

Forest Management for Rural Stability Act of 2018 December 2018

Rural communities where the federal government owns most of the land have been strapped into the front seat of a financial roller coaster. For more than 100 years, counties with public forestlands received federal support, but faced the ups and downs of fluctuating and uncertain payments. Most recently, federal support has come through the Secure Rural Schools and Community Self-Determination Act (SRS), originally enacted in 2000. SRS has provided more than \$6 billion for essential county services, schools, and roads. However, SRS expires at the end of FY2018 and, with little chance of another reauthorization, counties' abilities to support good schools, safe roads and other essential services is again plunged into uncertainty.

It is time to provide much-needed certainty to the rural counties supporting our public lands. The Forest Management for Rural Stability Act ends the financial rollercoaster by creating a permanent endowment fund of stable, increasing and reliable funding for county services, separate from annual appropriations.

Highlights

- Along with an initial, one-time congressional appropriation to seed the new endowment fund (Fund), annual commercial receipts generated on Forest Service, National Wildlife Refuge Revenue Sharing (RRS), and Oregon and California (O&C) lands (managed by the Bureau of Land Management) will be deposited annually into the Fund. Receipts from each will be held in separate accounts within the Fund.
- As timber harvests on federal lands grow, funding to counties will also grow. Funds earned off the interest from the endowment's investments will finance payments to the counties.
- Payments to counties will have a baseline of no less than FY2017 SRS and RRS funding levels, and are distributed to counties using the SRS formula (with 85% of payments for Title I and 15% for Title III) and RRS formula.
- SRS Title I payments are used for roads and schools, and the Act expands the authorized uses of Title III, giving counties greater flexibility in using Title III payments.
- Payments to counties will continue to grow each year until payments from the fund equal the highest total SRS and RSS payment. At that point, counties will get both a stable base payment from the fund AND will receive traditional timber harvest receipts.
- Congress will charter a new non-profit corporation to manage the Fund. The corporation is independent from the U.S. Government to ensure the Fund is held in perpetuity and best serves the financial interest of the local governments receiving the payments.
- This Act guarantees counties a minimum payment while the Fund grows from its initial one-time seed appropriation. If at any time available earnings fall short of the payments required for that year, the shortfall will be made up from the Treasury.