

**STATEMENT OF
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**BEFORE THE
UNITED STATES HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON NATIONAL PARKS, FORESTS, AND PUBLIC LANDS**

**February 3, 2022
Regarding**

H.R. 6435 – To provide for the application of certain provisions of the Secure Rural Schools and Community Self-Determination Act of 2000 for fiscal year 2021

Chairman Neguse, Ranking Member Fulcher and Members of the Subcommittee, thank you for the opportunity to present the views of the U.S. Department of Agriculture on H.R. 6435, to provide for the application of certain provisions of the Secure Rural Schools and Community Self-Determination Act of 2000 for fiscal year 2021.

Overview

The Secure Rural Schools and Community Self-Determination Act of 2000 (SRS Act) provides critical funding for schools, roads, and other municipal services to more than 700 rural forested counties in 41 States and Puerto Rico.

The SRS Act provides these counties with the option of electing to receive a share of the State's 25-percent payment as calculated under the Act of May 23, 1908 (16 U.S.C. 500), or a share of the State formula payment as calculated under the SRS Act. We refer to this election as the county payment election. Both types of payments are made under the SRS Act.

For each fiscal year, the SRS formula payment for a forest county is a percentage share of the full funding SRS amount. The total of all of the counties' SRS formula payments equals the full funding SRS amount. County shares of the State's 25-percent payment are calculated separately because they are based on receipts from national forests, not the full funding SRS amount.

If a county elects to receive an SRS formula payment, the SRS Act requires counties to make a second election to allocate 15 to 20 percent of the payment for Title II or Title III. We refer to this election as the county allocation election. Title II funds are retained by the U.S. Department of Agriculture Forest Service and used for special projects on national forests that are recommended by local Resource Advisory Committees (RACs). Title III funds are distributed to the counties and may be spent on Firewise program activities, search and rescue and other emergency services, including training and equipment, and community wildfire protection plans. The remainder of the payment (80 to 85 percent) is used for Title I purposes (county roads and schools).

Congress locked-in the fiscal year 2013 county payment elections and county allocation elections in the reauthorization of the SRS payments for fiscal years 2014 and 2015 (P.L. 114-10). In each subsequent reauthorization of the SRS Act, Congress continued to lock-in county elections.

SRS Reauthorization for Fiscal Years 2021, 2022, and 2023

Section 41202 in Division D, title XII, of the Infrastructure Investment and Jobs Act (IIJA) (P.L. 117-58) authorized payments under the SRS Act for fiscal years 2021, 2022, and 2023 (payments to be made in fiscal years 2022, 2023 and 2024).

Section 41202 of the IIJA increased the full funding amount used to calculate the formula payments under the SRS Act to the full funding amount for fiscal year 2017. As a result, the full funding amount for the payments to forested counties and Bureau of Land Management Oregon and California Railroad Revested Lands counties for fiscal years 2021, 2022, and 2023 is \$282,043,153 for each year. Furthermore, section 41202 of the IIJA does not continue to lock-in the county payment elections and county allocation elections for fiscal years 2021, 2022, and 2023. Finally, section 41202 of the IIJA added broadband access for local schools as a permissible use of Title III funds.

The SRS Act contains deadlines for making county payment elections and county allocation elections. For the payment for fiscal year 2021, under these statutory deadlines, each Governor needed to submit the county payment elections to the Forest Service by August 1, 2021. If the deadline is not met, the SRS Act requires the Forest Service to apply the default election. Under the default election, counties are deemed to have elected to receive a formula payment. Additionally, for the payment for fiscal year 2021, under the SRS Act, each Governor needed to submit the county allocation elections for the formula payment by September 30, 2021. If the deadline is not met, counties are deemed to have allocated 20 percent for Title II purposes. The remaining 80 percent may be used for Title I purposes. These statutory deadlines were not met because the IIJA was enacted after the deadlines had passed; therefore, the default county payment and allocation elections apply to the fiscal year 2021 payments.

An increase in county payments could be anticipated given the increase in the full funding amount. However, payments using the default elections result in a decrease in the amount disbursed to counties because of the increase in the number of counties sharing the funding and the changes in the allocation between the Titles. The default election operates to switch the county payment election for 71 forest counties that previously had been locked-in to an election to receive a share of the State's 25-percent payment. These counties will instead receive an SRS formula payment for fiscal year 2021. Because the payments will be calculated as a percentage share of the full funding amount, more counties will share the full funding amount. Additionally, as a result of the county allocation default elections, counties that elect to receive Title III distributions will not receive these distributions. Counties that allocated less than 20 percent for Title II also will be affected. For example, a county that previously allocated 15 percent for Title II and 85 percent for Title I will receive less since the Title II payments are retained by the Agency for RAC-recommended projects.

H.R. 6435

The U.S. Department of Agriculture lacks the authority to extend the statutory deadlines for county payment elections and county allocation elections, or to continue the lock-in of the fiscal year 2013 county payment and allocation elections. H.R. 6435 would continue to lock-in the fiscal year 2013 elections for the payments for fiscal year 2021. Pursuant to the bill, counties that previously received a share of the State's 25-percent payment will continue to receive those payments.

H.R. 6435 also would have the effect of locking in the county payment elections for the payment for fiscal year 2022 because, under the SRS Act, the county payment election is made every two years (August 1, 2021, and August 1, 2023, under the current authorization). Therefore, the next opportunity to make a county payment election would be for the payment for fiscal year 2023. In the meantime, under the IJA, the county payment default election for the payment for fiscal year 2021 would remain in effect for the payment for fiscal year 2022. However, because the SRS Act provides for an annual county allocation election, counties would have an opportunity to make county allocation elections for the payment for fiscal year 2022.

We look forward to working with the bill sponsors and this Subcommittee on this issue. Thank you again for the opportunity to provide testimony on this bill.