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BILL ANALYSIS

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Senate Bill 799 (as passed by the Senate)
Sponsor: Senator Michael Switalski
Committee: Appropriations

(as enrolled)

Date Completed: 10-2-07

CONTENT

The bill would amend the Michigan Civilian Conservation Corps Act to appropriate \$20.0 million from the balance of the Michigan Civilian Conservation Corps (MCCC) Endowment Fund to the General Fund, for fiscal year 2006-07 only. This amount is the entire balance of the permanent investment of the Fund. The bill would require the Department of Natural Resources to consult with the Natural Resources Commission to develop recommendations for restoring revenue to the Endowment Fund, including corporate sponsorship. A report of the recommendations would be due to the Natural Resources appropriation subcommittees by March 1, 2008.

Under statute, the interest and earnings of the MCCC Endowment Fund are used to support operation of the Corps. This money is appropriated in the annual budget for the Department of Natural Resources. In order to be hired as a corps member, individuals must be 18 to 25 years old and meet other eligibility criteria. Corps members are paid minimum wage to conduct conservation and recreation projects in State parks. The term of employment may last only one year, unless an individual is appointed to a supervisory role for a second year. Corps members are considered contract employees, not State employees. Once the term of service is complete, the MCCC assists Corps members in finding other employment.

MCL 409.312a

FISCAL IMPACT

The transfer of the balance from the MCCC Endowment Fund would reduce the interest earnings available for expenditure for the Corps program in FY 2007-08 and would entirely eliminate the program in future years. In FY 2006-07, \$1,057,000 was appropriated to support the Corps program. For FY 2007-08, the Governor's recommended budget would reduce the program funding to \$525,000. This Fund balance transfer was part of the FY 2006-07 budget resolution.

There are currently eight Corps members who assist in fire control activities, planting, and conservation projects at State parks. Once the program ended, those projects either would not be completed or would be completed by State park employees, who are paid from restricted funds supporting State parks. The elimination of the MCCC would put additional pressure on other State restricted funds, which are experiencing revenue concerns similarly to the General Fund. The expenditures from the MCCC Endowment Fund are used as a match for a Federal Wildlife Grant, which would be in jeopardy with the elimination of the program unless other matching funds became available.

The development of recommendations for restoring revenue would require a small amount of administrative funding that would come from existing resources.

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