

Conserving Kentucky

The Value of the Heritage Land Conservation Fund

The ONLY state source of funding for maintaining natural lands

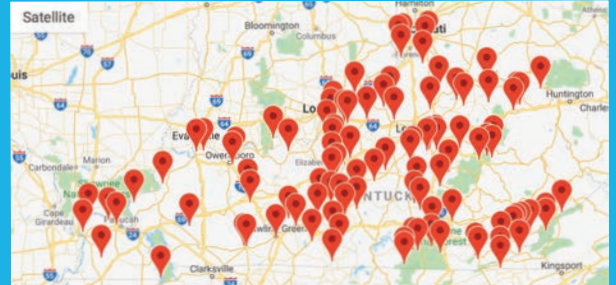
Starting in 2014, a significant portion of Heritage funds have been "swept" to General Funds to address other budget shortfalls

Constant budget transfers ("sweeping") have had a significant impact as revenue from the specialty plate program and environmental fines continue to decline.

Established in 1990, the Kentucky Heritage Land Conservation Fund (KHLCF) is the primary source of state funding for the purchase and management of natural areas. It is used to purchase land from willing sellers for nature preserves, state parks, state forests, wildlife management areas, environmental education areas, wild rivers and wetlands.

Where are these lands located?

You will find lands purchased and maintained through these funds in most counties in Kentucky.



in Fiscal Years 2018/2019 the enacted state budget swept \$2.5 million from the KHLCF into the state general fund. These general fund sweeps began in FY 2014. After the FY 2019 general fund sweep, the annual revenue for the KHLCF was **\$610,659 to the negative.** Projects were executed from a combination of revenue carried forward from previous years and funds returned from withdrawn projects.

As a state agency, KNP does receive General Fund dollars. However, these cover about half of the operating expenses, such as staffing and equipment. **No General Fund dollars go towards land purchases.** Ky. Office of Nature Preserves depends on a wide variety of sources to pay for habitat management and land conservation, some of which depend on the voluntary support of Kentuckians.

2016

\$5M

SWEPT EACH YEAR
OF 2-YR CYCLE

Revenue is generated through a portion of the un-mined mineral tax, environmental penalties and from the sale of environmental license plates. **Note that during the 2019 legislative session, fees for these specialty plates were increased, however the fees received by KHLCF will not change. Higher fees will likely affect participation in the program.*

2018

\$2.5M

SWEPT EACH YEAR
OF 2-YR CYCLE

Since the KHLCF does not receive federal funding, KHLCF funds are used by many agencies as "non-federal match" for grant applications; each dollar of KHLCF funds can be used to leverage several dollars in outside funding.

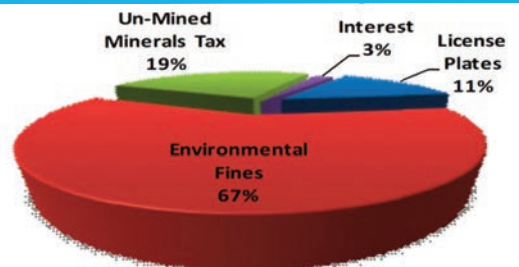
2020

???

"SWEEPING"
MUST STOP

The remaining fifty percent of revenue is divided evenly among the Nature Preserve Commission (10%), Department of Fish & Wildlife Resources (10%), the Div. of Forestry (10%), the Dept. of Parks (10%), and the Wild Rivers Program (10%). The other fifty percent goes to local governments, state colleges, Universities and other public agencies.

For FY 2019, receipts were \$361,050. By statute, the Kentucky Environmental Education Council receives the first \$150,000 collected from environmental fines and the Office of Energy Policy receives the first \$400,000 of unmined minerals taxes.



Revenue by Source

Core Funding Sources In Decline

(Further challenged when General Fund “sweeps” occur)

**Source: Office of Nature Preserves Annual Report 2019*

FY	License Plates	Fines	Un-Mined Tax	Interest	Other	KEEC/OEP deductions	TOTALS
2010	\$678,117	\$1,363,884	\$2,102,783	\$193,245	\$1,100	(\$550,000)	\$3,789,129
2011	\$638,470	\$1,918,713	\$2,399,253	\$74,111		(\$550,000)	\$4,480,547
2012	\$571,970	\$2,199,708	\$2,870,186	\$74,111		(\$550,000)	\$5,165,974
2013	\$431,100	\$2,332,183	\$2,820,758	(\$14,433)		(\$550,000)	\$5,019,608
2014	\$412,370	\$1,709,373	\$2,676,912	\$71,526	\$71	(\$550,000)	\$4,320,251
2015	\$402,118	\$2,773,396	\$2,287,058	\$85,541	\$945	(\$550,000)	\$4,999,058
2016	\$288,182	\$2,070,527	\$1,637,571	\$126,302		(\$550,000)	\$3,572,581
2017	\$379,370	\$1,586,457	\$676,305	\$59,298	\$25	(\$550,000)	\$2,151,454
2018	\$365,590	\$2,262,555	\$636,307	\$100,261	\$385	(\$550,000)	\$2,815,097
2019	\$361,050	\$1,492,233	\$333,392	\$182,467		(\$483,392)	\$1,885,750

In a survey conducted by the Trust for Public Land, it was found that for every one dollar invested in land and water conservation, eight dollars in natural goods and services are returned to the Commonwealth

The Value of Public Lands

Outdoor Recreation and Conservation Creates Jobs,
Enhances Tourism, Makes Fiscal Sense

Outdoor Industry Association’s 2017 Report

THE
OUTDOOR
RECREATION
ECONOMY
GENERATES:

\$887 BILLION

IN CONSUMER SPENDING ANNUALLY



7.6 MILLION

AMERICAN JOBS



\$65.3 BILLION

IN FEDERAL TAX REVENUE



\$59.2 BILLION

IN STATE AND LOCAL TAX REVENUE



A Powerful Economic Sector

ANNUAL CONSUMER SPENDING*

