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could argue over what is development and what is conservation but development will encourage conservation. I think that there were some arguments on the floor that the development fund was designed to work more toward large projects and the conservation fund towards small projects but the language of the law does not limit the development fund to large projects. The conservation fund, I believe we appropriated \$500,000 last year. The Governor vetoed it. The Legislature overruled that and it is aimed directly at small projects.

SENATOR CULLAN: What is the difference in the administration of those two funds as far as making decisions how the funds are to be distributed once they are appropriated?

SENATOR SCHMIT: There is an advisory commission that consists of nine person who recommends how...they are supposed to review all applications. Now I really don't know, Senator Cullan, if those applications are screened by the local Natural Resource District or if they come directly to the advisory group but the advisory group is supposed to make recommendations to the commission as to how the funds are to be dispensed. I know of several Natural Resource Districts who had specific projects in mind that they use that money for but I am not one hundred percent certain whether or not the NRD has any influence with the advisory board or if I as an individual farmer could request money for a project and would go directly to the advisory board but I believe it would go through the Natural Resource District.

SPEAKER MARVEL: One minute, Senator Cullan.

SENATOR CULLAN: So the advisory committee handles the funds from the resource group and the Natural Resources Commission handles the funds from the development fund, is that accurate?

SENATOR SCHMIT: That basically is pretty accurate, Senator Cullan. The advisory group is supposed to make the recommendations to the commission as to how the conservation funds are to be allocated back to the various districts. Of course, there is always the problem of allocation between the twenty-four districts on an equitable basis and when you have only \$500,000 of money to be allocated back to the individual districts, it is very limiting as to the ability to accomplish anything.

SENATOR CULLAN: Thank you very much, Senator Schmit. I appreciate your responses to my questions. I think one of my concerns is what Senator Schmit has said that we divide