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Title: Chief Administrative Office recommending the Board consider payment and revenue distribution options under the reauthorized Secure Rural Schools and Community Self-Determination Act and:
 1) Elect to receive a share of the State Payment;
 2) Allocate the County's share of the State Payment as described in the staff report; and
 3) Authorize the Chair to sign payment election and distribution transmittal letter to the U.S. Forest Service.

Sponsors:

Indexes:

Code sections:

Attachments: 1. A - Letter 8-7-12.pdf

Date	Ver.	Action By	Action	Result
8/7/2012	1	Board of Supervisors	Approved	Pass

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Fiscal Impact/Change to Net County Cost

Estimated revenue increase of \$2,269,335 or \$907,583 depending on payment election.

Background

The Secure Rural Schools and Community Self Determination Act of 2000 (Act), was enacted by Congress to stabilize funding to counties for road maintenance and public schools in recognition of the decline of revenues from timber sales on federal lands. The Act was effective through the end of 2006; however Congress granted a one-year extension which provided funding in 2007. The Act was subsequently amended and reauthorized for fiscal years 2008-2011.

On July 6, 2012, the Act was reauthorized for federal fiscal year (FY) 2012 as part of Public Law 112-141. The full funding amount for FY 2012 for all counties that elect to receive a share of the State payment is 95 percent of the FY 2011 amount. The Act contains three Titles relative to County funding:

- Title I (Road and school funding)
- Title II (Funding for federal land projects)
- Title III (Firewise activities/Search and Rescue funding)

Under the reauthorized Act, the County must select from two payment options. Each option contains different requirements for how the funding must be distributed among the Titles of the Act.

Option 1 is described in the Act as a "Share of the State Payment." This payment is calculated using a formula provided in the legislation which is based on prior payments and the amount of federal land in the county. The County may set aside 15-20% of the payment for Titles II and III. However, no more than 7% can be allocated to Title III. The remaining funds are allocated to Title I (Roads & Schools). Under this option the total payment to schools and the county is estimated to be \$2,269,335.

Should the Board select this payment option, the Chief Administrative Office further recommends that the County allocate its share as follows:

Title	Percentage Total Payment	Amount
Title I (Roads & Schools)	85%	
Roads		\$964,467
Schools		\$964,467
Title II (Federal land projects)	8%	\$181,546
Title III (Firewise/Search & Rescue)	7%	\$158,853
Total		\$2,269,335

This allocation is consistent with the Board's prior payment and distribution elections, and maximizes the funding for roads and schools, firesafe, and search and rescue programs.

Option 2 is described in the Act as the "Share of the State's 25% payment. This payment is based on a 7-year rolling average of national forest receipts, distributed among the counties in which the national forest is situated in proportion to acreage of national forest in the affected counties. The County may allocate a portion of its share to Title II (federal land projects). The county would also be bound by this payment election for two years. Under this option the total payment to schools and the county is estimated to be \$907,583.

Reason for Recommendation

Option 1, the "Share of the State Payment" is clearly the superior payment election. It provides the most revenue to the County, and the most flexibility in distributing the funds. The deadline for counties to report payment elections to the U.S. Forest Service is mid-August.

Action(s) to be taken following Board approval

The Board Clerk will send the payment election letter and copy of item minutes to the U.S. Forest Service following Chair's signature.

Contact

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Concurrences

N/A

