

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 10, 2007
POSITION: Support
SPONSOR: Cal Fire, The Nature Conservancy

BILL NUMBER: SB 701
AUTHOR: P. Wiggins

BILL SUMMARY: Forest Legacy Program

Chapter 790, Statutes of 2000, created the California Forest Legacy Program (FLP) to reduce the conversion of working forestland to other uses, such as grape vineyards and housing developments. The original legislation included a sunset date of January 1, 2007. This bill would reestablish the FLP with a sunset date of January 1, 2015.

FISCAL SUMMARY

The Department of Forestry and Fire Protection (Cal Fire) is able to fund up to 75 percent of FLP costs through funding provided by the U.S. Forest Service. The state share has traditionally been provided through Proposition 40 funds and donations. The bill specifies Propositions 12 and 84 as potential funding sources, but does not preclude other funding options. Finance notes that there is about \$3 million available from Proposition 40 for this purpose, and Proposition 84 includes \$450 million for the protection and conservation of forests and wildlife habitat. Consequently, because of the availability of bond funds, there would be no General Fund impact.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the March 29, 2007 version are minor. The bill has been amended to require Cal Fire to provide information on conservation easements acquired through the program on its website, and would no longer authorize approved projects to be implemented independent of the federal FLP.

COMMENTS

Finance supports this bill because it would enable the state to maximize federal funding for efforts to conserve and protect valuable forestland, and would have no General Fund impact.

Since the inception of the FLP, Cal Fire has been able to preserve 12,000 acres of forestland by providing incentives totaling \$4 million in federal funds and the required state matching funds. Without the bill, Cal Fire could be required to return \$2 million in federal grants and would lose out on future federal funding to preserve forestlands. Cal Fire has also been successful in obtaining private donations and local government funding for the FLP. AB 2314 (Leno) was proposed in 2006 to extend the FLP, but it was held in the Senate Appropriations Committee. Because AB 2314 was not approved, the FLP expired on January 1, 2007, and this bill is necessary to reestablish the program.

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Analyst/Principal Date Program Budget Manager Date
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Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

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BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

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Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010	
3540/Forest&Fire	SO	No	-----	See Fiscal Summary	-----				0005
3540/Forest&Fire	SO	No	-----	See Fiscal Summary	-----				6051
3540/Forest&Fire	SO	No	-----	See Fiscal Summary	-----				0890

<u>Fund Code</u>	<u>Title</u>
0005	SafeNeighPks,CInWtr,CInAir/CstlProtcBdFd
0890	Trust Fund, Federal
6051	SafeDrinkWtr,WtrQual/Sup,FldCtrl,RvrCstl