



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #1206

Stewardship Program Debt Retirement Payments (DNR)

BACKGROUND

The Department of Natural Resources' forestry functions were left largely unfunded as a result of the Governor's partial veto of 2001 Act 16, (the biennial budget act) related to the creation of a separate Department of Forestry. The Governor's partial veto of the biennial budget provisions that would have created a new Department of Forestry deleted language that would have restructured DNR's Division of Forestry and shifted its functions to a new department. In addition, the veto deleted new appropriations created in the bill during the second year of the biennium to provide funding for the activities of the new department. As the existing 2002-03 appropriations for DNR forestry operations were deleted under the bill (with the funding and position authority being transferred to the Department of Forestry), no funds were appropriated in the bill for the operation of the Division of Forestry within DNR during the second year of the biennium. However, as a result of the veto the DNR appropriations remain in statute.

DISCUSSION POINTS

1. Under the Governor's partial veto, an appropriation of \$4 million SEG from the forestry account on a one-time basis in 2002-03 to pay debt service on stewardship program bonds was deleted. As passed by the Legislature, this appropriation would have offset an identical amount of GPR that would otherwise be required for stewardship debt service. Therefore, as a result of this veto, stewardship program debt service paid from the GPR sum sufficient was increased by a corresponding \$4 million.

2. Providing \$4 million forestry account SEG in 2002-03 would restore the intent of the 2002-03 biennial budget bill and save a corresponding amount of GPR. It should be noted that AB 790 has been introduced to restore remaining forestry related funding to DNR.

ALTERNATIVES TO BILL

1. Provide \$4,000,000 forestry SEG in 2002-03 only, to replace an equal amount of GPR for stewardship debt service payments (as included in the 2001-03 biennial budget as passed by the Legislature).

<u>Alternative 1</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
2001-03 FUNDING	- \$4,000,000	\$4,000,000	\$0

2. Maintain current law.

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