RECOMMENDED ACTION AND JUSTIFICATION: (Policy Item: Yes___ No_X_)  

Recommendations relative to the Secure Rural Schools and Community Self-Determination Act of 2000 (H.R. 2389):

1. Adopt the attached resolution to participate in the safety net provided by H.R. 2389;
2. Adopt the attached resolution designating the minimum amount (15%) of the safety net to be used for projects;
3. Adopt the attached resolution recommending the County boundaries as boundaries of the Resource Advisory Committee in which the County will participate; and
4. Adopt the attached resolution designating that 100% of the safety net project funds will be allocated to fund Title III projects.

See the attached memorandum for additional information.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

None on this matter.

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

1. Approve
2. Provide alternative direction
MARIPOSA COUNTY RESOLUTION NUMBER 01-  57

A RESOLUTION SELECTING A FOREST RESERVE PAYMENT SYSTEM

WHEREAS, counties having United States National Forests within their boundaries have received Forest Reserve funds for roads and schools since the passage of the Agricultural Reapportionment Act of 1908 based on revenues generated from these forests; and

WHEREAS, these counties have substantial areas of land in public ownership which can neither be developed nor taxed to generate revenue from economic activity or taxation; and

WHEREAS, during most of the 20th century, Forest Reserve payments were a consistent but cyclical source of income for schools and counties; and

WHEREAS, during the past decade, changes in public policy at the National level have substantially reduced and in some cases virtually eliminated economic activity on National Forests; and

WHEREAS, the demands for education and roads have in most jurisdictions continually increased while Forest Reserve revenues have declined; and

WHEREAS, the Congress of the United States recognizing the existence of the above mentioned conditions has seen fit to pass the Secure Rural Schools and Community Self-Determination Act of 2000, which provides, among other things, a six year safety net whereby counties may receive the traditional payment from the Forest Service or a temporary payment based on the payment of the average of the three highest years to the State of California; and

WHEREAS, the Secure Rural Schools and Community Self-Determination Act of 2000 specifies that each forest county has an option to select either: (a) remaining on the traditional 25% Forest Reserve Receipts payment system, or (b) selecting the full payment system set forth in Title I of the Secure Rural Schools and Community Self-Determination Act of 2000; and

WHEREAS, it is understood that counties which select the Secure Rural Schools and Community Self-Determination Act of 2000 full payment (safety net) option are doing so for the full six year life of the Act.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Mariposa County hereby selects to receive their forest reserve payments as set forth below:

Full Safety Net Payment amount as per the Secure Rural Schools and Community Self-Determination Act of 2000; and

BE IT FURTHER RESOLVED that this selection be communicated to the Governor of the State of California by September 30, 2001; and

BE IT FURTHER RESOLVED that all jurisdictions receiving Forest Reserve Funds within Mariposa County receive a copy of this Resolution for their records.

PASSED AND ADOPTED by the Board of Supervisors of Mariposa County this 6th day of March, 2001 by unanimous vote.

DOUG BALMAIN, Board Chair

Approved as to legal sufficiency:

JEFFREY G. GREEN, County Counsel

ATTEST:

MARGIE WILLIAMS, Clerk of the Board
MARIPOSA COUNTY RESOLUTION NUMBER 01-58

A RESOLUTION DESIGNATING ALLOCATIONS TO LOCAL PROJECTS

WHEREAS, forest counties having United States National Forests within their boundaries have received Forest Reserve payments for roads and schools under the terms of the Agricultural Reapportionment Act of 1908; and

WHEREAS, these receipts were a regular but cyclical source of revenue for schools and counties during most of the last century; and

WHEREAS, federal land policies during the past decade have shifted away from multiple use land management; and

WHEREAS, Congress has recognized that these policy shifts have negatively impacted local communities and the health of our national forests; and

WHEREAS, Congress has passed the Secure Rural Schools and Community Self-Determination Act of 2000 which seeks to reconnect local communities with decisions made on their national forests and invest in improving the health of our forests and watersheds; and

WHEREAS, the Secure Rural Schools and Community Self-Determination Act of 2000 makes provisions for safety net payments to counties for up to six years with either 15% to 20% of these funds being allocated to projects which would enhance the health and safety of US National Forests.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Mariposa County, which has elected to receive safety net payments under the provisions of the Secure Rural Schools and Community Self-Determination Act of 2000, hereby designates 15% of its safety net payments to be allocated to Title III projects under this Act; and

BE IT FURTHER RESOLVED that this election be communicated to the Governor of the State of California by September 30, 2001; and

BE IT FURTHER RESOLVED that this Resolution be communicated to all jurisdictions in this county which receive Forest Reserve payments.

PASSED AND ADOPTED by the Board of Supervisors of Mariposa County this 6th day of March, 2001 by unanimous vote.

DOUG BALMAIN, Board Chair

Approved as to legal sufficiency:

JEFFREY G. GREEN, County Counsel

ATTEST:

MARGIE WILLIAMS, Clerk of the Board
MARIPOSA COUNTY RESOLUTION NUMBER 01- 59

A RESOLUTION REQUESTING THE ESTABLISHMENT OF A RESOURSE ADVISORY COMMITTEE

WHEREAS, counties having United States National Forests within their boundaries have been receiving Forest Reserve funds for roads and schools under the terms of the Agricultural Reapportionment Act of 1908; and

WHEREAS, Congress has passed the Secure Rural Schools and Community Self-Determination Act of 2000 to address issues relating to schools and roads in forested counties; and

WHEREAS, it is the intent of Congress through the Secure Rural Schools and Community Self-Determination Act of 2000 to reconnect local constituencies with their National Forests by providing for locally recommended projects which would address the health and safety of the forests as well as their connection with forest communities; and

WHEREAS, Congress has called for the creation of a Resource Advisory Committee which may be organized on a single county, multiple county, national forest or BLM district basis as deemed locally appropriate and approved by the Secretary of Agriculture; and

WHEREAS, the Mariposa County Board of Supervisors has elected to receive safety net payments under the provisions of the Secure Rural Schools and Community Self-Determination Act of 2000; and

WHEREAS, the Mariposa County Board of Supervisors desires to participate in the formation of a Resource Advisory Committee in a process that provides all segments of the county to have the opportunity to participate; and

WHEREAS, the Secure Rural Schools and Community Self-Determination Act of 2000 requires the Resource Advisory Committees to be formed by April 29, 2001; and

WHEREAS, the Secure Rural Schools and Community Self-Determination Act of 2000 does not require the Resource Advisory Committees to be populated until funding is provided for projects described in Title II of the Act.

NOW, THEREFORE, BE IT RESOLVED that Mariposa County hereby requests that the Secretary of Agriculture establish a Resource Advisory Committee in accordance with the provisions of the Secure Rural Schools and Community Self-Determination Act of 2000 on a single county basis with geographical boundaries coterminous with county lines; and

BE IT FURTHER RESOLVED that Mariposa County hereby requests that the Secretary of Agriculture delay populating the Resource Advisory Committee until a joint effort between Mariposa County and the Secretary of Agriculture commences to appoint its members; and

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the Secretary of Agriculture and the Regional Forester, U.S. Forest Service, U.S. Department of Agriculture; and

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

PASSED AND ADOPTED by the Board of Supervisors of Mariposa County this 6th day of March 2001 by unanimous vote.

DOUG BALMAIN, Board Chair

ATTEST:

MARGIE WILLIAMS, Clerk of the Board

Approved as to legal sufficiency:

JEFFREY G. GREEN, County Counsel
MARIPOSA COUNTY RESOLUTION NUMBER 01-60
A RESOLUTION DESIGNATING THE AMOUNT OF FUNDING TO BE ASSIGNED TO TITLE II AND TITLE III PROJECTS

WHEREAS, counties having United States National Forests within their boundaries have been receiving Forest Reserve funds for roads and schools under the provisions of the Agricultural Reapportionment Act of 1908; and

WHEREAS, in the past decade federal land use policy has shifted away from a multiple use approach to one in which decisions are made on a centralized basis with great attention being given to single uses; and

WHEREAS, this approach has had a devastating negative impact on funding for schools and roads in forest counties; and

WHEREAS, the 106th Congress of the United States passed the Secure Rural Schools and Community Self-Determination Act of 2000 which seeks to maintain multiple use land management and reconnect local communities with management decisions made about their national forests; and

WHEREAS, Congress has made provision for local projects under Titles II and III of the Secure Rural Schools and Community Self-Determination Act of 2000 whereby local Resource Advisory Committees will recommend projects which will enhance the safety and health of forests as well as enhance activities conducted within the National Forests within county boundaries.

NOW, THEREFORE, BE IT RESOLVED that Mariposa County will allocate 100% of the portion of funds which it receives for local projects through participation in the Secure Rural Schools and Community Self-Determination Act of 2000 full safety net payment for authorized projects pursuant to Title III of the Act; and

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the Governor of the State of California by such date as may be necessary for it to reach the United States Secretary of Agriculture by September 30, 2001; and

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

PASSED AND ADOPTED by the Board of Supervisors of Mariposa County this 6th day of March 2001 by unanimous vote.

DOUG BALMAIN, Board Chair

Margie Williams, Clerk of the Board

Approved as to legal sufficiency:

JEFFREY G. GREEN, County Counsel
Date: March 6, 2001

To: Board of Supervisors

From: Greg Iturria, County Administrative Officer

Subject: Secure Rural Schools and Community Self-Determination Act of 2000 (H.R. 2389)

Recommendation

1) That the Board adopt the attached Resolution to participate in the safety net provided by HR 2389.

2) That the Board adopt the attached Resolution designating the minimum amount (15%) of the safety net to be used for projects.

3) That the Board adopt the attached Resolution recommending the County boundaries as boundaries of the Resource Advisory Committee in which the County will participate.

4) That the Board adopt the attached Resolution designating that 100% of the safety net project funds will be allocated to fund Title III projects.

Summary

The County has a window of opportunity to increase funding available for road maintenance, and for forest management and/or forest-related projects. The numerous options, deadlines, requirements and restrictions tied to the funding essentially require a comprehensive staff report and thorough study of issues and recommendations. In this report you will find specific staff recommendations and their reasoning, background information, overview of decision deadlines, discussion of the issues, and financial considerations.
Background

Congress enacted in 1908 a law that requires 25 percent of the revenue derived from National Forest System lands be paid to States for use by counties in which those lands are situated for the benefit of public schools and roads. These revenues are commonly referred to as Forest Reserve funds. With the reduction in timber harvest over the last ten years, overall payments to states and counties have dropped 36 percent. In addition, current payment amounts are highly variable since they are tied to fluctuating and controversial timber sales.

Overview

The Secure Rural Schools and Community Self-Determination Act of 2000 (H.R. 2389) was enacted last year to provide stable funding for schools and roads over the next five years and will assist in replacing the loss of Forest Reserve funds. It will also provide an opportunity to fund forest habitat improvement projects and/or certain forest-related expenses incurred by the County. The law authorizes the Board of Supervisors to choose whether or not to receive the 25% fund payments (Forest Reserve funds) as in the past or to receive an amount equal to the average of payments from the highest 3 years (1986-1999). The County must make a number of decisions beginning in March to qualify for these federal funds.

Before September 30, 2001, the Board must approve a resolution to take the full payment option (that is, to receive a payment equal to the average of the three highest payments from 1986 to 1999), or to take the 25 percent payment option (and continue to take 25 percent of Forest Reserve funds under the old formula).

Before March 16, the Board must submit their recommendations to the U.S. Secretary of Agriculture on the geographical boundaries for the Resource Advisory Committees (RACs) required under the act.

Before April 28, the Board may submit to the U.S. Secretary of Agriculture nominations of at least 15 local people to serve on the RACs. These individuals should come from each of the stakeholder categories listed in the statute.

Before September 30, the Board is required to pass a resolution allocating the percentage of the project funds devoted to Title II projects, Title III projects or returned to the U.S. Treasury.

Title II Projects are for habitat improvement in the forest, are developed by the RACs and are subject to approval by the federal government. Title III projects are designated at the discretion of the Board of Supervisors and may be used for providing certain County services, including search and rescue, and fire prevention and planning.
Discussion

Considerations for each initial decision (Payment Option, Resource Area, RAC Appointments, Fund Allocation) follow:

Payment Option. Under the new law, counties have the option to receive permanent and stable funding for local schools and roads. The County has seen a steady decline in Forest Reserve funds payment due to the decline in timber harvesting. The law simplifies the payment basis. It allows counties to opt for a dependable, predictable payment (full payment amount) based on the average of the highest three payments between FY 1986 and FY 1999. Every two years, counties will be allowed to choose to receive a payment based on the new law’s full payment amount, or counties may elect to receive their historic 25 percent payment. Once a county opts into the full payment amount under the new law, they remain in that payment plan through FY 2006.

Congress has ensured funding for the full payment amount option through FY 2006. Funding beyond that remains uncertain.

Counties, including Mariposa, that elect to receive the full payment amount and that receive more than $100,000, are required to allocate 15 to 20 percent of their funding for investments in county projects or for forest projects, or both.

Mariposa County will greatly increase the amount of funds received for road projects if the Board of Supervisors elects to receive the full payment amount. If this option is taken, then next year the County would probably receive more than $170,000 over what was received last year.

The FY 98 Payment (25% of Forest Receipts) totaled $199,070.66. Half of this went to local schools, and half ($99,534) to the County Road Fund. The FY 99 Payment totaled $164,925.55. Half of this went to local schools, and half ($82,463) to the County Road Fund.

If the County chooses the full payment option, the total Safety Net Payment is roughly estimated to be $600,000 per year. Assuming only 15% was diverted to local investment projects, the net Safety Net Payment is estimated to be $510,000 per year. Half of this would go to local schools, and half ($255,000) would go to the County Road Fund. The 15% local investments funds available for Title II and/or Title III projects is estimated to be $90,000 per year.

If the County chooses the full payment option, the first payment will likely be received during the fall of 2001 (between October 1 and December 31, 2001). The estimate of the likely safety-net payment to Mariposa County is preliminary, and may change as the Forest Service collects additional data. The estimate is based on the following assumptions: (1) that counties will invest only 15% of their gross safety-net payment in the local projects (the law allows a county to
invest between 15% and 20%); (2) that all counties who receive less than $100,000 in gross safety-net payments will choose to opt-out of the local investment projects; and (3) that all counties who received a 25% payment in FY 1999 that was greater than their expected gross safety-net payment, would also opt out of the local project investments.

Although the deadline for deciding whether or not to participate is not until September 30, 2001, staff recommends adopting a Resolution to participate as soon as possible. It is clearly more beneficial to participate in the Safety Net Payment program than to continue receiving only 25% of current Forest Reserve funds. In addition, the ensuing decisions and processes will not be further complicated by not having taken this step.

Resource Advisory Area. The new law stipulates that the Secretary of Agriculture will designate the boundaries of each Resource Advisory Committee. The boundaries may be organized on a single county, multiple county, national forest or BLM district basis. Before March 16, 2001, the Board of Supervisors must submit their recommendations to the Secretary of Agriculture on the geographical boundaries. In order to ensure that future Title II project funds are spent locally, staff recommends adopting a Resolution proposing to use the County boundaries as the RAC boundaries. To further enlarge it risks having those funds spent in other communities. To further reduce it would unnecessarily limit local projects from consideration.

RAC Appointments. The new law requires the Secretary of Agriculture to establish a Resource Advisory Committee (RAC) to review Title II project proposals and make recommendations to the Secretary and advise counties on Title II project proposals. The Secretary or the Secretary’s designee will make the appointments. Staff anticipates that a local U.S. Forest Services administrator will be designated. The law stipulates that the RAC will have a balance of interest consisting of 15 members, and that 1/3 will represent environmental interests, 1/3 will represent commodity interests, and 1/3 will represent local residents. Committee project recommendations require two-thirds majority from each of the environmental, industry, and local categories of committee members.

A Resource Advisory Committee must be formed by the Secretary no later than April 29, 2001 if Title II projects are to be funded next year. If only Title III projects will be funded next year, then the formation of the RAC can be delayed. If the Board anticipates funding Title II projects next year and desires the immediate formation of a RAC, then the Board can forward recommendations of RAC membership to the Secretary, but they must be received prior to April 28, 2001.

The Board may also choose not to forward any recommendations at this time, with anticipation of forming a RAC at a later time. Staff recommends that the
formation of a RAC be a joint effort between the County and Forest Service, at a time when we can ensure that a process is fair and open and all segments of the county have been given the opportunity to participate. Such a process cannot be completed in time this year, but can be conducted at a later date.

**Fund Allocation.** Besides guaranteeing stable funding for roads and schools, the new law sets aside at least 15% (but up to 20% if the Board chooses) to spend on either federal land projects (Title II) or County projects (Title III), or some combination. Title II funds will be allocated by the federal government. Title III funds will be allocated by the Board of Supervisors. The Board of Supervisors will decide how much of the estimated $90,000 per year will go to fund Title II and/or Title III projects.

**Title II** funds go directly to the United States Department of Agriculture (USDA), and will likely be allocated by local USDA Forest administrators to pay for projects. With these federal land projects, at least 50 percent of the projects shall be road maintenance, decommissioning or obliteration; or restoration of streams and watersheds. There is also a pilot project that would begin in FY 2001 that requires the Secretary concerned to ensure that 15 percent of federal land projects involving merchantable material shall be implemented using separate contracts to harvest and sell material. This percentage of merchantable projects implemented using separate contracts ramps up to 25 percent in FY 2002 – FY 2003, and to 50 percent in FY 2004 – FY 2006. Federal land projects can be on federal land, or on State or private lands, where projects would benefit federal land resources. Revenues generated from project funds are deposited in the Federal Treasury. The RACs will review and make recommendations on all Title II projects.

Environment assessments (EA), project oversight, and monitoring responsibilities for Title II projects will be the responsibility of the RAC. Due to the limited resources of the RAC, it may only be feasible to coordinate and blend all Title II projects with concurrent Forest Service projects. By using Title II funding on approved Forest Service projects, the RAC can take advantage of EA work already completed, and Forest Service commitment to provide the required implementation oversight and ongoing monitoring of completed projects.

**Title III** funds come directly to the County. As long as they are spent on one or more of six categories of county services, the Board of Supervisors decides how to allocate these funds. The six categories are:

- Search, Rescue and Emergency Services
- Community Service Work Camps
- Easement Purchases
- Forest Related Educational Opportunities
- Fire Prevention and County Planning
- Community Forestry
Search, Rescue and Emergency Services
Title III, Sec. 302 (b) (1) states: “An eligible 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.” The County may be able to purchase equipment in advance for such emergency services. At a minimum, the County will be able to reimburse itself for these expenses.

Community Service Work Camps
Title III, Sec. 302 (b) (2) states: “An eligible 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.” This could provide a funding source for starting such work crews in Mariposa County.

Fire Prevention and County Planning
Title III, Sec. 302 (b) (5) states: “A county may use these funds for efforts to educate homeowners in fire-sensitive ecosystems about the consequences of wildfires and techniques in home siting, home construction, and home landscaping that can increase the protection of people and property from wildfires; and planning efforts to reduce or mitigate the impact of development on adjacent Federal lands and to increase the protection of people and property from wildfires.”

A portion of these funds could be used towards the General Plan update. They could be used to fund a homeowner / home construction education program.

The remaining three are less common services. However, easement purchases might be useful to increase non-motorized access to a County park or favorite fishing hole; conservation easement purchases could be used to protect fish habitat, drinking water sources or the scenic view from a County park. Forest related educational opportunities are described in the bill as “forest-related after school programs.” If the County wanted to provide after school care for school age children, it could as long as the forest-related education is provided. Community forestry funds may be used for the “non-federal cost share” of certain urban reforestation programs that likely don’t pertain to Mariposa County.

When counties choose to spend all of the 15% for Title III projects all they need to do is (1) publish project descriptions in the local newspaper, (2) send project descriptions to the appropriate RAC, and (3) wait until the end of the 45-day public comment period. The RACs have no approval authority over Title III projects. The County will not have to negotiate with the RACs or Forest Service regarding the use of Title III funds.
The County can choose to allocate a certain percentage of the approximately $90,000 per year for Title II projects, a certain percentage for Title III projects, and a certain percentage to be returned to the Federal Treasury. The County may choose to allocate 100% to only one of these options. The allocation percentages can be changed from year to year. For next year, this decision must be made no later than September 30, 2001.

Staff recommends allocating 100% of next year’s allocation to Title III projects, as soon as possible, for the following reasons: 1) Knowing how much Title III project money will be available next fiscal year will assist in the development of the Recommended County Budget (some departmental budget requests may qualify for Title III funding), 2) Staff can begin facilitating the County project planning, development and approval process earlier, and with knowledge of available funding amount, 3) Staff can identify, study and recommend numerous projects qualifying for Title III funding in a short amount of time, but to do the same for projects qualifying for Title II funding could take years, 4) It is yet unknown what financial liability the County and/or RAC may have for monitoring Title II projects after FY 2006 when there could potentially be no reauthorization of RAC funding, and 5) More time is needed for forming the RAC if it is to be a joint effort between the County and Forest Service that ensures a fair and open process, and such a delay would prohibit funding Title II projects next fiscal year.

Staff may recommend otherwise in the future, when potential Title II projects can be carefully identified and if concerns for long-term responsibilities are mitigated.

Fiscal Impact

Last year the County Road Fund received $82,463 in Forest Reserve receipts. No more than that is expected in future years. Staff anticipates the revenues to continue to decline. By opting to participate in the Net Safety Payment program, the revenue will be replaced with a funding stream guaranteeing about $255,000 per year for the next six years.

If the County chooses to allocate the 15% local project funds entirely for Title III projects, the County will collect about $90,000 per year for the next six years for qualifying projects.

Attachments

A) Resolution to select Forest Reserve Payment System Opting in HR 2389 Safety Net
B) Resolution designating 15% of the Safety Net Full Payment Amount to be Allocated to Local Projects
C) Resolution Recommending Geographical Configuration of Resource Advisory Committee
D) Resolution designating the Amount of funding to be Assigned to Title II and Title III Projects