

AGENDA REQUEST

TO: Board of County Commissioners
Philip Morley, County Administrator

FROM: Frank Gifford, Public Works Director *FG*

DATE: August 22, 2011

SUBJECT: Resolution to Receive National Forest Related Safety-Net Payments under the Emergency Economic Stabilization Act of 2008, PL 110-343, and the Secure Rural Schools Program

STATEMENT OF ISSUE:

The Board is requested to approve the accompanying resolution to accept full payment (safety net) from the federal government for federal FY 2011 under the Emergency Economic Stabilization Act of 2008, PL 110-343, which reauthorizes and extends the "Secure Rural Schools" program through FY2011. The intent of this program is to provide stable offsetting funds to replace county revenue originally derived from timber harvest on federal land, which has diminished substantially since the 1980's.

The resolution establishes the payment distribution for federal FY2011 by apportioning 85% to the Title I program (county roads and schools), 15% to the Title II program (special projects and programs benefiting federal lands as allocated through the North Olympic Resource Advisory Committee), and 0% to the Title III program.

ANALYSIS/STRATEGIC GOALS/PRO'S and CON'S:

Receipt of the safety net payment will allow the County to deliver essential public services including road maintenance and construction. This funding source represents one of the three primary sources of revenue for the county roads program. These funds are typically used to leverage other revenue for capital projects, thereby increasing their importance and value to the County. 50% of the Title I funds also benefit the public schools system. The Title II funds will be allocated through the North Olympic Resource Advisory Council (RAC) to fund important projects that benefit the National Forest as well as youth programs. In FY2011, there will be no allocation to the Title III program.

FISCAL IMPACT/COST BENEFIT ANALYSIS:

The Secure Rural Schools Program has provided funding for essential public services including county roads, schools, and resource protection since 2000. Funding made available by PL 110-343 has transitioned downwards from 90% of FY2006 levels in FY2008, to 81% in FY2009, to 73% in FY2010. These were considered "transition" payments. The funding level for FY2011 is based on a different formula and will be approximately 33% of the 2006 level. There are no payments scheduled after FY2011, which will have a dramatic impact on the County Roads program. This represents a loss of approximately 22% of the Road Fund annual operating revenue.

For federal FY2011, the County Roads portion of Title I funds is anticipated to generate approximately \$428,000; Title II is expected to generate approximately \$151,000; and Title III is expected to generate \$0.

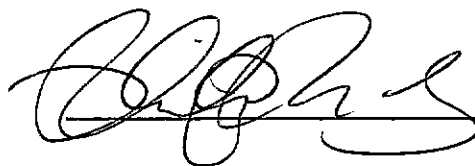
RECOMMENDATION:

The Board is requested to approve the accompanying resolution to distribute funding among the Title I, Title II, and Title III programs for federal FY2011 under the Emergency Economic Stabilization Act of 2008, PL 110-343, which reauthorizes and extends the "Secure Rural Schools" program.


STAFF CONTACT

Monte Reinders, P.E., County Engineer, 385-9242

REVIEWED BY:



Philip Morley, County Administrator



Date

STATE OF WASHINGTON
County of Jefferson

In the Matter of the Election to Receive }
National Forest Related Safety-Net Payments }
under Division C, Title VI, Section 601 of the } **RESOLUTION NO.** _____
Emergency Economic Stabilization Act of 2008, }
PL110-343. }

WHEREAS, Congress enacted in 1908 and subsequently amended a law that requires that twenty-five percent (25%) of the revenues derived from the National Forest lands be paid to states for use by the counties in which the lands are situated for the benefit of public schools and county roads; and

WHEREAS, the volume of timber sold annually from most National Forest lands has declined precipitously with a corresponding precipitous decline in revenues shared with counties; and

WHEREAS, the United States Congress recognized a need to stabilize education and county road funding through predictable payments to the affected counties, create jobs in those counties, and create other opportunities associated with restoration, maintenance and stewardship for Federal lands, and to achieve those goals enacted the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 500 note; Public Law 106-393) in 2000; and

WHEREAS, in October of 2008, the Emergency Economic Stabilization Act, PL 110-343, reauthorized and amended the Secure Rural Schools and Community Self-Determination Act of 2000 for the Federal Fiscal Years 2008-2011; and

WHEREAS, Division C, Title VI, Section 601 of PL110-343 gives each eligible county the right to elect to receive either its traditional share of revenues from the National Forest lands pursuant to the Act of May 23, 1908 and Section 13 of the Act of March 1, 1911, or instead to receive the guaranteed minimum amount also known as the "full payment amount"; and

WHEREAS, an election to receive the full payment amount is effective for Federal Fiscal Years 2008 through 2011; and

WHEREAS, Jefferson County is projected to benefit by electing to receive its full payment amount (safety net) rather than electing to receive its traditional share of National Forest revenues; and

WHEREAS, any county electing to receive the full payment amount in excess of one hundred thousand dollars (\$100,000.00) shall further elect each fiscal year to expend an amount not less than eighty percent (80%) nor more than eighty-five percent (85%) of its full payment amount in the same manner in which the twenty-five percent (25%) of the revenues derived from the National Forest lands are required to be expended; and

WHEREAS, Title I, Section 102(d)(1)(B) of PL 106-393 requires that a county electing to receive the full payment amount in excess of one hundred thousand dollars (\$100,000.00) must allocate its project funds, fifteen percent (15%) to twenty percent (20%) of its full payment amount for expenditure between projects in accordance with Title II of PL 106-393 and with Title III PL 106-393, and a return of the balance unspent under Titles II and III to the General Treasury of the United States, and communicate such allocation to the Secretary of the United States Department of Agriculture; and

WHEREAS, Title II of PL 106-393 provides for special projects on Federal lands or that benefit resources on Federal lands, which projects are recommended by local Resource Advisory Committees (RACs); and

WHEREAS, RACs recommend projects for consideration by the Secretary of Agriculture, with project funding supplied in whole or in part out of monies allocated for such purposes by participating counties; and

WHEREAS, counties that allocate funding to projects under Title II of PL 106-393 are potential participants in more than one RAC, may further direct that their Title II project funds be divided between different RACs according to an allocation decided by each participating county, with such funds held in the General Treasury of the United States under the name of the county with a designation of the amount allocated to each RAC; and

WHEREAS, Title III of PL 106-393 as amended by PL 110-343 provides for county projects or services, some of which are associated with the federal lands, with Title III authorizing expenditures for search and rescue on federal lands, fire prevention education, and community wildfire protection planning.

NOW, THEREFORE, BE IT RESOLVED, that Jefferson County hereby elects to receive its forest reserve payments as set forth below:

1. Jefferson County hereby elects to receive its full payment amount (safety net) pursuant to PL 110-343 Section 601.
2. Jefferson County hereby allocates eighty-five percent (85%) of its full payment amount for expenditure under Title I of PL 110-343, fifteen percent (15%) of its full payment amount for expenditure under Title II of PL 110-343, and zero percent (0%) of its full payment amount for expenditure under Title III of PL 110-343. Jefferson County will return none (zero percent) of its full payment amount to the General Treasury of the United States pursuant to Title I, Section 102(d)(1)(B)(iii).

3. Of the amount of project funds allocated to Title II projects, Jefferson County further allocates between RACs as follows: one hundred percent (100%) to the North Olympic Resource Advisory Committee.

BE IT FURTHER RESOLVED, that a copy of this resolution be transmitted to the timber program manager of the Washington State Association of Counties no later than September 16, 2011.

BE IT FINALLY RESOLVED, that a copy of this resolution be transmitted to all jurisdictions in this county receiving Forest Reserve payments.

APPROVED AND ADOPTED this _____ day of _____, 2011.

SEAL:

JEFFERSON COUNTY
BOARD OF COMMISSIONERS

John Austin, Chairman

ATTEST:

Phil Johnson, Member

Lorna Delaney
Clerk of the Board

David Sullivan, Member