

MEMORANDUM



DATE: March 11, 2020
TO: House Appropriations Subcommittee on Agriculture and Rural Development
FROM: William E. Hamilton
RE: Local Conservation Districts

Overview – In thinking about local units of government, we tend to think first of counties, cities, villages, townships, and school districts. However, there a number of other local political subdivisions established under various Michigan statutes. These might be characterized as “specialized” political subdivisions; they generally have a narrow scope of authority as defined in authorizing statutes. Examples include public transit authorities, port authorities, airport authorities, and metropolitan planning authorities. Conservation districts are another example of a type of local unit of government with specific powers and form of organization defined in statute, specifically, Part 93 of Michigan’s Natural Resources and Environmental Protection Act (Public Act 451 of 1994, sometimes abbreviated as NREPA).

State Funding for Conservation Districts – For a number of years, the state Agriculture budget included an appropriation line item for “Local conservation districts.” I looked back to FY 1998-99 when funding was \$1.4 million using General Fund/General Purpose (GF/GP) revenue. The appropriation fluctuated between FY 1998-99 and FY 2008-09, but averaged approximately \$1.7 million GF/GP.

In 2005, when there were 80 conservation districts in Michigan, each district received a grant of \$20,000. These grants provided baseline operating funding for conservation districts. Specifically, the Michigan Association of Conservation Districts (MACD) indicates that the grants were generally used to support, in part, the salary of local conservation district managers. As described by the MACD, conservation district managers supervise the district’s federal Farm Bill program activities, guide programming, supervise staff, lead in securing and managing grants, and collaborate with local, state and federal government entities.

Direct state support for conservation districts dried up during a period of General Fund shortfalls which perhaps peaked in 2009. The appropriation was as follows: FY 2006-07, \$758,400; FY 2007-08, \$916,800; FY 2008-09, \$756,800. Funding was eliminated in the FY 2009-10 budget and, except for a \$100 placeholder that was in the budget for some years, has not been restored.

There are currently 75 conservation districts in Michigan. The MACD indicates that the reduction in the number of conservation districts in Michigan, from 80 in 2005, to the current 75, is a direct result of the elimination of state operating support.

MACD indicates that its conservation district members support themselves financially in several ways. Many districts receive financial support from county government. County support is provided in various forms, including program management (Soil and Sedimentation Control, Recycling, Household Hazardous Waste, Gypsy Moth suppression), office space, and county general fund support for operations. Currently nine county districts (Antrim, Benzie, Gladwin, Grand Traverse, Kalkaska, Missaukee, Montcalm, Schoolcraft and Van Buren) receive funding from dedicated millages.

Many conservation districts raise money through fund raising activities, such as tree sales.

Note that the grants administered by conservation districts, such as the federal Farm Bill, United States Department of Agriculture/Natural Resources Conservation Service grants, are targeted for specific eligible program activities and generally do not support conservation district general operations.

The **FY 2018-19** budget for the Michigan Department of Agriculture and Rural Development (MDARD) did not include direct funding for local conservation districts.

Enrolled House Bill 4229, the bill making MDARD appropriations for **FY 2019-20**, did include a \$200,000 GF/GP appropriation, identified as one-time, for *Local conservation districts – pilot project*. The appropriation was governed by boilerplate Section 902:

Sec. 902. The funds appropriated in part 1 for local conservation districts - pilot project shall be used for the development of a conservation district natural resources assessment model. The assessment model shall be designed for the purposes of assisting the department and conservation districts in creating a standardized report that would provide a description of each of the conservation districts in the state, identify, at a minimum, the top 5 natural resources needs for each conservation district, and provide a business plan on how each conservation district will implement programs and services necessary to meet the top 5 resources needs in a district. A status update on the progress toward completion of a conservation district natural resources assessment model shall be presented to the department and the subcommittees no later than May 1, 2020, with a final completion deadline of no later than September 9, 2020.

However, the Governor vetoed this appropriation and the related boilerplate section. As a result, there is currently no direct state support for conservation districts in the FY 2019-20 budget.

Also note that both the FY 2018-19 and FY 2019-20 MDARD budgets include funding for programs that are carried out to a large degree through conservation districts. Those programs include Environmental stewardship/MAEAP, and the Qualified Forest Program. Funding is provided to conservation districts for specific program activities; funding under these programs does not support general conservation district operations.

The Governor's proposed **FY 2020-21** MDARD budget does not include direct funding for local conservation districts.