



Issue Brief 20-16, June 22, 2020

# Senate Passes Bill to Permanently Fund LWCF Programs at \$900 Million Annually

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## Summary

The Senate has passed the [Great American Outdoors Act](#) (GAOA), which provides permanent, mandatory funding for programs funded through the Land and Water Conservation Fund (LWCF). The measure also creates the National Parks and Public Land Legacy Restoration Fund, which addresses maintenance backlogs on federal lands.

This *Issue Brief* discusses these proposed changes to the LWCF, primarily as they relate to the state assistance formula program. Table 1 at the end of the brief estimates fiscal year (FY) 2021 formula allocations under the bill.

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## Background and Recent Changes

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 (with a 50% state/federal cost share).

In FY 2014, Congress began appropriating money for additional competitive state assistance grants to support projects in urban areas (funded at \$25 million in FY 2020). 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, which Congress permanently authorized last year under the John D. Dingell, Jr. Conservation, Management, and Recreation Act (P.L. 116-9). However, spending is not similarly guaranteed; Congress appropriates amounts from the LWCF for individual programs. Congress typically appropriates less than the full authorized amount of \$900 million.

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. GOMESA funding is mandatory and not subject to the appropriations process. GOMESA revenues deposited into the LWCF for state assistance grants are capped at \$162.5 million annually for FY 2020 and FY 2021, and \$125 million from FYs 2022-2055, after which the cap is lifted.

P.L. 116-9 set a minimum allocation for state assistance (formula plus competitive grants) of at least 40% of total funds appropriated from the LWCF in any year and set a 40% minimum for federal purposes.

Once the amount for state assistance is determined, the formula portion is distributed equally among states as follows (unchanged from prior law):

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

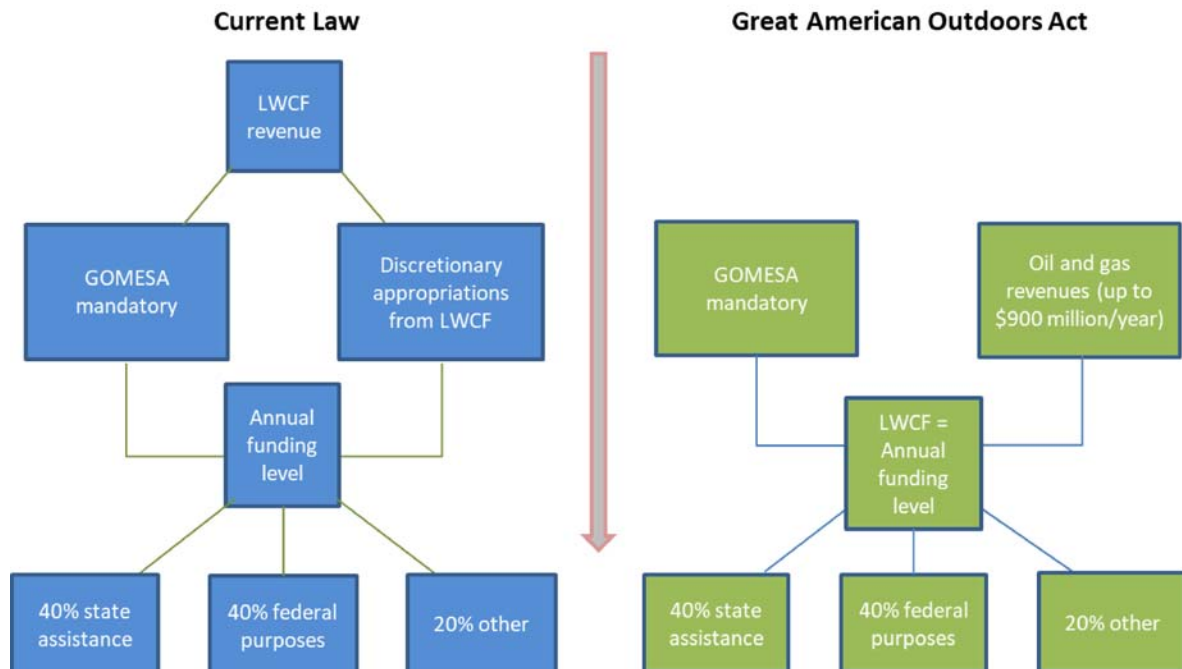
The remaining appropriation is distributed based on population, outdoor recreation usage, and the availability of other federal resources. No state can receive more than 10% of the total appropriation.

Although it did not change the allocation formula, P.L. 116-9 eliminated a provision that treated the territories and the District of Columbia as a single state. (For information on recent funding, see [Issue Brief 20-09](#)).

## The Great American Outdoors Act

**Mandatory funding.** Under current law, the LWCF is authorized to collect up to \$900 million annually in oil and gas leasing revenues. During the annual appropriations process, Congress determines how much it will appropriate from the LWCF. This appropriation is combined with amounts deposited into the LWCF under GOMESA and distributed based on statutory requirements. Revenues are made available in the fiscal year after they are deposited.

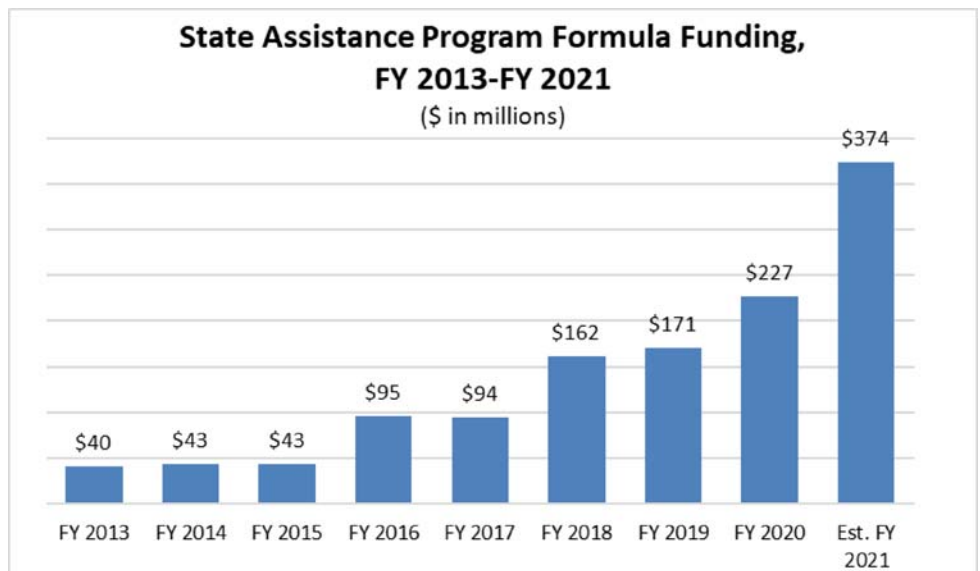
The GAOA would ensure that all funds deposited into the LWCF in one fiscal year are appropriated in the next (FY 2021 would be the first year of full funding). This includes the total \$900 million in authorized leasing revenues in addition to all receipts deposited under GOMESA. The chart below compares the appropriations process under current law with the proposal under GAOA.



**Project selection.** The GAOA would require the president to propose detailed project descriptions, including estimated expenditures, for LWCF funding as part of the annual budget submission. Congress could provide alternate allocations that would override the president’s proposal but, if it fails to do so by the time final appropriations are enacted for the Department of the Interior (DOI), the president would have authority to allocate the funds.

If Congress establishes alternate allocations that total less than the full available amount, the president would have the authority to allocate the difference.

**Funding for state assistance.** The chart below shows FFIS’s estimate of FY 2021 funding under GAOA for state assistance formula grants. Overall funding would increase by an estimated \$147 million (65%) from FY 2020. The estimate was made by calculating 40% of the sum of \$900 million plus the GOMESA estimate from the FY 2021 president’s budget, net of \$25 million for competitive grants and \$5 million for administration (the enacted FY 2020 funding for these set-asides).



While the GAOA does not change the allocation formula, the larger appropriation will change how much funding is split equally among states and how much will be distributed based upon formula factors. Table 1 at the end of this brief shows FFIS estimates of the impact of GAOA on state assistance formula grants. States would experience increases ranging from 49%-73%, with highly populous states generally receiving the largest benefit.

**National Park and Public Land Legacy Restoration Fund.** The GAOA would also create a fund to address maintenance backlogs in national parks and other public lands. It would be authorized to collect \$1.9 billion each year for FYs 2021-2025, with deposits equal to 50% of all unobligated onshore and offshore energy development revenues due and payable to the United States in the preceding fiscal year. It would not affect the disposition of revenues due to states, the United States, special funds, or trust funds from mineral and energy

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development on federal land and water. It would also not affect any funds appropriated under GOMESA, the Mineral Leasing Act, the LWCF, or the Historic Preservation Fund. Funds would be allocated to federal agencies/departments as follows:

- 70% for the National Park Service
- 15% for the Forest Service
- 5% for the Fish and Wildlife Service
- 5% for the Bureau of Land Management
- 5% for the Bureau of Indian Education

The bill requires that at least 65% of funds be allocated for non-transportation projects. It also prohibits funds from being used for land acquisition, to supplant discretionary funding for facility operations, maintenance, and construction needs, and for paying bonuses to employees. The project selection process would be similar to that for LWCF projects, as described above.

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## Next Steps

The bill is expected to pass the House, and the president has indicated his support. States must provide 50% of project costs under the state assistance program, so while the measure ensures an increase in funding, it also puts states on the hook for spending more to receive more.

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# Table 1

## Estimated Impact of GAOA on LWCF State Formula Grants

(\$ in thousands)

State	FY 2020 Actual	FY 2021 GAOA	Change from FY 2020	
			Amount	Percent
Alabama	\$3,424	\$5,571	\$2,147	63%
Alaska	1,903	2,905	1,001	53%
Arizona	4,562	7,567	3,004	66%
Arkansas	2,699	4,300	1,601	59%
California	19,273	33,359	14,086	73%
Colorado	3,886	6,381	2,495	64%
Connecticut	3,249	5,264	2,015	62%
Delaware	2,020	3,109	1,089	54%
District of Columbia	1,916	2,926	1,011	53%
Florida	10,338	17,694	7,356	71%
Georgia	5,693	9,549	3,856	68%
Hawaii	2,256	3,523	1,267	56%
Idaho	2,262	3,534	1,272	56%
Illinois	7,478	12,679	5,201	70%
Indiana	4,301	7,108	2,808	65%
Iowa	2,812	4,497	1,686	60%
Kansas	2,814	4,502	1,688	60%
Kentucky	3,250	5,267	2,016	62%
Louisiana	3,504	5,712	2,207	63%
Maine	2,050	3,162	1,112	54%
Maryland	4,237	6,997	2,759	65%
Massachusetts	4,672	7,759	3,087	66%
Michigan	5,762	9,670	3,908	68%
Minnesota	3,825	6,275	2,449	64%
Mississippi	2,663	4,237	1,574	59%
Missouri	4,064	6,693	2,629	65%
Montana	1,987	3,051	1,064	54%
Nebraska	2,380	3,741	1,361	57%
Nevada	2,896	4,646	1,749	60%
New Hampshire	2,123	3,290	1,167	55%
New Jersey	5,781	9,704	3,923	68%
New Mexico	2,501	3,952	1,451	58%
New York	10,434	17,861	7,427	71%
North Carolina	5,398	9,032	3,634	67%
North Dakota	1,877	2,859	982	52%
Ohio	6,559	11,067	4,508	69%
Oklahoma	3,109	5,019	1,910	61%
Oregon	3,294	5,342	2,049	62%
Pennsylvania	7,083	11,986	4,903	69%
Rhode Island	2,109	3,265	1,156	55%
South Carolina	3,457	5,629	2,172	63%
South Dakota	1,924	2,941	1,017	53%
Tennessee	4,140	6,827	2,687	65%
Texas	12,841	22,082	9,241	72%
Utah	2,899	4,651	1,752	60%
Vermont	1,645	2,453	807	49%
Virginia	4,993	8,321	3,329	67%
Washington	4,611	7,652	3,041	66%
West Virginia	2,269	3,546	1,277	56%
Wisconsin	3,937	6,470	2,533	64%
Wyoming	1,843	2,800	956	52%
Puerto Rico	3,371	5,479	2,107	63%
Virgin Islands	1,824	2,766	942	52%
American Samoa	1,634	2,433	799	49%
Guam	1,657	2,473	816	49%
Northern Mariana Islands	1,634	2,433	799	49%
<b>Total</b>	<b>\$227,125</b>	<b>\$374,008</b>	<b>\$146,883</b>	<b>65%</b>

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