

SFA

BILL ANALYSIS

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Senate Fiscal Agency

Lansing, Michigan 48909

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Senate Bill 513 (as reported without amendment)**Sponsor: Senator Connie Binsfeld****Committee: Natural Resources and Environmental Affairs****Date Completed: 11-5-87****RATIONALE**

For over 50 years, the Department of Natural Resources (DNR) has supported research fellowship programs for masters and doctoral students at various colleges and universities in the State, providing research in subject areas pertinent to DNR programs. In recent years, however, Civil Service regulations have had the effect of limiting the hours of student assistant employees for such programs to levels some feel are not compatible with field research. Further, although the DNR has also attempted to use contracts for fellowship projects in place of direct employment, some feel that that process is too lengthy and time consuming and is inconsistent with sound management of ongoing research programs. It has been proposed that the DNR, to reduce costs and provide more timely processing of research grants, be authorized to make direct grants to Michigan colleges and universities.

CONTENT

The bill would amend the Hunting and Fishing License Act to allow the Director of the Department of Natural Resources to make direct grants out of funds from the Game and Fish Protection Fund to colleges and universities in the State, to conduct fish or wildlife research, or both.

FISCAL IMPACT

This bill would not have any fiscal impact, although it is not clear whether the intent of the bill is to permit direct grants to colleges and universities from any line item appropriated from the Game and Fish Protection Fund, or only from lines specifying the direct grants.

ARGUMENTS**Supporting Argument**

The bill would allow the Director of the DNR to make direct research grants to State colleges and universities in lieu of having the work done by Department employees or through normal purchasing procedures. Current use of contracts for research poses problems for the DNR, as the standard process for purchasing consulting services is costly, time consuming and inappropriate for the research needed. There is no viable, competitive private sector in professional fisheries for wildlife work. The DNR maintains a liaison with all fishery and wildlife faculty at Michigan's colleges and universities. Research concepts are developed jointly. Competitive bidding, as currently required under contracting procedures, would be unethical in this setting. Research work is done at cost and the colleges and universities normally forego most or all of their overhead charges. Costs are comparable at all institutions, so price competition is inappropriate and makes little difference. In addition, current use of Federal funds by the DNR for research requires substantial documentation, and

reworking such documentation into a purchasing format, as is required now, is an unnecessary administrative burden. Also, the time required to complete the purchasing process is from four to six months.

Thus, the use of the standard purchasing process to award DNR research grants is inappropriate, creates unnecessary costs, and substantially delays the initiation of work. The bill, in providing the authority for the DNR to award direct grants, would provide good research value and reduce costs, as compared to other alternatives to awarding research projects in the State.

Legislative Analyst: B. Baker**Fiscal Analyst: A. Rich**

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.

S.B. 513 (11-5-87)