

AGENDA COVER MEMORANDUM

AGENDA DATE: February 4, 2004
TO: LANE COUNTY BOARD OF COMMISSIONERS
FROM: LANE COUNTY INTERGOVERNMENTAL RELATIONS
PRESENTED BY: Anthony S. Bieda, IGR Manager
AGENDA TITLE: Re-authorization of "Secure Rural Schools...PL 106-393"

**ISSUE:**

In lieu of receiving proceeds from harvesting timber on public lands, Lane County – like dozens of other timber counties in the West and across the country -- has elected to receive safety net payments under a federal act that expires in two years. Re-authorizing or extending the act will require the advocacy and involvement of county officials before Congress. Lane County's support for re-authorization or extension of the act is worthy of review and discussion now, in order to plan and execute effective advocacy and outreach in the future.

BACKGROUND:

Public policy that defines the relationship between forest counties and the federal government, which owns 54% of the land mass in Lane County, has been set by the U.S. Congress, administrative rules of various federal agencies, and the federal courts.

The policy recognizes that 1) it is in the landholder's best interest – in this case the interest of the federal government and its agencies – to see healthy communities created and sustained in close proximity to the federal lands; 2) that local government has a key role to play in preserving the peace and well-being of those communities and 3) because the federal government does not pay property taxes, other arrangements must be in place to ensure that the cost of protecting and sustaining public lands and adjacent communities includes an appropriate contribution from the federal government.

Prior to the mid-80s, that policy was reflected in revenue-sharing arrangements that dedicated some of the proceeds from timber harvested on public lands in Lane County to county schools, roads and the county general fund. At the apex of the timber harvest curve, Lane County was receiving more than \$16 million

dollars in general fund support from timber revenues, and the county road fund was receiving support of \$25.9 million.

Changes to federal priorities for managing and regulating the extraction of natural resources from public lands during the last 15 years have curtailed the amount and value of timber harvested from public lands in Lane County, causing precipitous declines in the contribution by the federal government toward funding local government, schools and roads. In lieu of receipts from timber harvests, policy makers have created safety-net payments to counties to help sustain the safety and well-being of communities and the funding of local government.

The most recent safety net payments to counties act – P.L. 106-393 -- was passed by Congress in 2000 thanks to the effective advocacy of Oregon's congressional delegation. It began providing resources to Lane County government in the 2001-02 fiscal year. It expires in 2006-07.

In contrast, revenue available to the Lane County general fund based on actual harvest has declined to \$3.7 million a year, based on 2002 records.

CONSIDERATIONS:

Since Congress passed the "Secure Rural Schools and Community Self-Determination Act" (PL 106-393), Lane County government has been able to stabilize and, to a great degree, preserve the level of services it provides its 324,000 residents. The additional resources have helped to offset operating deficits, expand utilization of the county's forest work camp, and fortify the county's road fund.

Resources from the act have also contributed to a transformation of the way federal forests are managed in the county, establishing a collaborative decision-making process for initiating forest health, conservation, habitat restoration and recreation facilities improvement projects. Members of local environmental, industry, and tourism groups sit on Resource Advisory Committees that determine how to spend project funds in the Siuslaw, Willamette and Rogue-Umpqua forests (U.S. Department of Agriculture, Forest Department) as well as O&C public lands (U.S. Department of Interior, Bureau of Land Management).

Some examples of how payments under "Secure Rural Schools..."are having a positive impact on Lane County:

- About \$6 million a year flow to the county general fund, diminishing an operating deficit that would have required massive reductions in workforce

and service levels, making it more difficult for the county to provide appropriate levels of public health and safety. (Title I)

- More than \$8.4 million a year go to the county road fund. This infusion will enable the county's 1,430 miles of roads and bridges to be better maintained and repaired, facilitating better flow of people and goods throughout the 2,484 square miles of Forest Service and BLM land in the county. (Title I)
- About \$2.8 million a year flow to school districts in Lane County through the state's equalization funding mechanism. (Title I)
- About \$4 million a year is set aside for Title II projects on federal lands, including fuel load reduction through pre-commercial thinning, improved fish passage through culvert replacements, enhancements to trails and picnic/camping facilities, habitat restoration and noxious weed abatement.
- Nearly \$5 million a year is available for Title III projects, some of which sustained the expansion of operations at the Forest Work Camp, youth corrections work crews, sheriff's patrols in forest communities, expanded search and rescue capabilities, and acquisition of land conservation easements.

In summary, Lane County has directed the resources toward purposes and uses that align with those of Congress, while meeting the healthy and safety needs of citizens.

DISCUSSION:

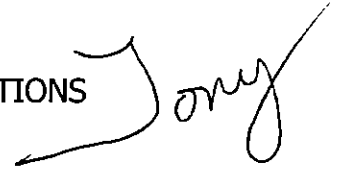
The Board acknowledges that because of the financial impact of the safety net payments derived from Secure Rural Schools, Lane County is and will continue to be a major stakeholder in the continuation of the act.

CONTACT:

Anthony S. Bieda, 541-682-6504
tony.bieda@co.lane.or.us

AGENDA COVER MEMORANDUM

AGENDA DATE: February 4, 2004
TO: LANE COUNTY BOARD OF COMMISSIONERS
FROM: LANE COUNTY INTERGOVERNMENTAL RELATIONS
PRESENTED BY: Anthony S. Bieda, IGR Manager
AGENDA TITLE: Community Corrections Funding/SB 1145

**ISSUE:**

Lane County's voluntary participation in the community corrections program created by SB 1145 (ORS 423.478) provides sanctions, supervision and treatment for a category of offenders who were once the responsibility of the Oregon Department of Corrections. If disappropriations to the community corrections budget occur May 1 as contemplated under HB 5077, state support to Lane County for the program will drop by nearly \$1.8 million for the biennium, falling below baseline funding levels, and enabling the county to decide, for the second time in 12 months, whether to remain in the program or return it to the state.

BACKGROUND:

Community corrections includes all adult parole and probation services for the state, and the responsibility for offenders who otherwise would have spent 12 months or less in the state prison system (the "local control" population).

Statewide, the local control population consists of about 1,600 offenders; the total community corrections caseload is about 30,000 offenders. Approximately 3,300 offenders are on community supervision at the present time in Lane County.

Unique to the community corrections partnership with the state are statutory provisions that allow a county to opt out of the program if state support falls below specified levels. A 180-day advance notice is required. The county would forego community corrections resources from the state, should it elect to opt out of the program; it would also relinquish control and authority over the local control and parole and probation populations, and the personnel required to operate the programs. The state's capital investment in an expanded county jail could be an issue as well.

In 2003, when the legislature's proposed funding level for Community Corrections fell below the base, Lane County and at least two other counties notified the state of their intentions to return the program. When the legislature subsequently decided to fund the program at an appropriate level, Lane County rescinded its notification.

ANALYSIS:

A number of factors enter into consideration of whether or not to discontinue Lane County's participation in SB 1145 programs, should the disappropriations occur per statute in the 4th Quarter of the 2003-04 fiscal year. They include:

- **Timing.** Sending notification of intent to opt out can occur any time during the biennium, but may have more impact if it occurs in concert with notifications from other counties or as part of a coalition strategy to restore funding to an appropriate level.
- **Sources to restore the state appropriation.** Additional revenue is forecast to be available as the state's economy has started to improve. However, the revenue would be applied first to backfill the loss resulting from the defeat of Measure 30 (Measure 30 accounts for more than \$800 million in new revenue; HB 5077 orders disappropriations of less than \$600 million.)
- **Authority and process for restorals.** Clearly the legislature meeting in special session or in regular session (January 2005) has the authority to appropriate funds sufficient to backfill some or all of the disappropriations contained in HB 5077; the Emergency Board has a narrow authority to re-balance the budget of the Department of Corrections, but that may not include reducing appropriations to D.O.C. institutions in order to fund community corrections; the Governor is unlikely to make such restorals on his own authority, and would likely be challenged in court by the legislature if he did so.
- **Long-term viability of county-provided community corrections programs.** Without a clear and consistent message from county governments that retention of this program is conditional on sufficient funding from the state, community corrections will become another competitor for limited general fund discretionary resources and may lose even more support in subsequent legislative budgets.

DISCUSSION:

The Board will discuss the status of funding for SB 1145/community corrections in the wake of the public vote on Measure 30, and direct staff to provide additional information and analysis as appropriate, in a specific timeframe, to enable the Board to decide how to proceed in this public safety partnership with the state.

CONTACT:

Anthony S. Bieda, 541-682-6504
tony.bieda@co.lane.or.us