

**Michigan Non-Game Wildlife Funding Programs
Proposals for Change**

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State Non-Game Wildlife Funding Programs: Proposals for Change

Executive Summary

Since the early 1900s, Michigan's wildlife programs have largely been funded through fees imposed on hunting and fishing licenses. Because of the funding source, most wildlife programs protect threatened and endangered game species, and do little to protect non-game wildlife from becoming endangered, or extirpated. While money raised from hunting and fishing licenses has been and continues to be a source of revenue for habitat protection and game management, there are countless other outdoor enthusiasts and non-hunters who enjoy nature as well, yet rarely contribute financially to natural heritage programs. This is largely because there is no way to collect revenue from this other type of nature enthusiast. The voluntary non-game state income tax check-off program was abolished in 1998.

With nearly 400 endangered, threatened or extirpated animal and plant species in Michigan, the need for non-game funding is acute. These species play an enormous role in the biodiversity of a variety of ecosystems. In a sense, each organism is interconnected – what affects one ultimately affects the ecosystem as a whole. Recent studies show that environmentalists are not alone in wanting to protect these species; the public believes it is essential as well.¹ The surveys reinforce the notion that new programs are needed so everyone can contribute to the funding of this important cause, not solely those who hunt or spend time outdoors.

While some legislation has been put into place to safeguard against the extinction of endangered species, little has been done to protect those species not currently listed. The Endangered Species Act (ESA), the nation's most prominent endangered species legislation, does not annually disperse enough funding to cover the massive number of threatened and endangered species in each state alone. As a result, funding to the states, including Michigan, is largely derived from the Pittman-Robertson Act, established in 1937, which levies taxes on the sale of hunting and fishing equipment. Understandably, hunters and anglers who pay these taxes want the majority of funding raised from them to be devoted to management of game species and their habitats. While this in itself is an important aspect of wildlife funding, it leaves minimal funding for non-game species protection, and virtually no room for other types of outdoor enthusiasts to contribute financially. It is imperative that Michigan develops new and innovative ideas to address non-game wildlife funding.

Other states have used methods such as stamps, license plates, and voluntary tax check-offs, yet still more profitable programs are needed. With over 28 million state park visitors in Michigan per year, one answer may be to impose a surcharge on state park admittance fees or stickers, annual motor vehicle permits, and boating access site permits, which would directly benefit non-game wildlife protection. Other suggestions include imposing a modest fee on outdoor recreational equipment at the manufacturer level, an idea raised in the late 1990s by Teaming With Wildlife (TWW), an initiative of the International Association of Fish and Wildlife Agencies (IAFWA); allowing commercial vehicles to register with the "Conserve Wildlife Habitat" plates; and reviving the non-game wildlife tax check-off program in Michigan.

Introduction

To date, Michigan's list of endangered and threatened species includes 251 threatened plant and animal species, 92 endangered species, and 56 extirpated species.² Species such as the American burying beetle, prairie vole, short-eared owl, and river darter are in danger of becoming extinct.

¹ Koval, M.H. and Mertig, A.G., 2002. "Attitudes Toward Natural Resources and their Management," Technical Report. Michigan State University, Department of Fisheries and Wildlife and Sociology, East Lansing, Michigan.

² Michigan Department of Natural Resources, www.michigan.gov/dnr.

Without programs to prevent this and sufficient funding to protect these precious species, Michigan risks a great loss of biodiversity for generations to come.

Surveys reveal that Michigan residents greatly value the state's natural resources and have a high interest in protecting its endangered species. A 2002 survey conducted by Michigan State University found that the public is in favor of "using equal effort for all endangered species."³ Almost three quarters of respondents support the protection of endangered species on private property. A majority of Michigan residents supports efforts to protect endangered species, yet only a segment of the population directly funds programs to support them. This reinforces the idea that new programs should allow all people concerned with Michigan's endangered species to contribute to funding, supplementing that provided by those who purchase hunting and fishing licenses.

Overview of Current Situation

Biodiversity is defined by the U.S. Environmental Protection Agency (EPA) as the range of life on Earth, from plant species to animals to microorganisms to fungi in any one particular area.³ Biodiversity is critical to the sustainability of the planet and the species that live on it. The interaction of all species creates a healthy ecosystem for all, including humans. The loss of any one species or diversity in general tends to weaken the entire ecosystem, as each species plays a vital role in the system as a whole and each species is interconnected to another. Recent studies show that nearly 90 percent of all human food is derived from only 20 species on Earth and, of these, just three supply approximately one-half of the food for human consumption. Humans also benefit from the preservation of biologically diverse species through medicine. Over 20 percent of all plant species are sources of the world's prescription drugs. Additionally, humans depend on the ecosystems for fresh air and water, and enjoy nature's aesthetic value.

In addition to the Great Lakes themselves, the Great Lakes Basin includes Michigan and parts of Ontario, Ohio, Indiana, Illinois, Wisconsin, Minnesota, New York and Pennsylvania. Approximately one-tenth of the U.S. population and one-quarter of the Canadian population call the Great Lakes Basin home, and it provides nearly seven percent of all American agricultural production.⁴ The Great Lakes ecosystem is comprised of approximately 200,000 square miles of land and 94,000 square miles of water, and is home to roughly 18 percent of the world's freshwater supply.⁵

Hundreds of plant and animal species inhabiting the Great Lakes ecosystem are listed as globally endangered or threatened, and destruction and alteration of habitat is the critical reason why protection of biodiversity in the Great Lakes Basin is essential.⁶ Commercial fishing, human population growth, and the paper, automobile, and steel industries have each contributed to the region's loss of biodiversity. Strong measures need to be taken to reduce or eliminate those human activities that threaten the area's biodiversity.

The Kirtland's warbler was one of the first species listed as endangered under the 1973 federal Endangered Species Act (ESA). The warbler, a species native to Michigan, is a small bluish-gray bird with a yellow breast and black markings on its back. It breeds in the northern part of the Lower Peninsula and spends its winters in the Caribbean islands and the Bahamas. The bird has specialized habitat requirements and resides mainly as a ground nester. It requires a specific type of sandy soil called grayling sand, found in the northern portion of Michigan's Lower Peninsula.

³ Koval, M.H. and A.G. Mertig, "Michigananders Respond, 'Endangered Species are Important!,'" Michigan State University Departments of Fisheries and Wildlife and Sociology, May 2002.

⁴ United States Environmental Protection Agency, "Conservation of Biological Diversity in the Great Lakes Basin Ecosystem: Issues and Opportunities," www.epa.gov/glnpo/ecopage/glbld.

⁵ National Oceanic and Atmospheric Administration, Great Lakes Environmental Research Laboratory, www.glerl.noaa.gov/pr/ourlakes/intro.html.

⁶ Great Lakes Basin Ecosystem Team, greatlakes.fws.gov/ecosystem.htm.

The warbler solely nests in Michigan's Jack Pine forests, created by natural forces such as forest fires. Any factors that hinder those forces can potentially reduce the reproductive success of these creatures. As a result, the population of Kirtland's warblers is directly related to the quantity of available nesting habitat. "Only through continuation of these activities can the bird's survival into the future be ensured," according to the Michigan Department of Natural Resources (DNR). The warbler is affected by nest parasitism as well as human and natural interventions. DNR forest managers help protect this species and others by keeping the forests relatively "young." In this habitat management cycle, mature trees are harvested and new Jack Pine seedlings are planted every 50 years. Good management practices not only help preserve habitat for the Kirtland's warbler, but also aid in the protection of species which inhabit the same young forests, including white-tailed deer, snowshoe hares, spruce grouse, upland sandpipers and eastern bluebirds.

Because of the warbler's limited habitat preferences, Michigan has a higher stake in the protection of this species. Between 1974 and 1987, only 167 songbirds were found in Michigan's northern forests. There were over 1,050 residing in northern Michigan in 2002. DNR Endangered Species Program Coordinator Pat Lederle said, "The success of the Kirtland's warbler management program shows that scientific wildlife management works." Cooperation between the U.S. Fish and Wildlife Service, the DNR, and the U.S Forest Service is integral in maintaining this population. Each year over \$1 million of state and federal money is spent to manage Michigan Jack Pine forests for the warbler. While this figure may seem daunting, Lederle explains, "Much of the money is not 'real' money because with 50 year rotations, the harvesting is a profitable venture and the process becomes a cycle."

Conservation of the Kirtland's warbler has economic benefits as well. Increases in forestry and tourism can be attributed to the successful management of the Kirtland's warbler. Sharon Campbell, a volunteer with the Michigan Audubon Society, points out that the management practice that Kirtland's warblers require retain the forestry industry as a sustainable business. In addition, Campbell says that these birds draw a significant number of tourists and bird-watchers to northern areas of the Lower Peninsula each year, allowing hotels, restaurants and small shops in the area to enjoy economic activity in otherwise slow business times. Events such as the U.S Fish and Wildlife Service's annual Kirtland's Warbler tours, which start in May and end in July, draw a significant number of outdoors enthusiasts each year to Michigan's northern cities.

Another species that has benefited from the ESA is the gray wolf. Once near extinction in the first half of the 20th century, the wolf population has surged in the Midwest, including Michigan, since the inception of the ESA.⁷ "The return of the gray wolf is a wonderful symbol of the success of wildlife recovery programs in this country," said Jim Hammill, a longtime wolf expert for the DNR. But the effectiveness of the Act is limited because it focuses on species and ecosystems already in crisis situations. It does little to prevent harm to or protect currently intact ecosystems, thereby maintaining biodiversity.⁸

While state and federal grants are made available through the ESA, funding to the states for wildlife management is largely dispersed through the Pittman-Robertson, or Federal Aid in Wildlife Restoration Program, which dates back to 1937. The program is funded through a tax placed on hunting equipment such as firearms, ammunition, archery, and other hunting fees.⁹ The Act was amended in 1950 with the Dingell-Johnson Act, which imposed excise taxes on fishing tackle and

⁷ Nugent, Tom, "Timber Wolves Resurgent in Upper Midwest," *The Washington Post*, February 10, 2003, www.washingtonpost.com/ac2.

⁸ Schlickeisen, Rodger, and Musgrave, Ruth, *Saving Biodiversity: A Status Report on State Laws, Policies and Programs*, Center for Wildlife Law and Defenders of Wildlife, 1996, www.defenders.org/pb-bst00.html.

⁹ Woiwode, Anne, "Wildlife Funding Crisis Looming," Enviro-mich listserv posting, February 1998, www.great-lakes.net/lists/enviro-mich/1998-02/msg00150.html.

equipment, and again in 1984 with the Wallop-Breaux Amendment, adding a portion of the federal fuels tax for boating access.

Under the ESA, habitat conservation plans (HCPs) have been used by the U.S. Department of the Interior since the early 1980s. Implemented as an amendment to the federal ESA, HCPs are used to aid in the protection of endangered species while providing certainty to private landowners. HCPs are solely authorized for animal species and do not include any plant species. Under this program, the government is authorized to provide "take" permits to private, non-federal landowners who wish to develop their property but have endangered species inhabiting their land. In exchange for the "taking" of the land, owners are required to file an Environmental Impact Statement assessing the scope and impact of the projected use of the land, and how it will affect the particular endangered species.¹⁰

A "no surprises" clause was implemented by the Clinton Administration in the original HCP amendment to prohibit further action by the government once a landowner has initially mitigated endangered species impacts. As a result, private landowners are immune from liability for any further incidental "takes" regardless of a change in the survival status of the species. Private landowners widely support HCPs because they are able to obtain certainty, or "no surprises," when they seek to develop land in compliance with it. Some environmental groups have criticized HCPs, however, as putting listed species in further jeopardy.

In response to heavy criticisms of the HCP program, the U.S. Department of the Interior proposed a more rigorous five-point policy in 2000. According to Pat Lederle, the Michigan DNR's endangered species coordinator, the new policy appears to be working well. Under the plan, HCP applicants will be required to define the biological goals or expected outcome of the "taking," practice adaptive management or examine alternate strategies for meeting the above biological goals and, if necessary, adjust actions to meet future conservation plans. Monitoring the results of the adaptive management strategy is also a mandatory element of the HCP program. This aspect provides necessary information to assess compliance and impacts affecting the species as well as analyzing progress toward previously set biological goals. Determining the duration of the incidental "take" permits based on the applicant's proposed activities and the expected positive and negative outcomes is also a necessity, as is public participation or a public comment period for all HCP applications.

The DNR recently received a three-year, \$720,000 federal endangered species grant to create a statewide HCP for the Karner blue butterfly, as was previously done in Wisconsin for the same species. Attempts will be made by the DNR to restore natural habitat through mowing and prescribed burning for the Karner blue butterfly, while stimulating population and habitat growth for deer, wild turkey, and fox squirrels, associated with similar habitats.¹¹

Perhaps the most powerful of all proposals to promote a consistent stream of national non-game wildlife funding was the Conservation and Reinvestment Act (CARA), which failed to pass the 107th Congress in 2001. The Act would have reinvested \$3.1 billion from federal offshore oil and gas revenues into state wildlife conservation programs and provided \$350 million to state agencies on a long-term basis for wildlife education programs and conservation efforts. In response to the failure of CARA, Congress supplemented non-game funding through the Department of the Interior and Related Agencies Appropriations Act of 2002, signed into law on November 5, 2001. The bill allocated \$80 million in wildlife conservation grants to states and territories based on land area and population.

Despite these efforts, the most pressing problem with wildlife conservation remains that of federal and state funding. There is an urgent need for new and innovative state programs to address

¹⁰ Defenders of Wildlife, *Habitat Conservation Plans*, www.defenders.org/hcp/.

¹¹ John Lerg, Endangered Species Program, Michigan DNR.

conservation problems and create new funding methods. Michigan's funding for wildlife programs, primarily granted through the Pittman Robertson program, earmarks state fees on hunters and anglers. These funds are generally dedicated to management of game and fish species and are insufficient to meet the needs of the hundreds of species, including plants, in need of aid in Michigan alone.

To aid in the effort to protect biodiversity, the DNR set up the Natural Heritage Program in 1987 to protect the native ecosystems of the region and preserve precious natural resources. This umbrella covers seven different areas of effort: the Threatened and Endangered Species Program, the Non-game Wildlife Fund, the Natural Areas Program, National Natural Landmarks, Natural Beauty Roads, the Living Resources Program, and the Michigan Natural Features Inventory (See Appendix II).

Many of these programs are stalled or struggling due to inadequate funding. An example is the Natural Areas Program, established in law to protect areas of natural, scientific, or scenic significance primarily on state-owned land. According to Michigan Environmental Council (MEC) Chair Christopher Graham, "the state has formally dedicated some 80 wilderness, wild and natural areas under a law passed for the purpose in 1972. No dedications have occurred in recent years, however, and a backlog of nominated sites exists, awaiting review. Adequate staffing and priority attention are issues."

The Michigan Natural Features Inventory (MNFI), created in 1979, was intended to "assess and quantify the existence, location, and relative importance of natural features in the state so that more intelligent choices could be made about not just protection of natural areas and communities, but how development impacts upon these features on private lands could be minimized," said Graham. MNFI established a statewide inventory database of endangered, threatened, rare and special concern species in order to determine protection priorities. Voluntary private contributions from the Michigan chapter of the Nature Conservancy launched the program, but now state funding contributes significantly to MNFI, now part of the Michigan State University Extension system.¹²

New Sources for Funding Non-game Species Conservation

Michigan currently raises funds for wildlife through the sale of its loon license plates in addition to hunting and fishing equipment taxes. The state currently brings in approximately \$225,000 annually with the sale of its "Conserve Wildlife Habitat" loon license plate, but sold a mere 12,000 plates in 2002. This figure pales in comparison to many other states' non-game programs, and even to Michigan's former voluntary income tax check-off program, which raised about \$600,000 annually. The loon plate has not raised as much money as initially anticipated in part because it competes with a wide array of special cause license plates available to Michigan drivers. With over 22 specialty license plates from which to choose, the competition for funding is fierce.

Existing funding is insufficient to maintain, let alone expand, non-game protection in Michigan. More funding is needed to protect the state's wildlife species and maintain its biodiversity. Continuing increases in the state's population pose an even greater risk to Michigan ecosystems today than ever. A new program to attract funding to the state's wildlife conservation programs is imperative to maintain biodiversity and the continuance of a variety of ecosystems. What follows is a brief analysis of the programs other states have attempted in order to raise funds for game and non-game wildlife conservation programs.

During the mid 1970s, Colorado attempted a non-game wildlife stamp program, which proved unsuccessful, but began the Great Outdoors Colorado program in 1992. This program earmarked a

¹² Graham, Christopher, Chair of MEC Board of Directors and head of Michigan Natural Areas Council, e-mail correspondence, April 17, 2003.

portion of state lottery funds to wildlife conservation efforts, open space and land acquisition, trail construction and maintenance, equipment and facility purchases and renovations to state parks. The program contributed approximately \$46.5 million in FY 2002, and although much more successful than the stamps, it was inadequate in protecting the massive number of non-game species in the state in need of aid.

In 2001, the State of Georgia established a "Weekend for Wildlife" getaway for outdoors enthusiasts featuring a banquet and auctions, while raising approximately \$260,000 that year. The state also created a wildlife conservation license plate with a one-time fee and donation of \$15 toward conservation programs, in addition to a state income tax check-off. This alone has generated approximately \$250,000 per year.¹³

Missouri residents in 1976 voted to establish a conservation sales tax. Consumers are charged an extra one-eighth of one percent in sales tax for the management and conservation of forestry and wildlife for four years. A renewal of the program is voted on once the four-year term expires.¹⁴

In addition, Florida uses money from bonds to fund partnership land acquisition programs. Approximately \$300 million per year is generated through the bond program in Florida alone.

New York also uses the income tax form for voluntary contributions, entitled the "Return a Gift to Wildlife" (RAGTW) program. On the 1999 tax return, RAGTW received nearly \$600,000 in funding. The state has also used wildlife stamps to raise funds for non-game wildlife conservation.¹⁵

Recommendations

MEC urges the Michigan Legislature and DNR to enact the following funding sources for non-game species protection:

1. Impose a small surcharge onto State Park admittance fees or stickers, annual motor vehicle permits, and boating access site permits. With approximately 28 million visitors to Michigan's 96 state parks, 300,000 annual motor vehicle permits, and over one million daily stickers sold per year, a significant impact on funding for non-game programs could result. Tacking on \$1 to the current \$20 cost of an annual motor vehicle permit could help fund non-game wildlife programs such as research, education programs, or even the purchase of natural habitats for critically endangered species. The 2002 survey conducted by MSU proves that annual state park visitors are willing to pay up to \$4 more for an annual pass.

Increasing the current price of a daily park sticker by just one dollar would raise \$1 million per year. Such a surcharge would raise funding from those who have a special interest in protecting non-game species and Michigan's natural heritage, and from those who enjoy nature by visiting the parks. This includes non-hunters who may be interested in bird watching, wildlife observation, preservation for future generations, and aesthetic values as well.

Governor Jennifer Granholm and the new Administration have already proposed a park admittance fee increase to offset cuts in state general fund support for the parks. An

¹³ Georgia Department of Natural Resources, Wildlife Resources Division, Non-game Endangered Wildlife Program, georgiawildlife.dnr.state.ga.us/.

¹⁴ Missouri Senate Joint Resolution No. 38, www.senate.state.mo.us/02info/billtext/intro/sj038.htm.

¹⁵ New York State Department of Wildlife Conservation, www.dec.state.ny.us/website/dfwmr/ragtw.htm.

additional surcharge should be imposed and earmarked for protection of non-game resources that are a critical part of the parks experience.

2. Impose a modest fee on outdoor recreational equipment. Teaming With Wildlife (TWW), an initiative under the International Association of Fish and Wildlife Agencies (IAFWA), first created this idea. In the late 1990s, it was supported by seven other organizations, including the World Wildlife Fund, and all 50 state fish and wildlife agencies. The fee, known as a “dedicated surcharge,” would be imposed upon certain brands of equipment including binoculars, cameras, camping gear, field guides, wildlife supplies and other similar non-hunting products. The hope is that avid outdoor recreationalists would support the Non-game Wildlife Fund by purchasing products labeled with the green logo. The product would bear an explanation of the use of the funds allocated toward wildlife conservation, recreation, and education, and would explain that a portion of the proceeds would be dedicated to non-game programs.

Despite widespread support, TWW’s idea was never implemented. Instead, bills introduced before the 106th Congress known as CARA (Conservation and Reinvestment Act) failed to pass. It is necessary for the Michigan Legislature to reassess its stance on non-game wildlife funding and consider implementing a program such as TWW’s “dedicated surcharge” in the State of Michigan. Under Title III of CARA, Michigan alone would have received an estimated \$10.1 million for wildlife conservation and \$535,540 under Title VII for endangered species protection.¹⁶

3. Revive the non-game wildlife tax check-off program. Before its elimination in 2000, the state income tax voluntary donation check-off was Michigan’s largest success factor for the Non-game Fish and Wildlife Trust Fund. The program consistently raised between \$550,000 and \$600,000 annually, and was popular largely because of its strictly voluntary nature. To date, no other program has proven as successful or popular. Because of its unwavering success, reviving this measure is a logical thing to do.

4. Expand the Natural Heritage license plate program to commercial vehicles. As mentioned above, Michigan currently raises approximately \$225,000 annually for non-game wildlife via its “Conserve Wildlife Habitat” license plates. By law, the Secretary of State may only sell such specialty plates for personal use vehicles. Revenues may increase significantly if the loon license plate is sold for commercial as well as passenger vehicles. MEC Board Chair Christopher Graham, head of the Michigan Natural Areas Council, points out that “there are many folks who drive pickups in this state who are outdoors people – who will not give up commercial tags, but who would buy the loon plate if there was a commercial one available.”

Under the Michigan Vehicle Code (Act 300 of 1949, Sec. 811f), the Secretary of State may issue a fundraising plate such as the loon plate in place of a standard license plate. However, the fundraising plate may be issued to a person solely for use on “a passenger motor vehicle or motor home or pickup truck or van used exclusively to transport personal possessions or family members for non-business purposes.” There is no reason given for this restriction on commercial vehicles in the vehicle code, but it drastically hinders the ability of a number of outdoor enthusiasts to support the non-game wildlife fund through the purchase of a loon plate.

State Representative Chris Kolb (D-Ann Arbor) is working on an amendment to the Vehicle Registration Code that would allow some commercial versions of the loon plate. Currently, in addition to prohibiting potential contributions and additional funding for this important cause,

¹⁶ Teaming With Wildlife, “CARA Funding by State and Title,” www.teaming.com.

the state excludes companies from promoting environmental awareness of non-game wildlife through the "Conserve Wildlife Habitat" license plate.

Conclusion

The potential to double the amount of funding currently raised for non-game wildlife in Michigan is not far-fetched, but could become reality with the use of these ideas, both tried and true and resourceful and innovative. Using current plans that seem to be working and expanding upon them is most likely the best way to go. While the loon plate seems to be geared toward a steady group of supporters, it could be greatly increased with the expansion of the Motor Vehicle Code to include commercial vehicles.

The non-game check-off program was one of the most successful fundraisers for these species ever. Reviving the program, and allowing those who wish to contribute via tax forms the opportunity to do so once again, could bring back the solid funds that once greatly benefited Michigan's non-game wildlife. While lawmakers are often reluctant to impose fees and surcharges, studies have repeatedly found that the public is willing to pay a little extra for a greener tomorrow. Raising the cost of state park annual passes and daily stickers, and imposing a "dedicated surcharge" onto certain outdoor products, would unquestionably earn extra funding for non-game wildlife, while collecting from those who directly benefit from and greatly value the outdoors.

The key to change is awareness. Making the public aware of the lack of funding for non-game wildlife is critical. Once people understand the risk and loss involved, most are willing to go the extra mile, even those who do not normally consider themselves environmentalists. Michigan is home to a diverse and precious ecosystem, including a wide range of species, both game and non-game, that are worthy of protection for generations ahead. With renewed ideas for funding and newfound public awareness, there is hope that all non-game wildlife will thrive in the years to come.