

NATURAL RESOURCES

Warren Knowles-Gaylord Nelson Stewardship 2000 Program
[LFB Paper #529]

Motion:

Move to reduce bonding authority under the Warren Knowles-Gaylord Nelson Stewardship 2000 program by \$245 million to \$327 million (from \$572 million currently). Specify that of the available bonding authority, \$15 million would be provided for DNR land acquisition in 2003-04 and \$10 million in 2004-05. Of the 2003-04 amount, \$5 million would be set aside to complete the final installment of the acquisition of the Peshtigo River State Forest (as approved by the Joint Committee on Finance under s. 13.10 in December, 2001). Of the remaining \$10 million in authorized bonding for 2003-04 and 2004-05, specify that \$5 million be provided for land acquisition, \$2 million for property development, and \$3 million for local assistance in each year. Beginning in 2005-06 and continuing through 2009-10, bonding authority of \$30 million (with \$22.5 million available for land acquisition and \$7.5 million available for property development and local assistance) would be provided. Specify that DNR would be permitted to postpone its allocation of bonding authority for forward borrowing associated with the Great Addition and Peshtigo River State Forest through 2005-06.

In addition, move to require DNR to institute best forestry management practices for water quality on all properties under its supervision. Specify that properties with alternative management plans may be exempted from this requirement subject to the approval of the Joint Committee on Finance. For any property that DNR requests an exemption for, the Department would submit an alternative management plan and the reasons for requesting the exemption to the Committee under the 14-day passive review process. The Department may only exempt properties from the best forestry management practices requirement upon Committee approval.

Finally, move to lower the threshold of Joint Finance Review of stewardship acquisition and development projects from \$250,000 to zero. All land acquisition and property development activities under stewardship would be reviewed by the Committee under the 14-day passive review process. The \$250,000 threshold of review by the Committee would be maintained for any local assistance or non-profit conservation organization (NCO) grants provided under the stewardship program.

Note:

The motion would reduce total general obligation bonding authority for the Stewardship 2000 program to \$327 million (from \$572 million currently). Under the motion, subsequent bond

issues related to stewardship acquisitions would decrease. Consequently, debt service costs would be reduced beginning in fiscal year 2003-04. Due to the timing of debt service payments and commitments of current stewardship funds, savings of approximately \$350,000 GPR in 2003-04 and \$2.4 million GPR in 2004-05 could be expected. The total reduction in debt service based on reducing bond issues by \$245 million would be roughly \$390 million over a 27-year period. Actual savings would depend on what the market conditions would have been at the time the bonds would have been issued under current law.

There would also be a savings in aids in lieu of property tax payments to local units of government under the motion. Because property does not become eligible for payments in lieu of taxes until the tax year after it is purchased, the first payments due on lands acquired during calendar year 2003 would not be made until January, 2005 (fiscal year 2004-05). Savings due to reduced aids in lieu of property taxes under the plan would be estimated at about \$135,000 in 2004-05. Savings would be expected to increase in future biennia.

Currently, with the approval of the Natural Resources Board, the Joint Committee on Finance and the Governor, the Department can obligate up to the entire allocation under the land acquisition subprogram for large or uniquely valuable acquisitions. Funding of \$25 million has been utilized from the reauthorized program for the purchase of approximately 32,000 acres from Packaging Corporation of America in northern Wisconsin commonly referred to as the Great Addition. In addition, funding of \$13.5 million has been utilized for the first phase of a three-part \$25 million acquisition of 9,352 acres of land from Wisconsin Public Service Corporation for the Peshtigo River State Forest in Oconto and Marinette Counties. Because bonding authority for land acquisition is not provided in 2003-04 or 2004-05 (beyond what is necessary to complete the final phase of the Peshtigo River State Forest purchase), this motion would also require the final allotment of the monies borrowed forward for the Great Addition (last adjustment in 2003-04 under current law) and the Peshtigo River State Forest (currently 2004-05) to be deferred. The following table shows estimated bonding allotments under the motion.

DNR Land Acquisition	\$21.05	\$3.00	\$3.00	\$4.50	\$15.00
NCO Acquisition	7.25	2.00	2.00	2.50	7.50
Great Addition Adjustment	8.30	0.00	0.00	6.40	0.00
Peshtigo River Adjustment	5.40	5.00	OOP	9.10	OOP
Subtotal	\$45.00	\$10.00	\$5.00	\$22.50	\$22.50
Property Development	7.00	2.00	2.00	3.50	3.50
Local Assistance	SLQQ.	3.00	3.00	4.00	4.00
Subtotal	\$15.00	\$5.00	\$5.00	\$7.50	\$7.50
Total	\$60.00	\$15.00	\$10.00	\$30.00	\$30.00

In addition, the motion would require DNR to institute best forestry management practices

for water quality, consistent with the field manual, Forestry Publication #109, on all properties under its supervision unless DNR requests exemption under the 14-day passive review process.

[Change to Bill: -\$245,000,000 BR, -\$2,885,000 GPR]