



To: RCRC Board of Directors
From: Paul A. Smith, Senior Legislative Advocate
Randall Echevarria, Legislative Analyst
Justin Caporusso, Director of Public Affairs
Date: April 7, 2015
Re: Secure Rural Schools Update

Summary

This memo provides an update on the latest activities regarding reauthorization of the Secure Rural Schools & Community Self Determination Act (SRS) and outlines proposed 2015 efforts for a long-term reauthorization.

Background

In 2000, Congress enacted SRS to provide funding for rural counties and school districts to replace revenue from dwindling forest receipts due to a national decline in timber harvesting. In its initial years, SRS provided nearly \$70 million annually to California's forest counties, with half of the funding allocated to school districts, and half of the funding allocated to counties for road projects.

Since 2007, there have been several SRS reauthorization efforts enacted by Congress, the last being in 2013, when a one-year extension of SRS was included in the Helium Stewardship Act. Most of the reauthorizations encompassed an annual reduction in the overall amount provided. As such, California counties received nearly \$30 million in FY 2013 SRS funding, with disbursements made in March 2014.

Issue

SRS was not reauthorized for FY 2014 in the closing days of the 113th Congress; however, the leadership in the House of Representatives pledged to reform federal forestry policy and/or reauthorize SRS in the first 90-days of the 114th Congress.

In the absence of a 2014 SRS reauthorization, the United States Forest Service (USFS) released payments in February to forested counties under the "25% Receipts Rule." Adopted in 1906, this law requires the USFS to provide counties and schools with 25 percent of the revenues generated on federal forest lands from a variety of activities including timber harvesting, mining, and recreational activities. In most cases, this has resulted in a near 75 percent reduction in monies received vis-à-vis what would have been provided under SRS.

On March 26, 2015, by a vote of 392-37, the U.S. House of Representatives passed H.R. 2, commonly referred to as the “Doc Fix.” The primary purpose of the “Doc Fix” is to restructure Medicare reimbursements; however, attached to the measure were provisions which provide a two-year extension of SRS. For the 2014 payment, it builds upon the monies already allocated under the 25% Receipts Rule; however, while the monies restore revenues lost to sequestration of 25% Receipts Rule payments, the payment is subject to a 5 percent ramp down (as nearly every SRS payment has experienced since reauthorization in the late-2000’s). There is also another 5 percent ramp down for the 2015 payment. The SRS extension is estimated to provide California counties and schools nearly \$27.3 million in 2014 and \$25.9 million in 2015. The other key component for counties is that Title II and Title III elections will carry forward from 2013 elections for both 2014 and 2015 payment. As such, county Boards of Supervisors need not take any action nor report any information to the USFS.

The Doc Fix is expected to be considered by the U.S. Senate when it reconvenes on April 13, 2015. Most Senate observers expect to see passage of H.R. 2 and President Obama has indicated his support for the measure.

At the request of RCRC, Assemblymember Brian Dahle (R-Lassen) authored Assembly Joint Resolution 5 which urges the 114th Congress to reauthorize the SRS program. This measure awaits consideration on the Assembly Floor. A similar effort – Assembly Joint Resolution 9 – was put forth by Assemblymember Dahle in 2013 and was adopted by both houses of the California Legislature.

Strategic Advocacy and Media Campaign

27 rural counties have adopted the RCRC-provided SRS Resolution urging Congress to immediately reauthorize and fund SRS. These resolutions have proven extremely useful in raising awareness of the issue for both advocacy and media efforts, garnering a multitude of media articles in various outlets throughout the state. Upon movement and RCRC support of specific SRS legislation (as outlined above), RCRC will distribute a press release for local and national reporters, once again highlighting the importance and urgency of the funding, and publicly sharing RCRC’s support for the mechanism in which it will be delivered. Should there be interest, RCRC Officers and staff will again hold a “media availability” call to further discuss the issue, and address any media questions. Additionally, RCRC will develop a template “support” press release for members that adopted local resolutions to distribute at the local level, further advancing the message in our member counties, thanking Congress for the two-year extension of SRS, and laying the groundwork messaging for our long-term reauthorization strategy.

Staff Recommendation

RCRC Officers and staff continue to make SRS reauthorization a priority. As such, staff will continue to monitor, advocate and support efforts which provide reauthorization and funding for this vital program. In addition, RCRC staff will work with member counties on various media efforts as outlined above.

Attachments

- 2014/2015 Preliminary SRS Payment Estimates
- Copy of AJR 5 (Dahle)
- RCRC Letters of Support and Appreciation of H.R. 2