# JEFFERSON COUNTY
# BOARD OF COUNTY COMMISSIONERS

## WORKSHOP AGENDA REQUEST

**TO:** **Board of County Commissioners**

**FROM:** **Mark McCauley, County Administrator**

**DATE:** **7/17/2023**

**SUBJECT:** **County Distribution Percentages and Payment Method for Secure Rural Schools (SRS) Monies**

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**STATEMENT OF ISSUE:**

Periodically the Washington State Treasurer gives counties the option to change the distribution percentages for Title I, II and III monies made available under the Secure Rural Schools and Community Self Determination Act. Jefferson County's current allocation percentages, elected by the county last in 2022, are 85%, 13% and 2% for Titles I, II and III, respectively. We have been asked to confirm our existing distribution percentages or chose another distribution scheme. Failure to do this will result in these monies being distributed using the following default percentages: 80% to Title 1 and 20% to be distributed between Titles II and III (most likely to Title II).

The State Treasurer is also asking us to chose between the full SRS payment and our share of the State's 24-percent payment based on the 7-year rolling average of annual receipts.

**ANALYSIS:**

The Secure Rural Schools Act breaks payments into three distinct categories:

Title I - Roads & Schools
Counties generally receive the majority of Secure Rural Schools funds under Title I, which is designated for the benefit of public schools and public roads. In years when the Secure Rural Schools Act is reauthorized by Congress, Title I payments are made from the USDA Forest Service to states. States then distribute the payment to all eligible counties. The funds must be passed through to local governmental entities for use at the county level (but not necessarily to county governments themselves). Each state must spend the funds on road and school programs, and state law sets forth how the payments are to be allocated between road and school projects. The state laws differ widely, generally ranging from 30% to 100% for school programs.

Title II - Special Projects on Federal Lands
Counties typically receive 20% or less of Secure Rural Schools funds under Title II, which are used by willing Federal agencies, State and local governments, private and nonprofit entities, and landowners for protection, restoration and enhancement of fish and wildlife habitat, and other natural resource objectives on Federal land and on non-Federal land where projects would benefit these resources on Federal land.

Rather than being distributed to the State, Title II funds are retained by the Forest Service and are allocated to specific projects that have been reviewed and recommended by a local Resource Advisory Committee.

Resource Advisory Committees must initiate (recommend) Title II projects by September 30, 2025. Project funds must be obligated by Sept. 30, 2026

Title III - County Projects
Funds received under Title III are used to:

- carry out activities under the Firewise Communities program
- reimburse the participating county for search and rescue and other emergency services, including firefighting and law enforcement patrols
- cover training costs and equipment purchases directly related to the emergency service
- develop and carry out community wildfire protection plans.
- provide or expand access to broadband telecommunications services

In years when the Secure Rural Schools Act is reauthorized by Congress, Title III payments are made from the Forest Service to states. States then distribute the payment to all eligible counties.

Public Works relies heavily on the Secure Rural Schools Title I revenue which has been steadily reduced over time. The County makes up for some of these lost revenues by sharing PILT revenues received every year. Public Works recommends that the County keep the existing distribution percentages.

Title II monies are retained by the Forest Service and are allocated for specific projects recommended by a local Resource Advisory Committee.

The bulk of Jefferson County Title III monies have been used to hire a consultant to help us prepare Community Wildfire Protection Plans for our various communities. Remaining Title III funds will likely be devoted to buying search and rescue equipment.

Regarding which payment method to select the State Treasurer has provided an Estimated Payment Report, attached, which clearly shows that using the Full SRS Payment Amount would be preferable to the 7-year Rolling Average Amount. Our average SRS payment from 2018 through 2022 was about $382,000, much higher than the 7-year rolling average method.

**FISCAL IMPACT:**

If the Board of County Commissioners approve staff's recommendation this request will preserve the status quo and will have no fiscal impact. Should the Board choose to reduce the Title I distribution percentage, staff recommends consulting school districts who receive 50% of Title I funds. Said school districts include Queets-Clearwater, Brinnon, Quilcene, Chimacum and Port Townsend.

**RECOMMENDATION:**

That the Board approve maintaining the County's current Secure Rural Schools distribution percentages, select the Full SRS Payment Method and authorize the County Administrator to complete the "Election to Receive Payment and Allocate the State Payment Form" confirming their choices.

**REVIEWED BY:**

Mark McCauley, County Administrator — 7/5/23
Date

# FY 2023 Forest Service Payment to States, Public Law 117-58

## Election to Receive Payment

## Election to Allocate the State Payment

**By August 1, 2023 (midnight, mountain time), please complete and return all pages of this form to the U.S. Forest Service, Albuquerque Service Center, All Service Receipts (ASR) Section.**

By email: sm.fs.asc_asr@usda.gov

By fax: (877) 684-1422, ATTN: ASR

**A county's election to receive a payment and to allocate the State payment must be transmitted by the Governor's office or other appropriate executive office of the state such as State Treasurer, on behalf of the Governor. The Forest Service will not accept an election directly from a county or from any non-governmental organization acting on behalf of a county.**

### Election to Receive Payment

The State must transmit, for each county in which a national forest is situated, the county's election to receive a share of the Secure Rural Schools Act State payment or a share of the State's 25-percent payment based on the 7-year rolling average annual receipts. The State may use this form to transmit county elections to the Forest Service. If the State fails to transmit a county's election by the deadline of August 1, 2023 (midnight, mountain time), the county will be considered to have elected to receive a share of the State payment.

To assist States and counties in making an informed decision between the Secure Rural Schools Act and the 1908 Act Amended payment methods the Forest Service has created a worksheet with estimated payment amounts under both methods. These estimated State Payments are calculated using the formula described in the Act and the currently available data for historic payments, acreage, per capita personal income and assumes all affected counties will elect to receive a share of the State payment. The actual county shares of the State payment will be calculated only for counties that elect to receive a share of the State payment or the county payment (for BLM lands in western Oregon) and will be calculated using the updated acreage and per capital personal income amounts available in the fall of FY2023.

#### Election to Allocate the State Payment

Each county that elects to receive a share of the State payment must make an additional election to allocate the State payment. The guidelines for making the allocation vary depending on the amount of the county share of the State payment.

- **$100,000 or less. (Minor distribution)** An eligible county that elects to receive a share of the State payment that is $100,000 or less (a minor distribution) may elect to use 100-percent of its share for public roads and schools under Title I. **A county that elects to receive a minor distribution must make an affirmative election to use the 100-percent of its share for Title I purposes.** In the alternative, the county may opt to allocate 15-percent to 20-percent of its share to Title II, Title III , or a combination of both. The total percentage allocated to Title II and Title III combined must be no less than 15-percent and no greater than 20-percent. The county also may opt to return its allocation, in whole or part, to the Federal Government.
- **$100,001 to $349,999 (Moderate distribution)** If the county share of the State payment is more than $100,000 but less than $350,000, the county must allocate 15-percent to 20- percent of its share to Title II, Title III, or a combination of both. The total percentage allocated to Title II and/or Title III must be no less than 15-percent and no greater than 20-percent. The county also may opt to return its allocation, in whole or part, to the Federal Government.
- **$350,000 or greater (Major distribution)** If the county share of the State payment is $350,000 or greater, the county must allocate 15-percent to 20-percent of its share to Title II, Title III, or a combination of both, except that the allocation for Title III projects may not exceed 7-percent. The total percentage allocated to Title II and Title III combined must be no less than 15-percent and no greater than 20-percent. The county also may opt to return its allocation, in whole or part, to the Federal Government.

To provide maximum flexibility, projects funded under Title II must be initiated (reviewed and recommended by a resource advisory committee) by September 30, 2025, and Title II funds must be obligated by September 30, 2026. In addition, projects funded under Title III must be initiated by September 30, 2025, and Title III funds must be obligated by September 30, 2026.

An eligible county that fails to elect to allocate its share of the State payment shall be considered to have elected to expend 80-percent of the share for public schools and roads. The remaining 20-percent will be available to the Forest Service to carry out projects in the eligible county to further the purposes of Title II.

## Instructions for transmitting county elections.

In the following table, each state and county name are already populated to assist in the preparation of the form.

Enter an X in Column B for each county that elects to receive a share of the State's 25-percent payment (the 7-year rolling average of national forest receipts). Enter an X in Column C for each county that elects to receive a share of the Secure Rural Schools Act State payment.

For each county that elects to receive a share of the Secure Rural Schools Act State payment, refer to the allocation guidelines above and then enter a numerical percentage to indicate the county's allocation of its share of the State payment:

- Column D, enter the percent of county share of State payment to be allocated to public schools and roads;

- Column E, enter the percent of county share of State payment to be allocated to title II, Special Projects on national forests;
- Column F, enter the percent of county share of State payment to be allocated to title III, County Funds for uses authorized under title III;
- Column G, enter the percent of county share of State payment to be returned to the U.S. Treasury, if any:

| **State Name: Washington** | **Election to Receive Payment** | | **Allocation of the Secure Rural Schools Act State Payment** | | | | |
|---|---|---|---|---|---|---|---|
| | 25-percent of 7-year rolling average receipts | Secure Rural Schools Act State payment | Percent for Public Schools & Roads (Title I) | Percent for Title II, Special Projects | Percent for Title III, County Funds | Percent to Return to U.S. Treasury | Total of Column D, E, F, G |
| **County Name** | *For each county enter X in one of the columns below* | | *For each county with an X in Column C, enter a percentage (number) in the columns below, not to exceed 100 total* | | | | |
| *Column A* | *Column B* | *Column C* | *Column D* | *Column E* | *Column F* | *Column G* | *Total* |
| Asotin (003) | | | | | | | 0 |
| Chelan (007) | | | | | | | 0 |
| Clallam (009) | | | | | | | 0 |
| Clark (011) | | | | | | | 0 |
| Columbia (013) | | | | | | | 0 |
| Cowlitz (015) | | | | | | | 0 |
| Douglas (017) | | | | | | | 0 |
| Ferry (019) | | | | | | | 0 |
| Garfield (023) | | | | | | | 0 |
| Grays Harbor (027) | | | | | | | 0 |
| Jefferson (031) | | | | | | | 0 |
| King (033) | | | | | | | 0 |
| Kittitas (037) | | | | | | | 0 |
| Klickitat (039) | | | | | | | 0 |

| State Name: **Washington** | Election to Receive Payment | | Allocation of the Secure Rural Schools Act State Payment | | | | |
|---|---|---|---|---|---|---|---|
| | 25-percent of 7-year rolling average receipts | Secure Rural Schools Act State payment | Percent for Public Schools & Roads (Title I) | Percent for Title II, Special Projects | Percent for Title III, County Funds | Percent to Return to U.S. Treasury | Total of Column D, E, F, G |
| **County Name** | *For each county enter X in one of the columns below* | | *For each county with an X in Column C, enter a percentage (number) in the columns below, not to exceed 100 total* | | | | |
| *Column A* | *Column B* | *Column C* | *Column D* | *Column E* | *Column F* | *Column G* | *Total* |
| Lewis (041) | | | | | | | 0 |
| Mason (045) | | | | | | | 0 |
| Okanogan (047) | | | | | | | 0 |
| Pend Oreille (051) | | | | | | | 0 |
| Pierce (053) | | | | | | | 0 |
| Skagit (057) | | | | | | | 0 |
| Skamania (059) | | | | | | | 0 |
| Snohomish (061) | | | | | | | 0 |
| Stevens (065) | | | | | | | 0 |
| Thurston (067) | | | | | | | 0 |
| Walla Walla (071) | | | | | | | 0 |
| Whatcom (073) | | | | | | | 0 |
| Yakima (077) | | | | | | | 0 |
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*** **Please refer to page 4 for signature requirements** ***

## **Required Contact Information**

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| Preparer's name and title: | Preparer's mailing address: |
| Preparer's phone number: | |
| Preparer Signature: | Preparer's email: |