

SECURE RURAL SCHOOLS AND COMMUNITY SELF-
DETERMINATION REAUTHORIZATION ACT OF 2005

JUNE 9, 2005.—Ordered to be printed

Mr. POMBO, from the Committee on Resources,
submitted the following

R E P O R T

[To accompany H.R. 517]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (H.R. 517) to reauthorize the Secure Rural Schools and Community Self-Determination Act of 2000, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 517 is to reauthorize the Secure Rural Schools and Community Self-Determination Act of 2000, and for other purposes.

BACKGROUND AND NEED FOR LEGISLATION

During the 1990s, federal payments to states, local governments, and schools, which are mandated through several laws, were being severely affected by reductions in receipts collected from the sale of timber from national forests and certain Bureau of Land Management lands. These receipts, as well as the economies supported by the harvest of timber, were critical to rural education, transportation, and local economies. Payments to many counties and schools from receipt collections under the Twenty-five Percent Fund Act of 1908 (16 U.S.C. 500), declined by an average of 70% from 1986 through 1998.

In 2000, Congress passed the Secure Rural Schools and Community Self Determination Act, Public Law 106-393. The Act restored historical payment levels made to states and counties from the federal government for road and school purposes. The Act benefits

more than 700 counties in 39 states. Under certain conditions, it provides for the creation of citizen advisory committees, public lands projects, and county projects that meet specific criteria. The Secure Rural Schools and Community Self Determination Act provided for a six-year period to test new concepts for allocating funds, and for participation by citizens who have a vested interest in management of the public lands. However, the Act expires in 2006 and needs reauthorization.

FEDERAL COMMITMENT TO RURAL COMMUNITIES

It has been the intent and policy of the federal government to hold rural communities harmless for the creation of federal lands. In 1906 the Committee on Public Lands recognized that the presence of federal lands could create a hardship for many counties as they provided little revenue or commerce at that time. Therefore, in 1908 Congress created the Twenty-five Percent Fund Act to pay states and counties 25% of receipts collected from national forests. Payments were required to be spent on schools and roads. It was recognized that viable communities adjacent to the public lands, with adequate roads and schools, were essential to the development and preservation of these national treasures. The federal policy of holding counties harmless for the creation of adjacent public lands was reiterated in 1916 with the creation of the Oregon and California Grant Lands under the Chamberlain-Ferris Act, and again in 1937 with passage of the Oregon and California Grant Lands Act.

THE SECURE RURAL SCHOOLS ACT'S RELATION TO PILT

The relationship between the Secure Rural Schools Act and the Payments in Lieu of Taxes (PILT) law is such that payments made to a county in a previous year under the Secure Rural Schools Act can reduce the payment made to that same county under PILT (though the reduction in PILT is usually significantly less than the increase from the Secure Rural Schools Act). Therefore, a county that received significant increases under the Secure Rural Schools Act would likely experience a decrease in their PILT payments the following year. This results in more of the annual PILT appropriation to be available to counties that did not receive payments under the Secure Rural Schools Act. Those counties would have experienced an increase of approximately 9% in their PILT payments. Counties in the Interior West have historically received about 62% of all PILT payments. Counties in the East have received the second highest percentage of PILT payments, about 17%.

COMMITTEE ACTION

H.R. 517 was introduced on February 2, 2005, by Congressman Greg Walden (R-OR). The bill was referred to the Committee on Resources, and within the Committee to the Subcommittee on Forests and Forest Health. The bill was also referred to the Committee on Agriculture. On May 11, 2005, the Subcommittee held a hearing on the bill. On May 18, 2005, the Full Resources Committee met to consider the bill. The Subcommittee was discharged from further consideration of the bill by unanimous consent. No amendments

were offered and the bill was ordered favorably reported to the House of Representatives by unanimous consent.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title.

The Act may be cited as the “Secure Rural Schools and Community Self-Determination Reauthorization Act of 2005.”

Section 2. Reauthorization of Secure Rural Schools and Community Self-Determination Act of 2000

The section extends the Secure Rural Schools and Community Self-Determination Act through fiscal year 2013. It reauthorizes the resumption of receipts of 25 or 50 percent payments. The section also clarifies the source of payments to ensure full payments are made to eligible counties and states. The section extends the term for Resource Advisory Committee Members, and amends the contract pilot project by making it discretionary. Finally, it adds notification and reporting requirements for county projects authorized under Title III of Public Law 106–393.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Resources’ oversight findings and recommendations are reflected in the body of this report.

FEDERAL ADVISORY COMMITTEE STATEMENT

The bill amends sections of the Secure Rural Schools Act regarding existing Resource Advisory Committees.

CONSTITUTIONAL AUTHORITY STATEMENT

Article I, section 8 of the Constitution of the United States grants Congress the authority to enact this bill.

COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974.

2. Congressional Budget Act. As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, credit authority, or an increase or decrease in revenues or tax expenditures. According to the Congressional Budget Office, enactment of the bill will result in increased direct spending.

3. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goal or objective

of this bill is to reauthorize the Secure Rural Schools and Community Self-Determination Act of 2000, and for other purposes.

4. Congressional Budget Office Cost Estimate. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

H.R. 517—Secure Rural Schools and Community Self-Determination Reauthorization Act of 2005

Summary: Under the Secure Rural Schools and Community Self-Determination Act, the federal government makes payments to states and counties that received a portion of the receipts from the sale of resources, particularly timber, on certain federal lands during fiscal years 1986 through 1999. Under current law, the government's authority to make those payments will expire after fiscal year 2007. H.R. 517 would extend that authority for an additional seven years.

CBO estimates that enacting H.R. 517 would increase direct spending by \$3.2 billion over the 2008–2014 period. The bill would not affect revenues. H.R. 517 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Estimated Cost to the Federal Government: The estimated budgetary impact of H.R. 517 is shown in the following table. The costs of this legislation fall within budget functions 800 (general government) and 300 (natural resources and environment).

By fiscal year, in millions of dollars—										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
DIRECT SPENDING										
Spending Under Current Law: ⁽¹⁾										
Estimated Budget Authority	520	526	90	85	88	89	92	94	97	98
Estimated Outlays	520	526	90	85	88	89	92	94	97	98
Proposed Changes:										
Estimated Budget Authority	0	0	443	454	458	464	468	473	477	0
Estimated Outlays	0	0	443	454	458	464	468	473	477	0
Spending Under H.R. 517:										
Estimated Budget Authority	520	526	533	539	546	553	560	567	574	98
Estimated Outlays	520	526	533	539	546	553	560	567	574	98

⁽¹⁾ The amounts shown for spending under current law include estimated payments to states and counties under the Secure Rural Schools and Community Self-Determination Act's existing activity through 2007, as well as additional receipt-sharing payments for the sale of resources on federal land.

Basis of estimate: Offsetting receipts generated from the sale of resources on federal land are shared with states and counties based on formulas specific to the type of resources and land involved. H.R. 517 would affect payments to states and counties to share receipts from three types of federal land managed by the Forest Service or Bureau of Land Management: National Forest System (NFS) lands, Oregon and California Railroad grant lands, and Coos Bay Wagon Road (CBWR) grant lands.

Eligible states and counties receive 25 percent of the receipts from the sale of resources on NFS land and 50 percent of receipts generated from Oregon and California grant lands and CBWR grant lands. Under the Secure Rural Schools and Community Self-Determination Act, however, a different payment process is in ef-

fect for certain counties. Under that act, instead of receiving payments based on current levels of receipts, eligible counties can choose to have payments based on historical levels over the 1986–1999 period.

Under current law, the federal government’s authority to make payments based on historical levels of receipts will expire after fiscal year 2007. H.R. 517 would extend that authority for an additional seven years. Based on recent payments to affected states and counties and considering anticipated inflation, CBO estimates that enacting H.R. 517 would increase direct spending by \$3.2 billion over the 2008–2014 period.

Intergovernmental and private-sector impact: H.R. 517 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Enacting this bill would benefit the states and counties that would receive the authorized payments. Any additional costs incurred by those counties to comply with the bill’s new reporting requirements would be incurred voluntarily.

Estimate prepared by: Federal Costs: Megan Carroll. Impact on State, Local, and Tribal Governments: Marjorie Miller. Impact on the Private Sector: Craig Cammarata.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104–4

This bill contains no unfunded mandates.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000

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SEC. 101. DETERMINATION OF FULL PAYMENT AMOUNT FOR ELIGIBLE STATES AND COUNTIES.

(a) CALCULATION REQUIRED.—

(1) **ELIGIBLE STATES.**—For fiscal years 2001 through **[2006]** 2013, the Secretary of the Treasury shall calculate for each eligible State that received a 25-percent payment during the eligibility period an amount equal to the average of the three highest 25-percent payments and safety net payments made to that eligible State for the fiscal years of the eligibility period.

(2) **BUREAU OF LAND MANAGEMENT COUNTIES.**—For fiscal years 2001 through **[2006]** 2013, the Secretary of the Treasury shall calculate for each eligible county that received a 50-percent payment during the eligibility period an amount equal to

the average of the three highest 50-percent payments and safety net payments made to that eligible county for the fiscal years of the eligibility period.

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SEC. 102. PAYMENTS TO STATES FROM NATIONAL FOREST SYSTEM LANDS FOR USE BY COUNTIES TO BENEFIT PUBLIC EDUCATION AND TRANSPORTATION.

(a) * * *

(b) ELECTION TO RECEIVE PAYMENT AMOUNT.—

(1) ELECTION; SUBMISSION OF RESULTS.—The election to receive either the full payment amount or the 25-percent payment shall be made at the discretion of each affected county and transmitted to the Secretary of the Treasury by the Governor of a State.

(2) DURATION OF ELECTION.—A county election to receive the 25-percent payment, *including such an election made during the last quarter of fiscal year 2006 under this paragraph*, shall be effective for two fiscal years. When a county elects to receive the full payment amount, such election shall be effective for all the subsequent fiscal years through **[fiscal year 2006]** *fiscal year 2013, except that the Secretary of the Treasury shall give the county the opportunity to elect, in writing during the last quarter of fiscal year 2006, to begin receiving the 25-percent payment effective with the payment for fiscal year 2007.*

(3) SOURCE OF PAYMENT AMOUNTS.—The payment to an eligible State under this section for a fiscal year shall be derived from any revenues, fees, penalties, or miscellaneous receipts, exclusive of deposits to any relevant **[trust fund,]** *trust funds, permanent funds, or special accounts, received by the Federal Government from activities by the Forest Service on the Federal lands described in section 3(1)(A) and, to the extent of any shortfall, out of any funds in the Treasury not otherwise appropriated. If the Secretary of the Treasury determines that a shortfall is likely for a fiscal year, all revenues, fees, penalties, and miscellaneous receipts referred to in the preceding sentence, exclusive of required deposits to relevant trust funds, permanent funds, and special accounts, that are received during that fiscal year shall be reserved to make payments under this section for that fiscal year.*

* * * * *

SEC. 103. PAYMENTS TO COUNTIES FROM BUREAU OF LAND MANAGEMENT LANDS FOR USE TO BENEFIT PUBLIC SAFETY, LAW ENFORCEMENT, EDUCATION, AND OTHER PUBLIC PURPOSES.

(a) * * *

(b) ELECTION TO RECEIVE FULL PAYMENT AMOUNT.—

(1) ELECTION; DURATION.—The election to receive the full payment amount shall be made at the discretion of the county. Once the election is made, it shall be effective for the fiscal year in which the election is made and all subsequent fiscal years through **[fiscal year 2006]** *fiscal year 2013, except that the Secretary of the Treasury shall give the county the opportunity to elect, in writing during the last quarter of fiscal year*

2006, to begin receiving the 50-percent payment effective with the payment for fiscal year 2007.

(2) SOURCE OF PAYMENT AMOUNTS.—The payment to an eligible county under this section for a fiscal year shall be derived from any revenues, fees, penalties, or miscellaneous receipts, exclusive of deposits to any relevant trust ~~fund,~~ *funds* or permanent operating funds, received by the Federal Government from activities by the Bureau of Land Management on the Federal lands described in section 3(1)(B) and, to the extent of any shortfall, out of any funds in the Treasury not otherwise appropriated. *If the Secretary of the Treasury determines that a shortfall is likely for a fiscal year, all revenues, fees, penalties, and miscellaneous receipts referred to in the preceding sentence, exclusive of required deposits to relevant trust funds and permanent operating funds, that are received during that fiscal year shall be reserved to make payments under this section for that fiscal year.*

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TITLE II—SPECIAL PROJECTS ON FEDERAL LANDS

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SEC. 203. SUBMISSION OF PROJECT PROPOSALS.

(a) SUBMISSION OF PROJECT PROPOSALS TO SECRETARY CONCERNED.—

(1) PROJECTS FUNDED USING PROJECT FUNDS.—Not later than September 30 for fiscal year 2001, and each September 30 thereafter for each succeeding fiscal year through fiscal year ~~2006~~ 2013, each resource advisory committee shall submit to the Secretary concerned a description of any projects that the resource advisory committee proposes the Secretary undertake using any project funds reserved by eligible counties in the area in which the resource advisory committee has geographic jurisdiction.

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SEC. 204. EVALUATION AND APPROVAL OF PROJECTS BY SECRETARY CONCERNED.

(a) * * *

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(e) IMPLEMENTATION OF APPROVED PROJECTS.—

(1) * * *

* * * * *

(3) MERCHANTABLE MATERIAL CONTRACTING PILOT PROGRAM.—

(A) ESTABLISHMENT.—~~At the request of a resource advisory committee, the Secretary concerned may establish a pilot program to implement one or more of the projects proposed by the resource advisory committee under section 203 involving the sale of merchantable material using separate contracts for—~~

(i) * * *

* * * * *

[(B) ANNUAL PERCENTAGES.—Under the pilot program, the Secretary concerned shall ensure that, on a nationwide basis, not less than the following percentage of all approved projects involving the sale of merchantable material are implemented using separate contracts:

[(i) For fiscal year 2001, 15 percent.

[(ii) For fiscal year 2002, 25 percent.

[(iii) For fiscal year 2003, 25 percent.

[(iv) For fiscal year 2004, 50 percent.

[(v) For fiscal year 2005, 50 percent.

[(vi) For fiscal year 2006, 50 percent.]

[(C)] (B) INCLUSION IN PILOT PROGRAM.—The decision whether to use separate contracts to implement a project involving the sale of merchantable material shall be made [by the Secretary concerned] after the approval of the project under this title.

[(D)] (C) ASSISTANCE.—The Secretary concerned may use funds from any appropriated account available to the Secretary for the Federal lands to assist in the administration of projects conducted under [the pilot program] *pilot programs established under subparagraph (A)*. The total amount obligated under this subparagraph may not exceed \$1,000,000 for any fiscal year during which [the pilot program is] *pilot programs are* in effect.

[(E)] (D) REVIEW AND REPORT.—Not later than September 30, 2003, the Comptroller General shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate, the Committee on Energy and Natural Resources of the Senate, the Committee on Agriculture of the House of Representatives, and the Committee on Resources of the House of Representatives a report assessing the pilot program. The Secretary concerned shall submit to such committees an annual report describing the results of the pilot program.

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SEC. 205. RESOURCE ADVISORY COMMITTEES.

(a) ESTABLISHMENT AND PURPOSE OF RESOURCE ADVISORY COMMITTEES.—

(1) * * *

* * * * *

(3) ACCESS TO RESOURCE ADVISORY COMMITTEES.—To ensure that each unit of Federal land has access to a resource advisory committee, and that there is sufficient interest in participation on a committee to ensure that membership can be balanced in terms of the points of view represented and the functions to be performed, the Secretary concerned may[,] establish resource advisory committees for part of, or one or more, units of Federal lands.

* * * * *

(c) APPOINTMENT BY THE SECRETARY.—

(1) APPOINTMENT AND TERM.—The Secretary concerned, shall appoint the members of resource advisory committees for a term of 3 years beginning on the date of appointment. [The Secretary concerned may reappoint members to] *A member of a resource advisory committee may be reappointed for one or more subsequent 3-year terms. Section 1803(c) of Food and Agriculture Act of 1977 (7 U.S.C. 2283(c)) shall not apply to a resource advisory committee established by the Secretary of Agriculture.*

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SEC. 207. AVAILABILITY OF PROJECT FUNDS.

(a) SUBMISSION OF PROPOSED PROJECTS TO OBLIGATE FUNDS.—By September 30 of each fiscal year through fiscal year [2006] 2013, a resource advisory committee shall submit to the Secretary concerned pursuant to section 203(a)(1) a sufficient number of project proposals that, if approved, would result in the obligation of at least the full amount of the project funds reserved by the participating county in the preceding fiscal year.

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SEC. 208. TERMINATION OF AUTHORITY.

The authority to initiate projects under this title shall terminate on September 30, [2006] 2013. Any project funds not obligated by September 30, [2007] 2014, shall be deposited in the Treasury of the United States.

TITLE III—COUNTY PROJECTS

SEC. 301. DEFINITIONS.

In this title:

(1) * * *

* * * * *

(3) SECRETARY CONCERNED.—*The term “Secretary concerned” means—*

(A) *the Secretary of Agriculture or the designee of the Secretary of Agriculture, with respect to county funds reserved under section 102(d)(1)(B)(ii) for expenditure in accordance with this title;*

(B) *the Secretary of the Interior or the designee of the Secretary of the Interior, with respect to county funds reserved under section 103(c)(1)(B)(ii) for expenditure in accordance with this title.*

SEC. 302. USE OF COUNTY FUNDS.

(a) * * *

(b) AUTHORIZED USES.—

(1) SEARCH, RESCUE, AND EMERGENCY SERVICES.—[An eligible county] *A participating county* or applicable sheriff’s department may use these funds as reimbursement for search and rescue and other emergency services, including fire fighting, performed on Federal lands and paid for by the county.

(2) COMMUNITY SERVICE WORK CAMPS.—[An eligible county] *A participating county* may use these funds as reimbursement for all or part of the costs incurred by the county to pay the salaries and benefits of county employees who supervise adults

or juveniles performing mandatory community service on Federal lands.

(3) EASEMENT PURCHASES.—~~【An eligible county】~~ *A participating county* may use these funds to acquire—

(A) * * *

* * * * *

(4) FOREST RELATED EDUCATIONAL OPPORTUNITIES.—~~【A county】~~ *A participating county* may use these funds to establish and conduct forest-related after school programs.

(5) FIRE PREVENTION AND COUNTY PLANNING.—A ~~【county】~~ *A participating county* may use these funds for—

(A) * * *

* * * * *

(6) COMMUNITY FORESTRY.—A ~~【county】~~ *A participating county* may use these funds towards non-Federal cost-share requirements of section 9 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2105).

(c) NOTIFICATION AND REPORTING REQUIREMENTS.—

(1) NOTIFICATION.—*Not later than 90 days after the end of each fiscal year during which county funds are obligated for projects under this title, the participating county shall submit to the Secretary concerned written notification specifying—*

(A) each project for which the participating county obligated county funds during that fiscal year;

(B) the authorized use specified in subsection (b) that the project satisfies; and

(C) the amount of county funds obligated or expended under the project during that fiscal year, including expenditures on Federal lands, State lands, and private lands.

(2) REVIEW.—*The Secretary concerned shall review the notifications submitted under paragraph (1) for a fiscal year for the purpose of assessing the success of participating counties in achieving the purposes of this title.*

(3) ANNUAL REPORT.—*The Secretary concerned shall prepare an annual report containing the results of the most-recent review conducted under paragraph (2) and a summary of the notifications covered by the review.*

(4) SUBMISSION OF REPORT.—*The report required by paragraph (3) for a fiscal year shall be submitted to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Energy and Natural Resources of the Senate and the Committee on Agriculture and the Committee on Resources of the House of Representatives not later than 150 days after the end of that fiscal year.*

SEC. 303. TERMINATION OF AUTHORITY.

The authority to initiate projects under this title shall terminate on September 30, ~~【2006】~~ 2013. Any county funds not obligated by September 30, ~~【2007】~~ 2014, shall be available to be expended by the county for the uses identified in section 302(b).

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. AUTHORIZATION OF APPROPRIATIONS.

There are hereby authorized to be appropriated such sums as may be necessary to carry out this Act for fiscal years 2001 through **[2006]** *2013*.

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