



## MICHIGAN ASSOCIATION of CONSERVATION DISTRICTS

### KEY FACTS:

- In the FY2022 Budget Michigan's Conservation Districts received \$2 Million in Recurring operational funding and a \$1 Million one-time appropriation.
- Until 2021, Michigan was the ONLY state in the Upper Midwest that did not provide any base-operational funding to their local Conservation Districts. As a result, many districts throughout our state were severely destabilized.
- 72 % of all land in Michigan is privately owned.
- For over 85 years, Conservation Districts have been an effective mechanism for locally-driven, voluntary, non-regulatory conservation practices on private land.
- Farmers are skeptical of State and Federal workers coming on their land. They tend to trust local government more than any other form of government.

# CREATING A LASTING LEGACY THROUGH CONSERVATION

## Synopsis:

For the first time in recent decades, the State of Michigan is experiencing unprecedented growth in revenue. This growth can be attributed to a number of factors: sales tax revenue is up due to increased consumer spending during the COVID-19 pandemic, the American Rescue Plan Act provided critical support during one of the worst public health crises in U.S. history, and a burgeoning recreational cannabis market has created entirely new revenue streams. If properly appropriated, Michigan is presented with a "once in a generation" opportunity to invest in key areas that will provide lasting economic, environmental, and public health benefits for decades to come. **Michigan Association of Conservation Districts** proposes several ways in which these dollars can be invested to produce better economic outcomes for Michigan's Agricultural Sector while conserving one of our most critical, finite natural resources: soil. In addition, we will make the case on how these dollars can be appropriated to reduce pressure on existing infrastructure, and produce better public health outcomes in all communities throughout our state.

## Background:

Michigan Conservation Districts are local special purpose units of government of the State. They are the local service delivery platforms for natural resource management programs and practices that help our citizens conserve land and our environment for a cleaner, healthier, economically stronger Michigan. Codified into law in 1937 with PA297, the Soil Conservation District Law, Michigan Conservation Districts are currently guided by PA 463 of 1998 as amended.



### Michigan's Conservation Districts take an ecosystem approach to conservation and protection.

They utilize and deliver Federal Farm Bill Conservation Title Programs and Michigan's private lands conservation programs via the Michigan Departments of Agriculture and Rural Development (MDARD); Environment, Great Lakes and Energy (EGLE); and Natural Resources (DNR). 72% of all land in Michigan is privately owned, and Conservation Districts have been a time-tested, effective mechanism for implementing critical conservation practices on privately-owned land.

**Michigan's 75 Conservation Districts provide coverage to all 83 counties, providing the "boots on the ground" that implement essential conservation work within their communities.** They are locally-driven by a publicly elected five-member board of directors, who guide the programs and services to best meet the needs of local communities. All District conservation programming is voluntary, and a majority of it is free or low cost to local residents. Moreover, Districts help farmers and landowners to stay in compliance with environmental regulations by providing planning, engineering, cost sharing and other specialized assistance.

#### MDARD Programming:

Michigan Agricultural Environmental Assurance Program (MAEAP):  
~15-20% indirect admin support

Conservation Technical Assistance Initiative (CTAI):  
~11% indirect admin support

Forestry Assistant Program (FAP):  
~15-20% indirect admin support

#### EGLE Programming:

319 Nonpoint Source Pollution Control Grants:

~10% indirect admin support

25% match required

#### DNR Programming:

Wildlife Habitat Grants:

~10% indirect admin support

10% match required





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- Of the \$1.1 million spent so far on the FY22 Operations Grant, districts have leveraged an additional \$1.73 million in funding from other sources.
- Conservation Districts hire local construction contractors to build projects on farms that are engineered by local CD employees. Our programming supports adjacent industries and local economies.
- The foundation of our conservation delivery model consists of the relationships we build with local landowners and farmers. It's a foundation of trust that no other form of government typically builds with their constituencies.
- The war in Ukraine is driving the cost of inputs up exponentially, threatening the stability of our food system. Conservation Districts provide the technical assistance needed to make farms more resilient in times of disruption.

# CREATING A LASTING LEGACY THROUGH CONSERVATION

## The Issue:

While the \$3 million in total state appropriated operational funding for Michigan's Conservation Districts in the FY22 budget has already made a positive impact on the stability of district operations, there is still a great need for additional funding and investment in this critical service delivery platform. Districts hire technicians and engineers *as their own employees* to implement various programs from the State and Federal government. These programs usually come in the form of grants, which do provide a small percentage of the total dollar amount allocated for administrative support. **However, districts are currently experiencing a record level of staff turnover due to their inability to provide competitive compensation, retirement, or health benefits to their staff.** Anytime a district loses a staff member, the search process can sometimes take several months to find quality prospective candidates with the relevant training and experience. The search, interview, and hiring process requires a large amount of bandwidth for district managers and other staff who often have to fill the holes left by the vacancies.



As a result, **Michigan's farmers and producers suffer the most, and miss out on opportunities that would improve their bottom lines. It is a critical time for farmers to access these programs.** With the current war in Ukraine, and sanctions against Russia and Belarus, Farmers are already seeing a *significant* increase in input costs this year compared to others. MACD knows of some farmers who have already seen a 1300% increase in input costs compared to last year. This is largely due to the fact that Russia and Belarus are respectively the 2nd and 3rd largest exporters of potash, a potassium salt used in the production of fertilizer. Experts are predicting this will only further exacerbate inflation.

In addition, staff turnover results in less local assistance to conserve and protect soil and water resources on private and public land. **In turn, this means Michigan also loses out on millions of potential USDA Farm Bill Programs, which are dollars that go directly into local economies.** For example, under the USDA EQIP program, which helps farmers invest in farm infrastructure critical to implementing conservation practices, such as concrete chemical pads that prevent herbicide, fungicide, insecticide, nitrogen, or phosphorus groundwater infiltration. The farmer will work with a Local CD Engineer, who will plan and design the concrete pad and diking system, and then a local concrete contractor is hired to frame and pour the pad. **EQIP projects happen throughout the entire state, and they directly support local economies throughout multiple industrial sectors.** With so many disruptions happening to so many industries, this is an excellent method to insure federal dollars are reaching our local economies.

If we do not have stable districts, who are able to retain their staff, these dollars go to other states that are actively investing in their Conservation Districts.

**Moreover, the lack of capacity for under-developed CDs to engage in conservation practices on the land directly creates lost opportunities to address non-point sources of pollution from rural and urban landscapes.** Fewer conservation practices employed means a greater impact on surface water bodies -- such as the Western Lake Erie Basin (WLEB) and Saginaw Bay -- where there is a high risk of algal blooms that result in public health issues connected to surface drinking water sources. There is a growing







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### KEY FACTS:

- **Conservation District programming is voluntary and non-enforcement focused. They cannot issue citations to farmers / landowners for any violations of state code or law.**
- **Administrative support dollars can only be used by the CD to implement the program, and cannot be used on other operational expenses the CD incurs**
- **The lack of capacity for under-developed CDs to engage in conservation practices on the land directly creates lost opportunities to address non-point sources of pollution from rural and urban landscapes.**
- **A 1% increase in organic matter in soil can help soil hold 20,000 gallons more of water per acre.**



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## The Issue (Cont.):

funding pool to address the issues within the WLEB, but Michigan will not be able to take advantage of some of these dollars with districts that lack the capacity or required cost-share dollars. This presents a significant threat to the health and well-being of the millions of people who rely on Lake Erie as a fresh water drinking source.

**Lastly, a note on Michigan's aging infrastructure.** Many dams throughout the state -- the Edenville Dam for one -- were designed in the 1950s or earlier, when robust soil conservation practices were employed by farmers and landowners with the help of consistently funded Conservation Districts.

Today, many of those crucial conservation practices are no longer in place due to land use changes and funding cuts, thus limiting the potential for water infiltration and reduction of surface runoff. A 1% increase in organic matter in soil can help soil hold 20,000 gallons more of water per acre. **CDs can directly help landowners implement critical soil conservation practices to help reduce the pressure on aging infrastructure, including dams and stormwater drainage systems.** But they urgently need the funding to make it happen on the statewide scale of Michigan's immediate infrastructure needs.

## Request:

- \$50 Million via SB 885 to establish the **Michigan Healthy Soil Trust Fund**, similar to the Michigan Natural Resources Trust Fund, to grow with time and continued investment.
- Request would create a funding pool for district operations, in addition to cost-share assistance to both districts and producers.
- Continued MDARD CD Operations Grant appropriations totaling \$4 million on an annual basis moving forward.

## Funding will be utilized to:

- **Provide core funding for all 75 Conservation Districts.**
- **Expand District capacity to leverage other funding channels, such as:**

**Grant Match Dollars** – Many of our under-developed Districts do not have the cash flow to match grant dollars for funding opportunities provided by the Great Lakes Restoration Initiative (GLRI), U.S. EPA, U.S. Forest Services, U.S. Fish and Wildlife Service, and Federal Farm Bill Programs.





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#### KEY FACTS:

- In 2020, Michigan received roughly \$30 million less in Federal USDA—NRCS dollars when compared to adjacent states who provide base-level operational funding to Conservation Districts.
- USDA-NRCS serves as the “wallet”, and Conservation Districts are the “Boots on the Ground”



More information on Michigan’s Conservation Districts can be found at [www.macd.org](http://www.macd.org)

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## CREATING A LASTING LEGACY THROUGH CONSERVATION

Funding will be utilized to (Cont.):

**Public Outreach and Education Efforts** that establish local CD branding and continue to build local partnerships with municipal and county governments, a critical step for potentially pursuing a county-level millage.

- Help districts provide competitive compensation packages to retain staff.
- **Assist Michigan NRCS in leveraging additional Farm Bill dollars to farmers and producers.** Michigan’s CD Staff process applications and provide the technical assistance, so that 100% of Federal NRCS/Farm Bill funds go to local farmers and landowners.
- Identify and prioritize soil, water and plant issues based on input from landowners and citizens.
- **Develop a plan that identifies programs and technical resources needed to address the local issues.**
- Implement programs to assist landowners and farmers during a time of inconsistent global supply chains.

#### Outcomes:

- **Of the \$1.1 million spent so far on the FY22 Operations Grant, districts have leveraged an additional \$1.73 million. Additional funding will mean additional dollars leveraged.**
- Funding will continue to be administered by MDARD, who have committed to partner in this capacity to distribute dollars to local Conservation Districts.
- **Enhanced services to private landowners and more conservation practices on the ground.**
- Leverage additional Federal cost-share dollars into the state for farmers and landowners.
- **Strengthening our “boots on the ground” foundation that is critical to Michigan’s natural resource protection over time.**
- Building organizational capacity with Conservation Districts at the local level.
- **Conservation Districts will be better prepared to implement Federal climate-related programming.**

