IN12158, *FY2024 Agriculture Appropriations: Status and Scope*.

Conservation Appropriations

USDA administers numerous agricultural conservation programs that assist private landowners with making land improvements and addressing natural resource concerns. These include working lands programs, land retirement and easement programs, watershed programs, technical assistance, and other programs. The two lead agricultural conservation agencies within USDA are the Natural Resources Conservation Service (NRCS), which provides technical assistance and administers most conservation programs, and the Farm Service Agency (FSA), which administers the Conservation Reserve Program.¹

Most conservation program funding is mandatory, obtained through the Commodity Credit Corporation (CCC), and authorized in omnibus farm bills (about \$6.0 billion of CCC budget authority in FY2023 and \$5.7 billion in FY2024).² The Agriculture Improvement Act of 2018 (2018 farm bill; P.L. 115-334) reauthorized most mandatory conservation programs through FY2023.³ Other conservation programs—most of which provide technical assistance—operate with discretionary funding provided in annual appropriations (about \$1 billion annually).

The FY2023 appropriation generally increased funding from FY2022 levels for discretionary conservation programs. In FY2023, Congress also enacted legislation known as the Inflation Reduction Act of 2022 (IRA; P.L. 117-169), which provided supplemental funding for both mandatory and discretionary conservation programs. The President’s FY2024 budget request is more than the FY2023 level for discretionary conservation programs.

¹ For more information on individual conservation programs, see CRS Report R40763, *Agricultural Conservation: A Guide to Programs*.

² The Commodity Credit Corporation (CCC) is a mandatory funding mechanism for agriculture programs administered by the U.S. Department of Agriculture (USDA). For more information on the CCC, see CRS Report R44606, *The Commodity Credit Corporation (CCC)*.

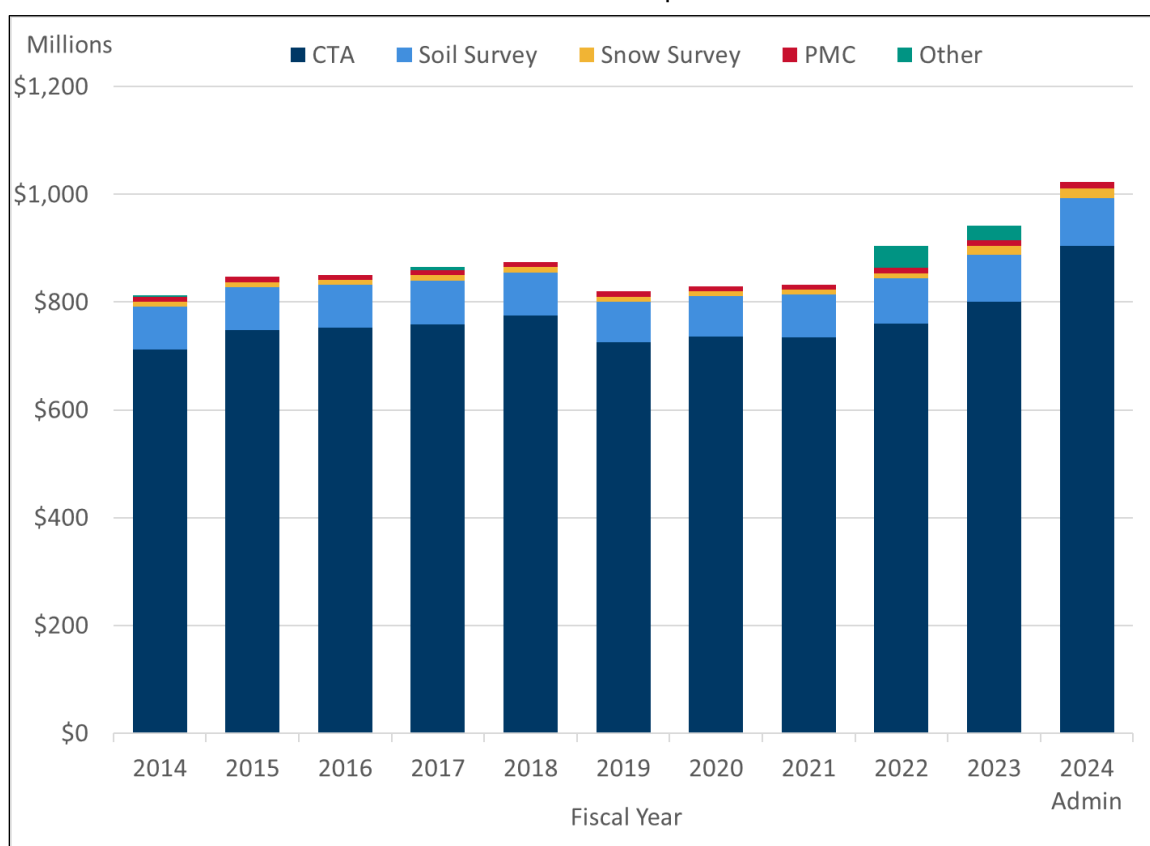
³ For additional information on farm bill conservation programs, see CRS Report R47478, *Agricultural Conservation and the Next Farm Bill*.

Discretionary Conservation Programs

Conservation Operations

NRCS administers all of USDA's discretionary conservation programs. The largest program and the account that funds most NRCS activities is Conservation Operations (CO). The CO account primarily funds Conservation Technical Assistance (CTA), which provides conservation planning and implementation assistance from field staff placed in almost all counties within the United States and its territories. Other components of CO include the Soil Survey, Snow Survey and Water Supply Forecasting, and Plant Materials Centers (**Figure 1**).

Figure 1. Conservation Operations Annual Appropriations, by Function
FY2014-FY2024 Request



Source: Figure created by the Congressional Research Service (CRS) based on appropriations acts.

Notes: CTA = Conservation Technical Assistance; PMC = Plant Materials Centers; and Other = Grazing Lands Conservation Initiatives, watershed projects, and congressionally directed funds (earmarks). Depending on the legislative text, some programs included in Other during one year may be accounted for in CTA in another year. Figure is not adjusted for inflation and does not include supplemental funding.

The CO account is the primary source of discretionary funding for technical assistance (see the “Funding for Technical Assistance” section for additional detail). The Biden Administration’s FY2024 budget requests \$1.02 billion for CO, \$81.4 million (+8.7%) more than enacted for FY2023. The FY2023 appropriation increased CO funding by \$36.7 million from FY2022 levels and directed funding to specified conservation initiatives (**Table 1**). Language in the FY2023

explanatory statement further directed some funding to selected activities and earmarks (**Table 2** and **Table 4**).⁴

Table 1. FY2022-FY2024 Discretionary Agricultural Conservation Funding

budget authority in thousands of dollars

	FY2022	FY2023	FY2024
Program	P.L. 117-103	P.L. 117-328	Admin. Request House Senate Enacted
Conservation Operations (CO)			
Conservation Technical Assistance	759,813	800,892	904,279
<i>Climate Change-Related Initiatives</i>	3,000	0	31,000
<i>Soil Health Initiative</i>	1,000	0	0
<i>Grazing Lands Conservation Initiative</i>	14,000	14,000	0
<i>Additional Staff</i>	0	13,000	15,018
<i>Phragmite Control</i>	0	1,000	0
<i>Equity Cooperative Agreements</i>	0	0	50,000
Soil Survey	84,444	86,757	89,166
<i>Maintenance</i>	5,000	0	0
Snow Survey	9,488	16,751	17,017
<i>Feasibility Study</i>		1,000	0
Plant Material Centers	10,540	10,751	12,104
<i>Climate Change-Related Initiatives</i>	1,000	1,000	1,000
Urban Agriculture and Innovative Production ^a	8,500	0	0
Heathy Forest Reserve Program ^b	7,000	0	0
Feral Hog Fencing	5,000	3,000	0
CO Earmarks (see Table 2)	19,611	22,973	0
Total CO	904,396	941,124	1,022,566
Watershed Operations	100,000	75,000	175,000

⁴ “Explanatory Statement Submitted by Mr. Leahy, Chair of the Senate Committee on Appropriations, Regarding H.R. 2617, Consolidated Appropriations Act, 2023,” *Congressional Record*, vol. 168, no. 197 (December 19, 2022), pp. S7825-7839.

	FY2022	FY2023	FY2024
Program	P.L. 117-103	P.L. 117-328	Admin. Request House Senate Enacted
<i>Watershed Earmarks (see Table 2)</i>	23,275	20,591	0
Watershed Rehabilitation Program	1,000	2,000	10,009
Water Bank	[4,000]	[4,000]	4,000
Mitigation Banking	[5,000]	[5,000]	5,000
Urban Agriculture and Innovative Production^a	0	8,500	13,534
Healthy Forest Reserve Program^b	0	7,000	20,011
Total NRCS Discretionary	1,005,396	1,018,124	1,250,120

Source: Prepared by CRS using appropriations text and report tables and USDA, *FY2024 Budget Explanatory Notes—Natural Resources Conservation Service*.

Notes: Amounts are nominal discretionary budget authority in thousands of dollars unless labeled otherwise. Italics indicate funding that is shown within other accounts in the table. Bracketed amounts are not included in totals; they indicate funding appropriated in General Provisions and accounted for separately from the Natural Resources Conservation Service (NRCS) appropriations. Excludes amounts in supplemental appropriations acts.

- a. FY2022 enacted included funding for the Urban Agriculture and Innovative Production program in the CO account. The FY2023 enacted included funding as a standalone appropriation under NRCS. The FY2024 Administration's request would continue the funding as a standalone appropriation under NRCS.
- b. FY2022 enacted included funding for the Healthy Forest Reserve Program in the CO account. The FY2023 enacted included funding as a standalone appropriation under NRCS. The FY2024 Administration's request would continue the funding as a standalone appropriation under NRCS.

Separate from annual appropriations, in FY2023 the IRA (§21002(a)(1)) provided \$1.0 billion for NRCS CTA to remain available through FY2031. This supplemental funding is directly related to the additional funding provided in the IRA for selected farm bill conservation programs (see “Funding for Technical Assistance” discussion).

Funding for Technical Assistance

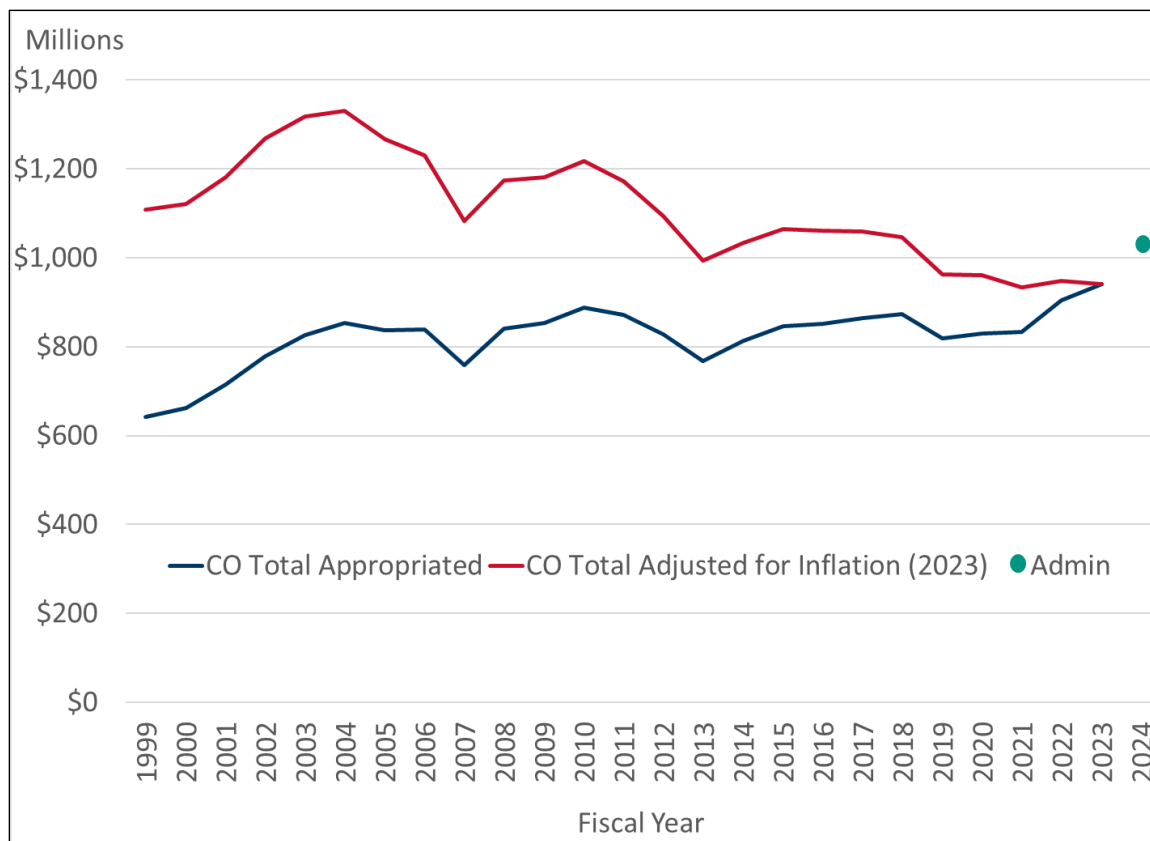
NRCS is the federal provider of technical assistance for agricultural conservation.⁵ At the landowner's request, NRCS provides technical assistance to conserve and improve natural resources. The assistance includes technical expertise combined with knowledge of local conditions and is provided through a network of federal staff throughout the United States.

Technical assistance for conservation is funded through both mandatory and discretionary sources, with CO being the primary account receiving discretionary funding from annual appropriations. The CTA program within CO funds much of the conservation technical assistance provided by NRCS. Funds support salaries and expenses for NRCS staff, technology

⁵ The statutory authority to provide conservation technical assistance is derived from the Soil Conservation and Domestic Allotment Act of 1935 (P.L. 74-46, 16 U.S.C. §590 et seq.).

development, conservation system design, compliance reviews, grants to partners for additional technical assistance capacity, and resource assessment reports. Total funding for CO has fluctuated in recent years. In some cases, fluctuations in funding were in response to an Administration's request. In other cases, funding changes reflected national budget dynamics that were not unique to CO (e.g., reductions caused by fiscal pressures and sequestration in FY2013 and funding increases through budget agreements in FY2014-FY2021). In inflation-adjusted dollars, CO has declined over the past 20 years (see **Figure 2**).

Figure 2. Conservation Operations (CO) Appropriated Funding
FY1999-FY2024



Source: Figure created by CRS using historical appropriations; USDA, *FY2024 Budget Explanatory Notes—Natural Resources Conservation Service*; and Office of Management and Budget, Table 10.1—Gross Domestic Product and Deflators Used in the Historical Tables: 1940–2028, March 2023, at https://www.whitehouse.gov/wp-content/uploads/2023/03/hist10z1_fy2024.xlsx.

Notes: The blue line is funding in nominal dollars, whereas the inflation-adjusted red line is calculated using the gross domestic product price deflator in FY2023 dollars. Admin = FY2024 President's budget requested level.

In addition to technical assistance, the other type of agricultural conservation assistance is financial assistance. Financial assistance provides direct payments to landowners to implement certain conservation practices or to conserve and protect natural resources on private land. Most programs providing financial assistance are authorized through omnibus farm bills and receive funding from mandatory sources—thus, they do not require an annual appropriation.

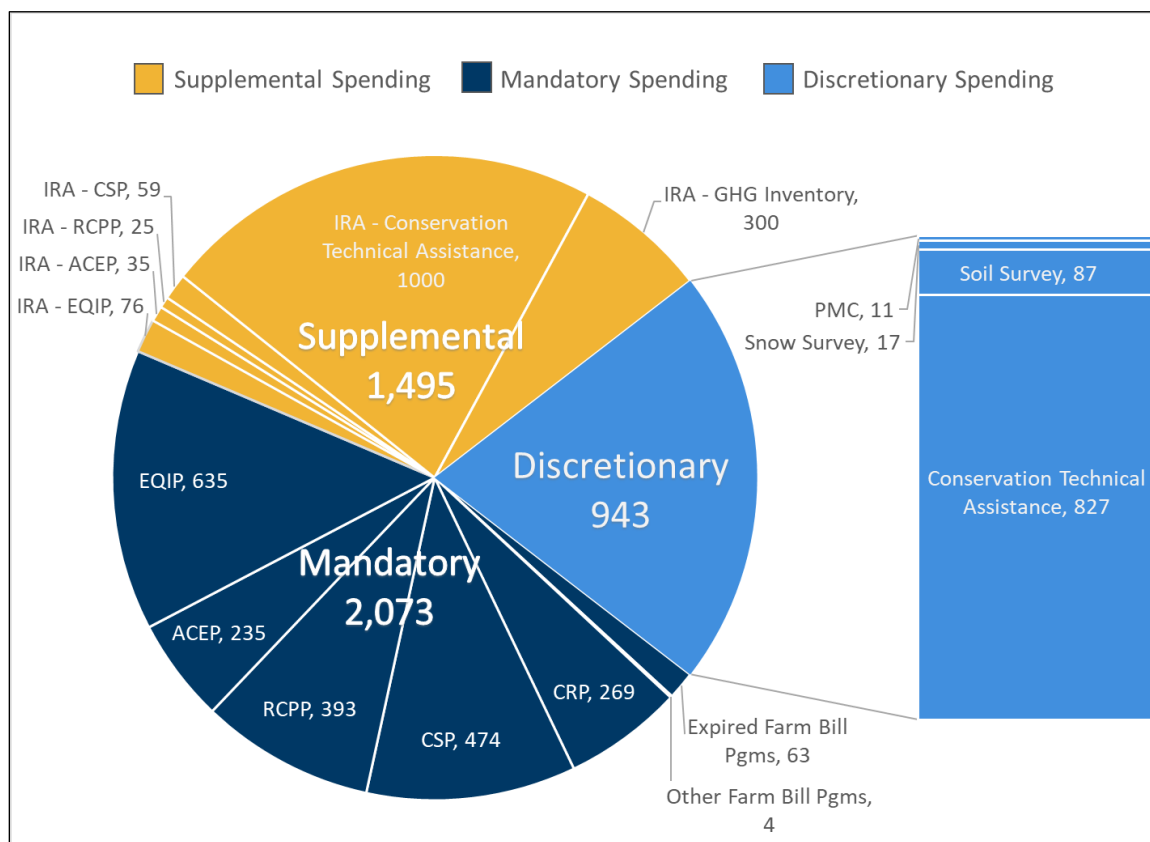
In addition to technical assistance provided through CTA and CO, technical assistance is part of farm bill conservation programs, which are funded through a program's mandatory authorization. Most technical assistance activities within mandatory programs support the delivery of some level

of financial assistance as part of a contract or agreement (**Figure 3**). These activities could include providing designs, standards, and specifications needed to install approved conservation practices and activities.

Generally, technical assistance prior to a producer entering into a contract for financial assistance is considered part of CTA. After a producer signs a contract for financial assistance, technical assistance is funded from the individual mandatory program rather than CTA. Once the financial assistance contract is complete, most mandatory program funds are no longer available to support ongoing assistance in maintaining the conservation plans, practices, and activities implemented under the financial assistance program.

Figure 3. FY2023 Total Estimate NRCS Technical Assistance, by Program

budget authority in millions of dollars



Source: Figure created by CRS using USDA, FY2024 Budget Explanatory Notes—Natural Resources Conservation Service, p. 29-31.

Notes: Numbers may not add due to rounding. FY2023 estimates are the latest available. NRCS = Natural Resources Conservation Service; ACEP = Agricultural Conservation Easement Program; CSP = Conservation Stewardship Program; CRP = Conservation Reserve Program; EQIP = Environmental Quality Incentives Program; GHG = Greenhouse Gas; IRA = Inflation Reduction Act of 2022 (P.L. 117-169); PMC = Plant Material Centers; and RCPP = Regional Conservation Partnership Program. The Agricultural Act of 2014 (P.L. 113-79) repealed and consolidated several farm bill conservation programs. The repealed and consolidated programs are no longer authorized but have valid contracts that continue to require technical assistance. These programs are referred to as Expired Farm Bill Programs and include the Agricultural Water Enhancement Program, Chesapeake Bay Watershed Program, Farm and Ranchland Protection Program, Grassland Reserve Program, Wetlands Reserve Program, and Wildlife Habitat Incentives Program. Other farm bill programs include the NRCS portion of Agricultural Management Assistance, Voluntary Public Access and Habitat Incentive Program, Feral Swine Eradication and Control Pilot, and Healthy Forest Reserve Program.

As **Figure 3** shows, mandatory programs fund nearly half of NRCS technical assistance in FY2023. The IRA provided nearly \$17 billion in additional funding for selected mandatory farm bill conservation programs.⁶ Because the additional financial assistance for the farm bill conservation programs requires a corresponding increase in the amount of technical assistance needed for implementation, the IRA also provided additional funding for CTA.⁷ Without this increase in discretionary spending accounts, implementation of additional financial assistance could be hindered since technical assistance prior to a financial assistance contract generally is funded through discretionary spending accounts (i.e., CTA).

NRCS Staffing Levels

The CO account funds close to half of NRCS staff; other, smaller discretionary programs and mandatory conservation programs account for the remainder. The total number of permanent positions at NRCS funded by CO declined from FY2014 through FY2019 (see **Figure 4**). The Administration's FY2024 request includes an increase in proposed staff compared with FY2023, primarily reflecting the additional funding provided in the IRA. According to the request, this increase in funding would be used primarily "to expand staffing capacity to keep pace with increased mandatory financial assistance authorities that exceed \$3.5 billion in 2024."⁸ If FY2023 estimated hiring occurs, then NRCS staffing levels would exceed levels that prevailed before FY2016. If FY2024 staffing estimates are filled, then total permanent NRCS staffing positions would be the highest in more than two decades (see **Figure 4**).

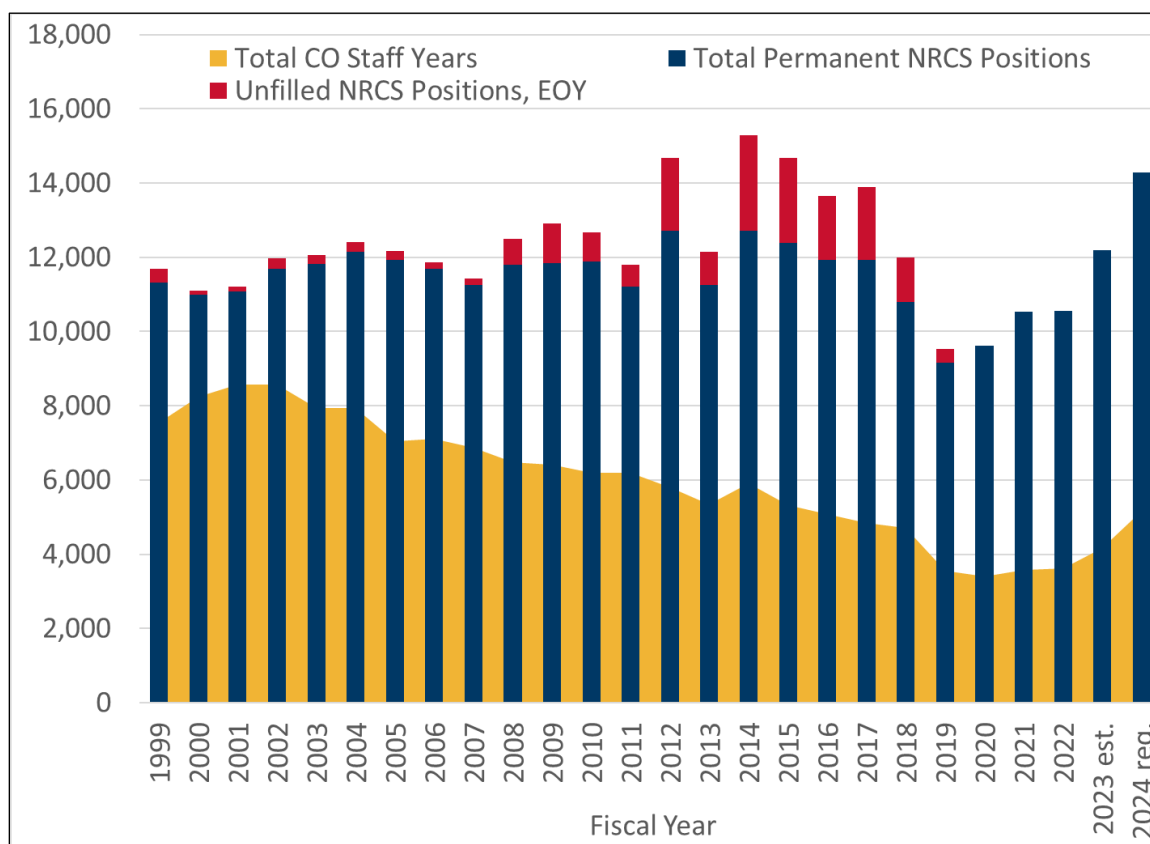
⁶ For additional information on the Inflation Reduction Act of 2022 (IRA), see CRS Insight IN11978, *Inflation Reduction Act: Agricultural Conservation and Credit, Renewable Energy, and Forestry*.

⁷ The IRA §21002(a)(1) provided \$1 billion for Conservation Technical Assistance (CTA) to remain available through FY2031.

⁸ USDA, *FY2024 Budget Explanatory Notes—Natural Resources Conservation Service*, p. 29-24.

Figure 4. Total Natural Resources Conservation Service (NRCS) Staffing

FY1999-FY2024 Request



Source: Figure created by CRS using annual USDA Budget Explanatory Notes.

Notes: A staff year is equivalent to one full-time person working for one year. CO = Conservation Operations; EOY = end of year; and Req. = President's request.

Watershed Programs

The FY2023 appropriation contained funding for watershed activities, including Watershed and Flood Prevention Operations (WFPO)—a program that assists state and local organizations with planning and installing measures to prevent erosion, sedimentation, and flood damage.⁹ The FY2023 appropriation reduced WFPO funding to \$75.0 million, \$25.0 million less than the FY2022 level of \$100.0 million. The Administration's FY2024 budget requests \$175.0 million for WFPO, \$100.0 million more than enacted for FY2023.

WFPO consists of projects built under two authorities—the Watershed Protection and Flood Prevention Act of 1954 (P.L. 83-566) and the Flood Control Act of 1944 (P.L. 78-534). The vast majority of the projects have been built pursuant to the authority of P.L. 83-566 (referred to as P.L. 566 projects), which authorizes the chief of NRCS to approve construction of smaller watershed projects.¹⁰ Larger P.L. 566 projects face a requirement for congressional approval. The

⁹ For additional information, see CRS Report R46471, *Federally Supported Projects and Programs for Wastewater, Drinking Water, and Water Supply Infrastructure*.

¹⁰ In general, no P.L. 566 project may exceed 250,000 acres, and no structure may exceed 12,500 acre-feet of floodwater detention capacity or 25,000 acre-feet of total capacity.

Flood Control Act of 1944 authorized 11 specific projects, referred to as P.L. 534 projects, which are larger and more expensive than P.L. 566 projects.

The FY2023 enacted appropriation directed WFPO funding to specific activities (**Table 3**), including directing \$10.0 million of available WFPO funding to projects that could commence promptly, address regional priorities, or are authorized under the Flood Control Act of 1944 (P.L. 534 projects). An additional \$10.0 million was directed to projects that provide water to rural communities and \$20.6 million for WFPO earmarks. The FY2024 Administration’s request would increase the amount of WFPO funding directed to projects that could commence promptly, address regional priorities, or are P.L. 534 projects from \$10.0 million to \$65.0 million, and it would add language directing funds to projects that would address multiple resource concerns and provide ecosystem benefits. The FY2024 request would remove language for rural water projects and earmarks.

The FY2023 appropriation included \$10.0 million for the Watershed Rehabilitation Program—\$8.0 million more than enacted in FY2022. The Watershed Rehabilitation Program repairs aging dams built by USDA under WFPO.¹¹

The 2018 farm bill provides \$50.0 million annually in permanent mandatory funding for WFPO and Watershed Rehabilitation activities. The mandatory funding is in addition to discretionary funding provided through annual appropriations.¹²

Congressionally Directed Spending (Earmarks)

For FY2023, the House and Senate allowed earmarks in appropriations.¹³ *Earmarks* generally are defined as congressionally directed spending that noncompetitively benefits a specific entity or locality. The House refers to these as Community Project Funding (CPF) requests, and the Senate refers to these as Congressionally Directed Spending (CDS) items. Both chambers’ rules require that appropriations reports disclose earmarks.¹⁴

The FY2023 enacted appropriation contained 35 earmarks totaling \$43.6 million in two accounts—CO and WFPO (**Table 2**). The enacted appropriation included \$23.0 million of earmarks in CO (2.4% of the total FY2023 appropriation of \$941.1 million) and \$20.6 million of earmarks in WFPO (27.5% of the total FY2023 appropriation of \$75.0 million).

Table 2. FY2023 Earmark Totals, by State and Conservation Program

dollars in thousands

State	Conservation Operation	Watershed and Flood Prevention Operations	Total
California	1,325	0	1,325
Florida	175	0	175
Hawaii	1,000	0	1,000
Idaho	4,000	0	4,000

¹¹ For additional information, see CRS Report R47383, *Federal Assistance for Nonfederal Dam Safety*.

¹² For additional discussion of changes made in the 2018 farm bill, see CRS Report R45698, *Agricultural Conservation in the 2018 Farm Bill*.

¹³ CRS Report R46722, *Community Project Funding: House Rules and Committee Protocols*.

¹⁴ CRS Report RS22866, *Earmark Disclosure Rules in the House: Member and Committee Requirements*; and CRS Report RS22867, *Earmark Disclosure Rules in the Senate: Member and Committee Requirements*.

State	Conservation Operation	Watershed and Flood Prevention Operations	Total
Illinois	975	0	975
Kansas	0	2,100	2,100
Michigan	750	110	860
Mississippi	1,200	5,330	6,530
New Jersey	1,950	165	2,115
New York	4,950	55	5,005
Oregon	0	5,048	5,048
Rhode Island	0	5,000	5,000
Texas	3,500	0	3,500
Washington	3,147	2,728	5,876
West Virginia	0	55	55
Total Earmarks	22,973	20,591	43,564

Source: Prepared by CRS using Community Project Funding/Congressionally Directed Spending (earmark) tables in “Explanatory Statement Submitted by Mr. Leahy, Chair of the Senate Committee on Appropriations, Regarding H.R. 2617, Consolidated Appropriations Act, 2023,” *Congressional Record*, vol. 168, no. 197 (December 19, 2022), pp. S7834-7864.

In FY2024, the House Agriculture appropriations subcommittee includes CO as an eligible account for CPF requests, and the Senate Agriculture appropriations subcommittee includes WFPO as an eligible account for CDS items.¹⁵

Mandatory Conservation Program

Mandatory conservation programs generally are authorized in omnibus farm bills and receive funding from the CCC—thus, they do not require an annual appropriation. The 2018 farm bill reauthorized mandatory funding through FY2023 for many of the agricultural conservation programs. The IRA further extended authorization and provided additional funding for several farm bill conservation programs through FY2031 (**Figure 5**).¹⁶

Mandatory conservation program funding—with the exception of the Conservation Reserve Program (CRP)—is classified as mandatory, nonexempt spending and is therefore reduced annually by about 6% by budget sequestration.¹⁷

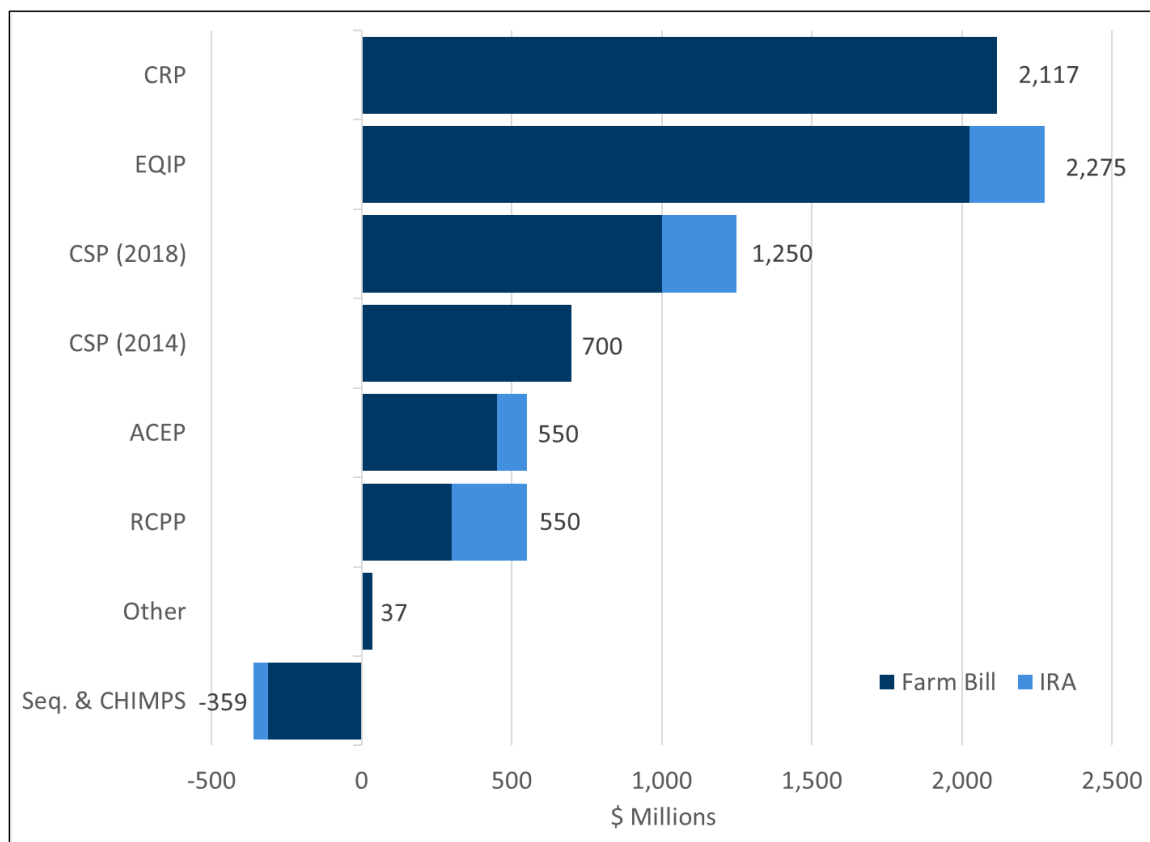
¹⁵ For additional information, see House Appropriations Committee, “Fiscal Year 2024 Member Request Guidance,” at <https://appropriations.house.gov/fiscal-year-2024-member-request-guidance>; and Senate Appropriations Committee, “FY 2024 Appropriations Requests and Congressionally Directed Spending,” at <https://www.appropriations.senate.gov/fy-2024-appropriations-requests-and-congressionally-directed-spending>.

¹⁶ The Inflation Reduction Act of 2022 (P.L. 117-169) extended authority for the Agricultural Conservation Easement Program (ACEP), Conservation Stewardship Program (CSP), Environmental Quality Incentives Program (EQIP), and Regional Conservation Partnership Program (RCPP). For additional information about farm bill conservation program authority, see CRS Report R47478, *Agricultural Conservation and the Next Farm Bill*.

¹⁷ For additional discussion on sequestration, see Appendix C in CRS Report R46951, *Agriculture and Related Agencies: FY2022 Appropriations*.

Figure 5. Mandatory Conservation Program Funding, FY2023

budget authority in millions of dollars



Source: Figure created by CRS using Congressional Budget Office (CBO), “CBO’s February 2023 Baseline for Farm Programs,” February 2023, at <https://www.cbo.gov/system/files?file=2023-02/51317-2023-02-usda.pdf>; and appropriations for Changes in Mandatory Program Spending (CHIMPS).

Notes: Seq. & CHIMPS = Announced sequestration and changes in mandatory program spending (i.e., transfers to the Farm Production and Conservation Business Center); Other = budget authority for the Emergency Forestry Conservation Reserve Program, Grassroots Source Water Protection, Feral Swine Eradication, Agricultural Management Assistance program, Voluntary Public Access and Habitat Incentive, Watershed and Flood Prevention Operations, Watershed Rehabilitation Program, Conservation User Fees, and programs repealed by the 2014 farm bill; RCPP = Regional Conservation Partnership Program; ACEP = Agricultural Conservation Easement Program; CSP = Conservation Stewardship Program; EQIP = Environmental Quality Incentives Program; CRP = Conservation Reserve Program; Farm Bill = total mandatory funding authorized under the Agriculture Improvement Act of 2018 (2018 farm bill; P.L. 115-334), as amended; and IRA = Inflation Reduction Act of 2022 (P.L. 117-169). CSP amounts are categorized by contracts authorized under the Agricultural Act of 2014 (P.L. 113-79) and the 2018 farm bill. Total funding levels shown include funding authorized under the 2018 farm bill, as amended, and additional spending for existing conservation programs authorized in the IRA. Sequestration on IRA funds is estimated at the announced levels for FY2023.

Congress used annual Agriculture appropriations acts to reduce funding to mandatory conservation programs through Changes in Mandatory Program Spending (CHIMPS) every year from FY2003 to FY2017.¹⁸ The FY2018 Consolidated Appropriations Act (P.L. 115-141) was the

¹⁸ Changes in Mandatory Program Spending (CHIMPS) are adjustments via an appropriations act that can change available funding for mandatory programs. CHIMPS usually change spending for one year and may score as an increase or decrease to outlays. They do not change the underlying authority of the program in law. For additional background on CHIMPS, see CRS In Focus IF10041, *Reductions to Mandatory Agricultural Conservation Programs in Appropriations Law*.

first appropriation since FY2002 that did not include CHIMPS to conservation programs, thus allowing all mandatory conservation programs to use their fully authorized level of funding, minus sequestration.

In FY2019, USDA reorganized several agencies, including NRCS, and created the Farm Production and Conservation (FPAC) mission area. As part of the reorganization, Congress began transferring funds to the FPAC Business Center from other accounts, including from mandatory conservation programs.¹⁹ This transfer creates CHIMPS in three conservation programs—Agricultural Conservation Easement Program (ACEP), Conservation Stewardship Program (CSP), and Environmental Quality Incentives Program (EQIP).²⁰ The FY2023 appropriation includes the Administration’s request for transferring \$60.2 million in conservation program CHIMPS to the FPAC Business Center. The same CHIMPS amount (\$60.2 million) for the same conservation programs was included in each annual appropriation from FY2019 through FY2023, and is requested for FY2024.

Supplemental Funding

Separate from annual appropriations, in FY2023 the IRA (§21002(a)(1)) provided \$1.0 billion for NRCS CTA to remain available through FY2031. This supplemental funding is directly related to the additional \$17 billion provided in the IRA for selected mandatory farm bill conservation programs—EQIP, CSP, ACEP, and the Regional Conservation Partnership Program (RCPP). The IRA also provided \$300.0 million to remain available through FY2031 for NRCS to carry out a program to quantify greenhouse gas emissions reductions from IRA activities for use in the USDA Greenhouse Gas Inventory Assessment program.

Separate from funds provided as annual appropriations, the FY2023 appropriation (P.L. 117-328, Division N) provides \$925.0 million for the Emergency Watershed Protection (EWP) program.²¹ The funding is classified as emergency spending and is available until expended.

Policy-Related Provisions

In addition to setting budgetary amounts, the Agriculture appropriations bill also may include policy-related provisions that direct how the executive branch is to carry out an appropriation. These provisions may have the force of law if they are included in the text of an appropriations act, but their effect is generally limited to the current fiscal year (see **Table 3**). Policy-related provisions in appropriations acts generally do not amend the *U.S. Code* or have a multiyear effect.

For example, the WFPO program historically has been called the “small watershed program” because no project may exceed 250,000 acres, and no structure may exceed 12,500 acre-feet of floodwater detention capacity or 25,000 acre-feet of total capacity. The FY2023 enacted appropriation included a policy provision that waives the 250,000-acre project limit when the

¹⁹ For additional background on the Farm Production and Conservation (FPAC) Business Center and conservation programs, see CRS Report R46728, *FY2021 Appropriations for Agricultural Conservation*.

²⁰ The Administration’s FY2024 request to transfer \$60.2 million to the FPAC Business Center from mandatory conservation programs would be divided as follows: \$8.3 million from ACEP, \$21.2 million from CSP, and \$30.7 million from EQIP. None of the funds is proposed to come from the Conservation Reserve Program.

²¹ For additional information on the Emergency Watershed Protection (EWP) program, see CRS Report R42854, *Emergency Assistance for Agricultural Land Rehabilitation*.

project’s primary purpose is something other than flood prevention.²² This provision does not amend the WFPO authorization and is effective only for the funds provided during the current appropriation year.²³

Many of these provisions have been included in past years’ appropriations acts. Some provisions in report language and bill text may address conservation programs that are not authorized or funded within the annual appropriations (i.e., mandatory spending for farm bill-authorized programs).

Table 3 compares some of the conservation-related policy provisions in the Farm Production and Conservation Programs (Title II) and General Provisions (Title VII) titles of the enacted FY2022 and FY2023 Agriculture appropriation bills. The table is divided by agency and account according to their location within the bills.

Table 3. Selected Conservation Policy Provisions in the FY2022 and FY2023 Appropriations Acts

FY2022 Enacted, P.L. 117-103	FY2023 Enacted, P.L. 117-328
Farm Production and Conservation (FPAC) Business Center	
FPAC Business Center. Transfer of \$60.2 million from mandatory conservation program accounts to the Business Center account (Title II).	Same as FY2022 (Title II).
Natural Resources Conservation Service (NRCS)	
Conservation Operations (CO). Allocates \$19.6 million of CO for 17 “Congressionally Directed Spending” projects (Title II).	Similar language allocates \$23.0 million of CO for 16 “Community Project Funding/Congressionally Directed Spending” projects (Title II).
Allocates \$8.5 million of CO for the Urban Agriculture and Innovative Production Program (Title II).	Funded as a separate appropriation (Title II).
Allocates \$7.0 million of CO for the Healthy Forests Reserve Program (Title II).	Funded as a separate appropriation (Title II).
Watershed Operations. Limits the application of the 250,000-acre limitation in Watershed and Flood Prevention Operations (WFPO) to activities for which the primary purpose is flood prevention (Title II).	Same as FY2022 (Title II).
Allocates \$23.3 million of WFPO for seven “Community Project Funding/Congressionally Directed Spending” projects (Title II).	Similar language allocates \$20.6 million of WFPO for 19 “Community Project Funding/Congressionally Directed Spending” projects (Title II).
Allocates \$10.0 million of available funds to be allocated to projects that commence promptly, address select regional priorities, or are authorized under the Flood Control Act of 1944 (Title II).	Same as FY2022 (Title II).

²² The appropriation for the Natural Resources Conservation Service (NRCS) in P.L. 117-328 states, “... Provided, That for funds provided by this Act or any other prior Act, the limitation regarding the size of the watershed or subwatershed exceeding two hundred and fifty thousand acres in which such activities can be undertaken shall only apply for activities undertaken for the primary purpose of flood prevention (including structural and land treatment measures)....” The underlying limitation referred to is 16 U.S.C. §1002.

²³ The provision applies to the \$75 million in FY2023 and any funds previously provided. Since Watershed and Flood Prevention Operations (WFPO) funding is available until expended, it is possible that the waiver could carry forward into future fiscal years but only for funds made available in or prior to FY2023.

FY2022 Enacted, P.L. 117-103	FY2023 Enacted, P.L. 117-328
Allocates \$10.0 million to projects providing water to rural communities (Title II).	Same as FY2022 (Title II).
General Provisions	
Agricultural Management Assistance (AMA). Allows AMA funds to remain available until expended (\$707).	Same as FY2022 (\$707).
Experienced Services Program. Allows use of WFPO, Watershed Rehabilitation, and Emergency Watershed Protection (EWP) program funds to provide technical assistance through the Agricultural Conservation Experienced Services (ACES) program, a part-time employment program for retirees (\$759).	Same as FY2022 (\$759).
Water Bank. Appropriates \$4.0 million for the Water Bank program (\$769).	Same as FY2022 (\$762).
Wetland Mitigation Banking. Appropriates \$5.0 million for farm bill mitigation banks. Prioritizes areas with a significant number of individual wetlands and conservation compliance requests (\$771).	Same as FY2022 (\$764).
No comparable provision.	Soil Testing. Appropriates \$5.0 million for testing soil, water, or agricultural producers for per- and polyfluoroalkyl substances (PFAS) (\$766).

Source: Prepared by CRS from P.L. 117-103 and P.L. 117-328.

Note: These policy changes are relevant only for funds available in the fiscal year cited.

In addition to the text of an appropriations act, the explanatory statement accompanying the final appropriations—and the House and Senate report language, if applicable, that generally accompanies the committee-reported bills—may provide policy instructions.²⁴ These documents do not have the force of law but often explain congressional intent, which Congress expects the agencies to observe. The committee reports and explanatory statement may need to be read together to capture all of the congressional intent for a given fiscal year.

Table 4 includes conservation policy provisions in report language that direct specific funding levels and policies. The table is divided by general programs, accounts, and themes. The majority of provisions are located under NRCS, but some are located under FSA or CCC within the reports.

Table 4. Summary of Selected Conservation Policy Provisions in FY2023 Appropriations Explanatory Statements

Provision Location	Programs, Accounts, and Themes
	Conservation Operation (CO), Conservation Technical Assistance (CTA), and Conservation Practices
Explanatory Statement	Directs \$800.9 million of CO to CTA.
Explanatory Statement	Directs \$3.0 million of CO for cost-share programs to construct and repair perimeter fencing damaged by feral hogs.

²⁴ The Senate Appropriations Committee did not take up the FY2023 appropriations bill, S. 4661; therefore, no explanatory statement was reported.

Provision Location	Programs, Accounts, and Themes
Explanatory Statement	Directs \$23.0 million of CO for congressionally directed projects.
Explanatory Statement	Directs \$14.0 million of CTA for the Grazing Lands Conservation Initiative, of which \$12.0 million is for competitive grants to diverse partnerships, and \$2.0 million is for grazing education through a cooperative agreement with a national grazing lands coalition.
Explanatory Statement	Directs \$13.0 million of CTA for additional staff.
Explanatory Statement	Directs \$1.0 million of CTA for Phragmite control.
Explanatory Statement	Directs NRCS to continue to report to Congress total technical assistance funding.
Explanatory Statement	Urges the Natural Resources Conservation Service (NRCS) to reevaluate Technical Service Providers matching requirements.
House Report	Urges USDA to incentivize the use of alfalfa in NRCS programs.
House Report	Encourages NRCS to promote and fund firebreaks and fuel breaks.
House Report	Encourages NRCS to use conservation practice standards to fund per- and polyfluoroalkyl substances (PFAS) soil testing.
Soil Surveys Program	
Explanatory Statement	Directs \$86.8 million of CO to the program.
Snow Survey and Water Supply Forecasting Program	
Explanatory Statement	Directs \$16.8 million of CO to the program, of which \$6.0 million is to expand the Snow Telemetry (SNOTEL) Network, and \$1.0 million is for a study to potentially expand the SNOTEL Network to northeastern states
Plant Materials Centers	
Explanatory Statement	Directs \$10.8 million of CO to the centers, including \$1.0 million to climate-smart agriculture.
Watershed and Flood Prevention Operations (WFPO)	
Explanatory Statement	Directs \$20.6 million of WFPO for congressionally directed projects.
Explanatory Statement	Requires Congressionally Directed Spending projects to apply for funding and directs NRCS to review applications in the same manner as previous years.
Explanatory Statement	Directs NRCS to collaborate with project sponsors on drought response and wildlife habitat projects and provide a report to Congress.
House Report	Urges NRCS to balance program needs and reduce project delays.
Office of Urban Agriculture and Innovative Production	
House Report	Supports the Community Compost and Food Waste Reduction Project and encourages USDA to promote composting and reduce food waste.
House Report	Encourages the office to collaborate with other USDA agencies to develop or improve farmers' markets.
House Report	Encourages USDA to partner with state extension programs to assist urban agricultural production and for NRCS to maintain grants for outreach and innovation.
House Report	Encourages the support of vertical farming.
Conservation Reserve Program (CRP)	
Explanatory Statement	Reminds USDA of an FY2021 directed report analyzing dryland agriculture uses on Conservation Reserve Enhancement Program (CREP) acres.
House Report	Encourages USDA to enroll PFAS-contaminated land into CRP.

Provision Location	Programs, Accounts, and Themes
Environmental Quality Incentives Program (EQIP)	
Explanatory Statement	Encourages USDA to support implementation of energy efficiency projects under EQIP.
Explanatory Statement	Urges USDA to develop EQIP guidance with input from selected irrigation and land management organizations in the southwestern United States.
Conservation Stewardship Program (CSP)	
Explanatory Statement	Requires a report to Congress on actions to eliminate program duplication.
House Report	Encourages the creation of “climate change mitigation” bundles within CSP.
Regional Conservation Partnership Program (RCPP)	
House Report	Supports critical conservation areas under RCPP and directs NRCS to provide additional CTA funds to RCPP to address planning backlogs.
House Report	Directs NRCS to maintain the Mississippi River Basin as a critical conservation area under RCPP and affirms the program’s use to achieve the goals of the 2015 Gulf Hypoxia Action Plan.
Conservation Compliance	
Explanatory Statement	Encourages USDA to use a one-to-one acre ratio for wetlands mitigation requirements.
Program Administration and Operations	
Explanatory Statement	Directs NRCS to implement cooperative agreements with organizations that support the lesser-prairie chicken and carbon sequestration programs.
House Report	Encourages NRCS to review and align conservation program delivery timelines with legislatively mandated timelines.
House Report	Encourages NRCS to continue working with Resource Conservation and Development Councils.
Soil Health	
House Report	Encourages the continued support of selected practices and soil health demonstration projects related to regenerative agriculture.
Water Quality and Quantity	
Explanatory Statement	Directs NRCS to work with eligible entities (e.g., producers, states, and irrigation districts) in implementing area-wide drought plans.
House Report	Supports and directs funding to reduce nutrient loading that can contribute to Harmful Algal Blooms (HAB) growth.
Wildlife	
House Report	Encourages the development of affordable, regional pollinator seed mixes.
House Report	Supports the Sage Grouse Initiative.
Geographically Specific Provisions	
Explanatory Statement	Directs NRCS to collect scientifically credible information on Alaska’s lands, soils, waters, and related resources.
House Report	Supports the Chesapeake Bay State’s Partnership Initiative and directs USDA to leverage additional funding and technical assistance to the initiative.
House Report	Encourages renewal of the Driftless Area Landscape Conservation Initiative in Minnesota, Iowa, Wisconsin, and Illinois.
House Report	Encourages selected flood mitigation measures in the Great Lakes region.

House Report	Encourages NRCS to use the Conservation Agricultural Mentoring Program (CAMP) to enhance outreach in watersheds, such as the Great Lakes Basin, Salton Sea, Lake Okeechobee, and Chesapeake Bay.
House Report	Encourages NRCS to work with local, state, and federal agencies in the Western Lake Erie Basin.

Source: Compiled by CRS from “Explanatory Statement Submitted by Mr. Leahy, Chair of the Senate Committee on Appropriations, Regarding H.R. 2617, Consolidated Appropriations Act, 2023,” *Congressional Record*, vol. 168, no. 197 (December 19, 2022), pp. S7834-7864; and H.Rept. 117-392.

Notes: Explanatory Statement = the FY2023 Explanatory Statement cited above; and House Report = H.Rept. 117-392. These policy provisions clarify congressional intent for the specific fiscal year cited. The explanatory statement accompanying the final FY2023 appropriation indicates that unless otherwise noted, the House report language carries the same weight as language in the explanatory statement. Therefore, the FY2023 House report and explanatory statement are to be read together to capture all of the congressional intent for the fiscal year. The Senate Appropriations Committee did not take up the FY2023 appropriations bill, S. 4661; therefore, no explanatory statement was reported. For additional information on the programs identified in this table, see CRS Report R40763, *Agricultural Conservation: A Guide to Programs*.

Author Information

Megan Stubbs
Specialist in Agricultural Conservation and Natural
Resources Policy

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