

THE SCS MONEY SITUATION: HOW IT WILL AFFECT DISTRICTS

In common with all Federal civilian agencies, SCS is operating on the basis of "curb our expenditures all we can." Financing the war in Vietnam and fighting inflation at home have led to:

1. Impoundment of over \$26 million of SCS's total available 1968 funds of about \$238 million.
2. A further reduction of about \$25 million in fiscal year 1969 budget requests.

It is clear that the climate in which we operate will continue to be one of great prudence.

Before ending its first session, the 90th Congress adopted a continuing resolution requiring all Federal civilian agencies to reduce their controllable budget obligations. This action called for an amount equal to two percent of payroll, plus ten percent of other controllable obligations.

This led to some fund freezing for the fiscal year that ends June 30, 1968.

The total SCS cut was \$26½ million.

Some CO money also had to be redirected four ways; namely toward:

- small farmers
- rural residents
- community planning, and
- recreation and natural beauty.

Notes used by Norman A. Berg, Deputy Administrator for Field Services, Soil Conservation Service, U. S. Department of Agriculture, Washington, D. C., for presentation at the District Operations Committee, National Association of Soil and Water Conservation Districts Annual Meeting, Feb. 5, 1968, Statler-Hilton Hotel, Dallas, Texas.

For several years we have been stressing the need for a greater portion of field staff efforts along these lines. But we will need to accelerate this work even more this year--and next.

Absorbing recent pay increase costs of more than \$5 million this fiscal year further complicated the picture. However, we expect to be allowed to use impounded funds to cover most of these costs.

As it finally came in to focus--the total fiscal year 1968 available fund picture looks like this compared to fiscal year '67,

(TABLE A)

How will this action on our fiscal year '68 money relate to the work you do?

First, we will not have to go through a reduction of force of permanent people,

Second, we hope to be able to fill vacancies in key posts, however,

Third, we may need to transfer a few employees from one State to another because of revamped authorized expenditures and expected personnel ceilings.

Fourth, from the standpoint of our funds, our part-time help is seriously curtailed.

Fifth, all planning activities in watersheds, flood prevention, river basin and resource conservation and development work can proceed normally.

Sixth, contracting in watersheds, flood prevention and Great Plains will be substantially reduced.

Seventh, equipment purchase, travel, meeting costs, and all other support actions will be at an absolute minimum.

Eighth, the reduction of \$24.5 million made in the program authorization of \$220 million for the 1968 ACP will probably result in some re-negotiations of county five-percent transfer agreements.

Ninth, one factor in the picture is as yet unresolved. We must meet an adjusted personnel ceiling as of June 30. The first ceiling figure proposed is being appealed. We are hopeful that when we're through negotiating we hope to be able to fill some key positions now vacant and also protect our student trainee commitments as well. This is primarily the route we use to get competent new people.

Tenth, our workload, mounting as it is, will present more of a challenge than ever as we adjust to the climate in which we will work in 1968. As things stand, we now have over 300 fewer man-years budgeted in Conservation Operations than we had 10 years ago.

Needless to say, extra efforts will be needed as we continue our vital task and at the same time shoulder our agency's responsibilities in fighting the threat of inflation induced largely by defense needs.

This story of what happened to fiscal year '68 finances is necessary to understand what is proposed for fiscal year '69.

The President's SCS budget estimates sent to Congress last Monday asks for an appropriation of \$196,968,000. The total effect will be that even with the release of impounded funds carried over from fiscal year '68-- each program will basically continue at a somewhat lower level than the more restricted operations just described for fiscal year '68.

Table B shows the picture in more detail.

(TABLE B)

This proposed budget for next fiscal year will now, of course, follow the traditional route of committee hearings and floor action in both houses of Congress.

--The budget does not include the second increment of pay costs that begin July 1, 1968.

--It does not provide money for staffing new Districts.

--It provides for about 55 new construction starts in watersheds.

--It permits about another 3100 cost-share contracts to be developed with Great Plains farmers and ranchers.

--Ten new RC&D plans can be initiated in addition to doing some work in the 41 now underway in 35 States.

You have in your hands the national summary of the current Evaluation of Staffing Needs for SCS help in Conservation Districts. This shows a shortage of 1692 man years of technical assistance to handle the workload. This information was assembled at NACD's request, and you may want to study your State's analysis in more detail.

Finally, as you know, SCS resources are used more efficiently and effectively where financial and other assistance is provided to soil and water conservation districts from State and local governments and private sources to complement our technical assistance. A total of \$81.5 million financial and other resources were contributed to Soil and Water Conservation Districts in 1967 fiscal year. Where such assistance is provided, our technicians are able to concentrate their efforts in furnishing professional technical assistance in planning and applying soil and water resource

conservation and development measures. I urge that you study the progress being made in your State. Service personnel will continue to encourage districts to promote and use assistance available from all agencies, groups, and organizations.

Your Tuesday Letter of January 23, 1968 again reminds us that three fundamental concerns continue to be the focus of district work. Although Soil and Water Conservation Districts are ranging widely in the resource field, and are strengthening their capacities to perform a host of new and needed functions, the development of agricultural conservation measures, the control of erosion, and the conservation of water remain at the heart of their programs.

By the very nature of geography, most of the land of the country is in farms, ranches, and forests. Thus conservation work on farms and ranches--all kinds of farms and ranches--cannot help but be central in achieving wise use of land in Conservation Districts.

Not all district cooperators are farmers and ranchers by any means. The recent study by the Soil and Water Conservation Districts Foundation shows that about 63 percent are farmers and ranchers, with the remainder being business, industrial, and public land holders. Of the farm cooperators being serviced by Districts, 57 percent have farms under 300 acres in size, 30 percent from 300 to 1000 acres, and 13 percent over 1000 acres.

The prevention of erosion, of course, is a key element in every district's long-range program, and will remain so. Vital to the preservation of soil fertility and efficient agricultural operations, erosion control is also essential to the prevention of siltation of our streams, lakes, and harbors, thus improving water quality and recreation.

Water conservation, a key to land conservation, has always been important as an element in agricultural development as well as district efforts toward community improvement. Basic water conservation measures--as well as the newer watershed programs--are an integral part of district work throughout the Nation.

As we begin a new year, and consider the wide range of complex agricultural issues facing the Nation, it's well once again to recognize the role of land, water, forest, and wildlife conservation in preserving, improving, and developing our farm resources.