



Proposal 1 2020

Background: Michigan is home to more than 100 state parks, recreation areas, and scenic sites totaling over 305,000 acres of recreational land - of which 257,000 acres are open for hunting. The parks provide 13,500 campsites at 140 state forest campgrounds hosting over 25 million visitors annually. Michigan's parks, iconic public lands, and natural resources are key to Michigan's identity, culture, quality of life, and economy. According to the Outdoor Industry Association, consumers spend \$26.6 billion in Michigan annually on outdoor recreation which generates 232,000 direct jobs, \$7.5 billion in wages and salaries, and \$2.1 billion in state and local tax revenue.

The Natural Resources Trust Fund (NRTF) has been one of the most successful, non-partisan, citizen supported conservation policies in Michigan's history. In 1984, Michigan residents adopted proposal B, which established the Michigan NRTF in the State Constitution. The amendment directed the proceeds from sales of oil, gas, and mineral revenues on state lands to the NRTF. Since 1984, Michigan voters have passed two more ballot measures increasing the NRTF cap and directing the funds towards land acquisition and outdoor recreation development. The underlying idea of the NRTF was simple -- in exchange for the sale and consumption of our finite mineral resources, the state would conserve and protect land into perpetuity, while enabling access to all Michiganders.

The Michigan State Parks Endowment Fund (MSPEF) was created in 1994 as a source of funding for state parks specifically. Since the NRTF balance reached its legal cap of \$500 million in 2011, proceeds from sales of oil, gas, and mineral revenues on state lands now flow to the MSPEF, per the Constitution. When the MSPEF reaches its own \$800 million constitutional cap, only interest and earnings will be available for funding of the State Park system, and oil, gas and mineral revenue will be distributed as 'provided by law' in the state's General Fund.

For decades, the Michigan Natural Resources Trust Fund has been protecting the land around our drinking water sources, our natural outdoor spaces, and our wildlife habitats by funding land conservation and public recreation across Michigan. This program, along with the State Parks Endowment Fund (SPEF), benefits the state collectively in a way that we don't often get the chance to. Since 1976, the MNRTF has distributed \$1.2B in grants for public lands and funded over 1,000 public parks in all 83 counties.

In 2018 Michigan LCV led the charge reshaping this critical legislation

The current proposal arose from lengthy bipartisan negotiations in 2018. In fact, Michigan LCV led the opposition to the original proposal SJR O - that would have effectively undermined the savings and investment of these precious oil, gas, and mineral dollars. Working with Senate and House allies, we blocked an initial proposal that diverted oil, gas, and mineral revenues to backfill MDNR's operating budget. Although it's very important MDNR is adequately funded, this would have undoubtedly led to the legislature reducing General Fund appropriations to MDNR's budget and using that money for unrelated pet projects that do not add to land preservation or development.

Proposal 1 is a win for Michigan residents and the great outdoors

Why? Proposal dedicates Michigan's state oil, gas, and mineral revenues to public land conservation and outdoor recreation into perpetuity. It does this by lifting the cap on the Michigan Natural Resources Trust Fund (MNRTF). The MNRTF reached its \$500 million funding cap in 2011, and since then public land revenues have been directed to the State Park Endowment Fund (SPEF).

Proposal 1 ensures that, whenever the SPEF reaches its \$800 million cap (currently around \$300 million and growing between \$15 and \$50 million annually), these dollars will be directed back to the MNRTF and will *not revert to the general fund* where they would be subject to the legislature using it for unrelated, non-conservation budget items. The key is that we will successfully guarantee every dollar from this special revenue stream for conservation and recreation.

More funds will flow to public recreation facilities and spaces. Michigan's constitution currently requires that NO MORE than 25% of Trust Fund dollars be allowed for the development of public recreation facilities - projects like boat launches, hiking, ski, and snowmobile trails, and more. Proposal One would reverse that cap and make it a floor - from *no more than 25%* to *no less than 25%*. This change will allow the state of Michigan and local governments to invest more in parks, green spaces, and recreational facilities. It will also likely lead to an increase in equitable access to the outdoors throughout the state. For example, denser areas including cities and townships will be able to access a larger amount of funding annually - ensuring more projects are funded every year. Particularly in a post-COVID world where outdoor recreation is critical to physical and mental well-being, this proposal will help disadvantaged communities access grants to develop green spaces. Finally, Prop 1 will for the first time allow redevelopment of existing public recreational facilities -- which is often a more cost effective way to provide public access than building new facilities.

Preservation will remain a central goal of the Trust Fund. Under current law at least 25% of Trust Fund project dollars must be invested to acquire and conserve land for the public, this will remain in the Constitution unchanged.

Proposal 1 has wide Environmental, Conservation, Hunting and Angling, Parks, and Outdoor

Recreation Group Support: Supporting the initiative are a number of environmental and conservation champions, including Michigan Environmental Council, the Nature Conservancy, Heart of the Lakes, Michigan United Conservation Clubs, Environment Michigan, Alliance for the Great Lakes, National Wildlife Federation, Natural Resources Defense Council, and more.

FACT: More than 30 environmental and conservation organizations support the passage of Proposal 1, in addition to business, labor and community leaders. See the whole list [here!](#)

Michigan Environmental Council
Michigan League of Conservation Voters
Environment Michigan
Alliance for the Great Lakes
The Nature Conservancy
National Wildlife Federation
Heart of the Lakes
Natural Resources Defense Council

Michigan NAACP Environmental & Climate
Justice Committee
Michigan United Conservation Clubs (MUCC)
West Michigan Environmental Action Council
Huron Pines
Legacy Land Conservancy
Six Rivers Land Conservancy
Land Conservancy of West Michigan

Belle Isle Conservancy
Huron River Watershed Council
Tip of the Mitt Watershed Council
Friends of the Shiawassee River

Upper Black River Council
Detroit Riverfront Conservancy
Michigan Recreation and Park Association
(mParks)
Michigan Trails and Greenways Alliance
TART Trails
Detroit Greenways Coalition
Ducks Unlimited
Michigan Pheasants Forever

Congressional Sportsmen's Foundation
Ruffed Grouse Society and American
Woodcock Society
Anglers of the Au Sable
Izaak Walton League of America Dwight Lydell
Chapter
AFFEW – A Few Friends for the Environment
of the World
Michigan Waterfront Alliance
Michigan Resource Stewards

FAQs:

Q: Under Proposal 1, would state land acquisition be cannibalized in favor of outdoor recreational facilities (trails, boat launches, parks, etc) development?

A: No -- while the proposal does mandate a minimum of 25% of the NRTF to be spent on development, it does not change the amount that is required to be spent on land acquisition grants. Often, the NRTF Board does not exhaust all of its resources in a given year, and the current Trust Fund Board is dedicated to funding high quality land acquisition and conservation projects. It's also important that Michiganders enjoy and value the great outdoors; creating opportunities for people to get outside and enjoy themselves across the state is a key strategy in building a constituency that favors conservation and environmental protection. Additionally, with the help of Michigan LCV and its national partners, the Great Outdoors Act was recently enacted by Congress and will provide another dedicated set of resources to acquire new public land and ecosystems in Michigan and across the country.

Q: What are the climate implications of this proposal?

A: Land acquisition is, and will continue to be, a critical component of combating climate change. This proposal doesn't change the fact that high quality acquisition projects will be prioritized and funded by the Trust Fund Board, and doesn't impact the board's ability to do so. More, Michigan LCV is working with partners, the Trust Fund Board and the Michigan DNR to ensure that the preservation of nature, thriving and diverse ecosystems, climate change mitigation, and climate resiliency are more integrated and elevated in Michigan's Public Land Strategy, DNR Programming, and the land the state prioritizes for acquisition.

Q: What would happen if Proposal 1 does not pass and the SPEF hits its cap?

A: In the short term fewer outdoor recreational projects will be funded across the state, and at some undetermined point in the future the State Parks Endowment Fund (SPEF) will cap out at \$800 million. When the SPEF reaches its cap state oil and gas revenue would then be distributed to the state General Fund where lawmakers have discretion over where it is spent.

Q: Don't we have plenty of time to protect these oil, gas, and mineral dollars for conservation? And maybe then we can even increase the total available with tax, fee, or other revenue sources?

A: We can't know for sure how the volume produced or price of oil, gas and minerals will change, and as a result it's impossible to accurately predict how long it will take for the SPEF to reach its cap. For example, in the 2007 – 2009 time period there was a significant spike in energy prices leading to both a higher bid price for mineral leases and increased royalty income because royalties are based on a percentage of the price received for the mineral at the time of sale. As a result the MNRTF reached its cap in a couple years when projections prior to the price spike had been 15 to 20 years. Because we cannot know for certain, the conservation community believes it is critical that we act to proactively secure these royalties – regardless of how much they amount to or when the SPEF cap is reached.

Q: *Would Proposal 1 raise taxes or cost the state any money?*

A: No -- Proposal 1 would not lead to any net changes in state revenues. It would, however, change the way current, non-tax revenues are allocated.

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