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LWCF Receives Permanent Authorization

Andrew Olson • 202-624-5848 • aolson@ffis.org

Summary

The president has signed [P.L. 116-9](#), a large public lands package that permanently authorizes the Land and Water Conservation Fund (LWCF) and codifies how funds are distributed from it.

This *Issue Brief* highlights key provisions of the bill.

Recent Funding History

In 1965, the Land and Water Conservation Fund Act (P.L. 88-578) was enacted to preserve and develop outdoor recreation resources. The act established a trust fund and authorized funding for two purposes: federal acquisition of land and waters, and matching formula grants to states for planning, acquiring, and developing outdoor recreation facilities

In fiscal year (FY) 2014, Congress began appropriating additional competitive state assistance grants to support projects in urban areas (funded at \$20 million in FY 2019). Since FY 1998, funding also has been provided for other purposes, including ecosystem restoration, the Historic Preservation Fund, the Forest Legacy Program, and others.

The LWCF trust fund is supported primarily by lease revenues from offshore oil and gas development. It is authorized to collect \$900 million annually. However, funds must be appropriated from the trust fund for individual programs. Congress has only twice appropriated more than the full authorized amount of \$900 million (FYs 1998 and 2001).

The fund also accrues Outer Continental Shelf (OCS) leasing revenues under the Gulf of Mexico Energy Security Act of 2006 (GOMESA) beyond the \$900 million authorized level, which is mandatory spending not subject to the appropriations process. The table below shows recent funding for the state assistance portion of LWCF (CFDA 15.916), and Table 1 at the end of the brief shows the most recent state allocations.

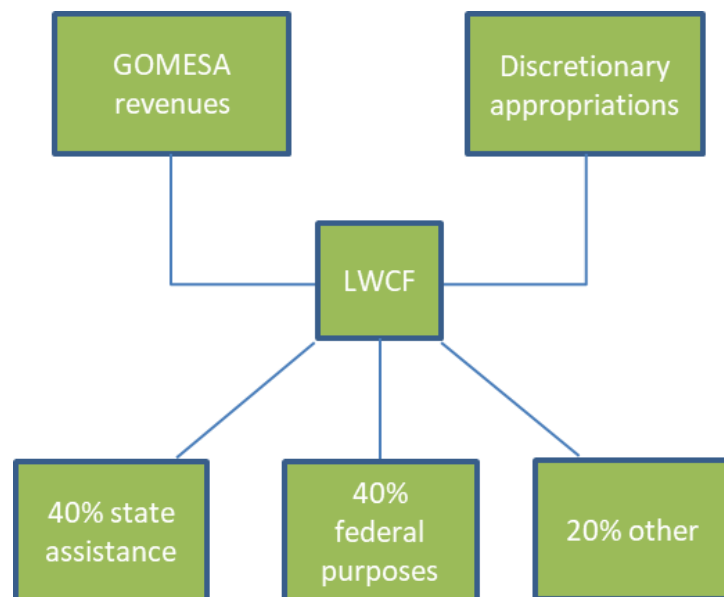
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	PB 2020
Regular	\$39,934	\$42,000	\$42,000	\$94,839	\$94,000	\$100,000	\$100,000	\$0
GOMESA 1/	96	1,390	794	86	309	61,562	71,624	106,448
Total	\$40,031	\$43,390	\$42,794	\$94,925	\$94,309	\$161,562	\$171,624	\$106,448
% Change	-5%	8%	-1%	122%	-1%	71%	6%	-38%

1/ GOMESA portion reflects sequestration.

P.L. 116-9

In addition to permanently authorizing the LWCF, P.L. 116-9 (the John D. Dingell, Jr. Conservation, Management, and Recreation Act) codifies how funds are allocated from it. It sets the minimum allocation for state assistance grants (formula and competitive) to at least 40% of total funds deposited into the LWCF in any given year, and sets a minimum of 40% for federal purposes. Total LWCF funds include the discretionary appropriation and the mandatory portion under GOMESA.

Under previous law, the minimum for federal purposes only applied to discretionary appropriations, and revenues deposited into the LWCF under GOMESA were all allocated to states. (For more information on how state assistance grants were previously funded, see [Issue Brief 18-33](#).) The figure below illustrates how funding will be deposited to and distributed from the LWCF under the new law.



Once the amount made available for state assistance grants is determined, grants are distributed equally among states as follows (this is unchanged from prior law):

- 40% of the first \$225 million
- 30% of the next \$275 million
- 20% of additional appropriations

The remaining appropriation is distributed based on population, outdoor recreation usage, and the availability of other federal resources. No state can receive more than 10% of the total appropriation. The next table provides an example of how state assistance programs will be funded under the new law. Based on FY 2019 funding for the LWCF, state assistance grants would be nearly \$79 million greater under the new law. Because funds have already been appropriated for FY 2019 under the previous apportionment process, it is likely that the recent changes will go into effect in FY 2020.

Although it does not change the formula, the law eliminates a provision that limited the share received by territories and the District of Columbia by treating them as a single state. Under the new law, these entities will be treated as individual states.

Hypothetical Illustration of LWCF State Assistance Formula		
(\$ in thousands)		
	FY 2019	
	New Formula*	Appropriations
Discretionary appropriation	\$435,000	\$435,000
+ GOMESA revenues	71,624	71,624
Total LWCF	506,624	506,624
State assistance portion (40% of total)	178,650	100,000
<i>40% of first \$225,000</i>	<i>71,460</i>	<i>40,000</i>
Remaining balance	107,190	60,000
<i>30% of remaining \$175,000</i>	<i>N/A</i>	<i>N/A</i>
Amount split equally among states	71,460	40,000
Amount apportioned by formula factors	121,590	60,000
*State assistance portion is net of \$24 million in set-asides for competitive grants and administrative expenses.		

Next Steps

It is unclear whether these changes will increase or decrease funding for states. Although states are guaranteed a certain percentage of funds under the new law, it is unknown how much discretionary funding Congress will appropriate going forward and whether it will fund certain set-asides, including competitive state assistance grants. Because LWCF state assistance grants require a dollar-for-dollar match, states may need to spend more on matching funds if federal assistance increases.

The Congressional Research Service reports that the Department of Interior estimates mandatory appropriations between \$85 million and \$104 million for each year from FYs 2019-2029. The president's FY 2020 budget does not reflect the new allocation process and proposes to eliminate the discretionary appropriation for state assistance in light of higher GOMESA revenues.

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Table 1

FYs 2016-2018 LWCF State Apportionments

(dollars in thousands)

State	FY 2016	FY 2017	FY 2018	FY 2017 to FY 2018 Change
Alabama	\$1,495	\$1,486	\$2,546	\$1,061
Alaska	862	856	1,467	611
Arizona	1,969	1,956	3,353	1,397
Arkansas	1,193	1,185	2,031	846
California	8,093	8,040	13,789	5,749
Colorado	1,687	1,676	2,873	1,197
Connecticut	1,422	1,412	2,421	1,009
Delaware	910	904	1,549	645
District of Columbia	218	216	371	155
Florida	4,373	4,345	7,451	3,106
Georgia	2,440	2,424	4,156	1,732
Hawaii	1,008	1,002	1,717	715
Idaho	1,011	1,004	1,721	717
Illinois	3,182	3,162	5,422	2,260
Indiana	1,860	1,848	3,168	1,320
Iowa	1,240	1,232	2,111	879
Kansas	1,241	1,233	2,113	880
Kentucky	1,423	1,414	2,423	1,009
Louisiana	1,528	1,518	2,603	1,084
Maine	923	917	1,571	654
Maryland	1,833	1,821	3,122	1,301
Massachusetts	2,014	2,001	3,431	1,430
Michigan	2,469	2,453	4,205	1,752
Minnesota	1,662	1,651	2,830	1,179
Mississippi	1,178	1,171	2,006	836
Missouri	1,762	1,750	3,000	1,250
Montana	896	891	1,526	635
Nebraska	1,060	1,053	1,805	752
Nevada	1,275	1,267	2,171	904
New Hampshire	953	947	1,623	676
New Jersey	2,476	2,460	4,218	1,758
New Mexico	1,110	1,103	1,890	787
New York	4,413	4,384	7,519	3,134
North Carolina	2,317	2,302	3,947	1,645
North Dakota	851	845	1,448	603
Ohio	2,800	2,782	4,770	1,988
Oklahoma	1,364	1,355	2,323	967
Oregon	1,441	1,431	2,453	1,022
Pennsylvania	3,018	2,999	5,142	2,143
Rhode Island	947	941	1,612	671
South Carolina	1,509	1,499	2,569	1,070
South Dakota	870	865	1,481	617
Tennessee	1,793	1,782	3,054	1,273
Texas	5,416	5,381	9,227	3,847
Utah	1,276	1,268	2,173	905
Vermont	829	823	1,411	587
Virginia	2,148	2,134	3,659	1,525
Washington	1,989	1,976	3,387	1,412
West Virginia	1,014	1,008	1,727	719
Wisconsin	1,708	1,697	2,910	1,212
Wyoming	837	831	1,424	593
Puerto Rico	1,317	1,309	2,244	935
Virgin Islands	75	75	100	25
American Samoa	75	75	100	25
Guam	75	75	101	26
Northern Mariana Islands	75	75	100	25
Total	\$94,925	\$94,309	\$161,562	\$67,253

Source: Department of the Interior

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