

**STATEMENT OF MARK REY
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BEFORE THE
SENATE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, AND
RELATED AGENCIES**

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Mr. Chairman and members of the Subcommittee, I am pleased to appear before you today to present the fiscal year (FY) 2007 budget and program proposals for the Natural Resources Conservation Service (NRCS) of the Department of Agriculture (USDA). I am grateful to the Chairman and members of this Subcommittee for the ongoing support of private lands voluntary conservation and the protection of soil, water, and other natural resources.

Farmers, ranchers, and other private landowners across America play a vital role in conserving our Nation's soil, water, air, and wildlife resources, while producing abundant food and fiber. More than 70 years of "helping people help the land" gives NRCS a firm foundation to meet the challenge of balancing production agriculture with resource conservation. For FY 2007, the President's Budget meets that challenge by recommending a record \$4 billion in mandatory funding to expand participation in Farm Bill conservation programs.

President's Fiscal Year 2007 Budget

The President's FY 2007 budget request for NRCS provides resources for the ongoing mission of NRCS, while ensuring that new challenges faced by landowners can be addressed.

Because of the overriding need to reduce the deficit, NRCS, like every Federal agency, will share in the responsibility of controlling Federal spending. There are proposals in the FY 2007 Budget that will produce savings in both the mandatory and discretionary accounts. These savings will enable the Administration to target funding based on need and program results.

With that said, the President's FY 2007 budget request for NRCS recognizes the vital role that natural resource conservation plays in securing America's national security. Without productive soil, clean water and air, and farmers and ranchers who can make a living off the land, the United States would not be the strong Nation it is today.

The FY 2007 budget request for NRCS provides \$2.8 billion in total funding, with \$788.6 million in discretionary funding, and \$2 billion in mandatory funding, including \$1 billion for the Environmental Quality Incentives Program.

Also on the mandatory side, the Budget request includes an increase of \$153 million for the Wetlands Reserve Program (WRP) to enroll and additional 250,000 acres. This represents an investment of \$402 million for WRP, and will bring the total acreage enrolled in the program to more than 2.2 million acres.

WRP is the principal supporter of the President's Wetlands Initiative to restore, protect, and enhance 3 million acres of wetlands over a 5 year period that will begin in June 2004. WRP also contributes roughly one-third of all the acres toward the goals of the President's Wetlands Initiative.

The appropriation request includes \$634.3 million for the Conservation Technical Assistance (CTA) Program, which is the base program that supports the Department's conservation efforts with State and local entities, and the basic conservation planning and decision support needed to successfully implement Farm Bill conservation programs.

Building Strong Accountability Measures

In the current budget environment, it is more important than ever to continue working diligently on accountability and results measurement for the funds provided by Congress. Mr. Chairman, I am proud of the great strides NRCS has made in the past year on this effort as well as on making NRCS information more accessible to farmers, ranchers, and the general public. NRCS has taken bold steps to address all the challenges identified as a result of the Office of Management and Budget's Program Assessment Rating Tool (PART) scores for various conservation programs. PART reviews have been completed for 12 NRCS programs. The Agency has used these assessments to develop long-term outcome based performance measures and to become even more results oriented.

Meeting the President's Management Agenda is critical to all of us at USDA. Linking program requirements and program allocations to performance and accountability measures helps both the Administration and Congress make the most informed budget decisions.

Conservation Security Program (CSP) Customer Service Results Survey

Mr. Chairman, in past testimony before this Subcommittee, I have discussed the excellent score NRCS received in a measure of customer satisfaction for conservation assistance. I am proud to report that according to the American Customer Satisfaction Index (ACSI) conducted by the University of Michigan, NRCS received an overall score of 76 out of 100 for administering CSP. This voluntary program supports ongoing stewardship of private agricultural land by providing payments for maintaining and enhancing natural resources.

NRCS' score for CSP is considerably higher than the 2005 national average of 71 for the Federal government and right on track with earlier scores for the Environmental Quality Incentives Program (75) and the Wildlife Habitat Incentives Program (77) from surveys conducted in 2004.

The four drivers of satisfaction that were measured for CSP include its Self-Assessment Workbook, the one-on-one personal interview with NRCS, the contract review and award process, and NRCS staff. This is the first customer satisfaction survey for this new program.

Streamlining for Conservation Gains

NRCS continues to make strides in streamlining operations. In this process, the Agency is striving to keep the administration of conservation programs as lean as possible. We are doing that by:

- Streamlining the payment process;
- Building our eGovernment infrastructure, including eForms, and the programs Web site;
- Reducing required paperwork for customers through a common computer database in USDA Service Centers;
- Streamlining program forms that are used, trying to be more consistent between like programs such as the easement programs, and consolidating program manuals when possible;
- Costing and revising program allocation formulas to distribute funds to States on resource-based methodology;
- Working on an automated application ranking tool;
- Establishing a process for rapid watershed assessments to provide initial estimates of where conservation investments can best address resource concerns;
- Continuing to place programmatic and technical information available on the Agency's Web site to give our employees and customers access to the latest, high-quality information; and
- Instituting programmatic reforms such as a pilot sign-up process for conservation planning technical assistance.

Accelerating Conservation Implementation

Accelerating conservation implementation is essential. Wise management of resources is critical. We need to get the 5 to 10-year contracts the Agency has signed with farmers completed, get the conservation on ground, and at the same time, aware of the realities of farm economics. Conservation is a wise investment in the future of our country's healthy soil, clean water, and abundant wildlife; but practicing good conservation also makes good economic sense.

Strategic Planning for the Future

I am proud of the accomplishments NRCS achieved in 2005. An effort that particularly stands out is one undertaken to chart the future by completing a new strategic plan. The strategic planning process incorporated internal and external assessments of natural resources, human capital, civil rights, and other issues. The information collected through this assessment served as the foundation to formulate the new strategic plan. This plan will be a comprehensive roadmap to guide the Agency over the next 10 to 20 years.

The plan introduced a new mission statement, “helping people help the land.” This mission, and an accompanying vision statement, articulates the Agency’s role to assist private landowners and solidify the essential connection between retaining a viable agricultural presence on the landscape and sustaining a healthy environment.

Conclusion

Mr. Chairman, in summary, we are planning for the future under an atmosphere of increasingly austere budgets and economic uncertainties along with a multitude of other unknowns on the domestic and international fronts. I believe that the Administration’s FY 2007 Budget request reflects sound policy, and will provide stability to the vital mission of voluntary conservation on private lands. The Budget request reflects sound business management practices and the best way to work for the future and utilize valuable conservation dollars efficiently and wisely.

I thank members of the Subcommittee for the opportunity to appear, and would be happy to respond to any questions that Members might have.