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**AGENDA COVER MEMO**

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AGENDA DATE: May 7, 2003

TO: LANE COUNTY BOARD OF COMMISSIONERS

DEPT.: LANE COUNTY ADMINISTRATOR'S OFFICE

PRESENTED BY: John R. Arnold, Management Analyst II

AGENDA ITEM TITLE: In the matter of making certain elections to receive O&C and National Forest land related payments pursuant to "Secure Rural Schools and Community Self-Determination Act of 2000" - P.L. 106-393.

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**I.MOTION:** MOVE TO APPROVE BOARD ORDERS 03-05-07-xx MAKING ELECTIONS PURSUANT TO "THE SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000".

**ISSUE OR PROBLEM:** Each year, the "Secure Rural Schools and Community Self-Determination Act of 2000" requires the Board to make certain elections to distribute funds to Lane County and the Resource Advisory Committees (RACs) that represent Federal lands in Lane County.

**DISCUSSION:** The elections proposed in these two Board Orders are identical to those made last year in Board Order 02-5-29-03.

A. Background: The Federal statute provides fund for schools, roads and county general funds in Title I and provides funds for projects on federal lands and county projects in Titles II and III. The primary election, the choice of either the traditional share of timber sale revenue or the new full payment amount was made two year ago and remains in effect for the entire six years of the statute. The act requires that the Board make certain other elections by September 30 of each year. However, the County's budget process requires the Board to determine the funds it will allocate to Title III now so that FY 03-04 projects supported by these funds can be approved by the Budget Committee. In addition the RACs will begin meeting this June to select Federal projects for FY 03-04 and would benefit by knowing the amount of Title II funds allocated by Lane County.

The Legislative Committee has provided a recommendation to the Board for the allocation of Title II funds among the three Forest Service Resource Advisory Committees (RAC) that cover Lane County. In FY 02-03, the Board allocated 72 percent to the Hood-Willamette RAC, 17.4 percent to the Siuslaw RAC and 10.6 percent to the Rogue-Umpqua RAC. The proposed FY 03-04 allocation remains unchanged from the prior year. The Legislative Committee

further recommends that 100% of Title II funds under the O&C lands be allocated to the Eugene District BLM RAC for FY 03-04, an identical allocation to the previous year.

B. Analysis

Each year the dollar amount of funds made available to counties increases based on half the annual inflation rate. In a previous action today, the Legislative Committee and the Board directed an allocation to Title II and Title III funds of 49 and 51 percent respectively. Assuming that annual inflation from September 2002 to September 2003 is at least 2.6 percent, the 49/51 percent allocation will provide \$4.46 million for Title II in FY-03/04 and \$4.63 million for Title III.

C. Alternatives/Options

The elections for Title II could be made in dollar terms instead of percentage to ensure that funds for FY-04 remain constant. Using the percentage split in the proposed means that both County and Federal projects share the risk and benefits of the inflation adjustment.

D. Implications

The decision made in this Board Order effectively limits the ability of the County to fund additional projects. Current fund balance reserves will be used to fund ongoing and one-time projects in excess of FY 03-04 Title III revenue. If inflation or interest earnings are especially low this year, the amount of Title III funds may be slightly reduced for FY04.

E. Recommendations Move to adopt the order as drafted and with the allocations to the Forest Service and BLM RACs.

F. Timing

Decisions contained in these orders are needed to complete the FY 03-04 budget.

IV. IMPLEMENTATION/FOLLOW-UP:

The decisions contained in these orders will be forwarded to the State of Oregon and Federal Departments of Interior and Agriculture. Please note that two original Board Orders are requested for the O&C and National Forest per the request of O&C Counties/AOC representatives.

V. ATTACHMENTS:

- A. Proposed Board Order making elections for O&C lands
- B. Proposed Board Order making elections for National Forest lands.

IN THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO. 03-5-07

) In the Matter of Making Certain  
) Elections to Receive **O&C Land**  
) Related Payments Pursuant to  
) The Secure Rural Schools and  
) Community Self-Determination Act of  
2000. P.L. 106-393.

WHEREAS, Congress enacted in 1937 and subsequently amended a law that requires that 75 percent of the revenues derived from revested Oregon and California Railroad grant lands ("O&C Lands") be paid to counties in which the lands are situated, of which 50 percent has been available for use as general county funds; and

WHEREAS, the sharing of revenues from the O&C Lands is, in part, a recognition that these lands are not subject to local taxation, and also that counties provide services that directly benefit the lands and the people who use the lands; and

WHEREAS, the principal source of revenues from O&C Lands is from the sale and removal of timber, and which has been sharply curtailed in recent years; and

WHEREAS, the volume of timber sold annually from O&C Lands has declined precipitously, with a corresponding precipitous decline in revenues shared with counties; and

WHEREAS, the United States Congress recognized a need to stabilize communities through predictable payments to the affected counties, job creation in those counties, and other opportunities associated with restoration, maintenance and stewardship of federal lands, and to achieve those goals enacted P.L. 106-393 in 2000; and

WHEREAS, P.L. 106-393 provides for guaranteed minimum payments for the benefit of affected counties, as well as an opportunity to invest a portion of the guaranteed minimum payments in projects or activities on federal lands, or in county projects or activities; and

WHEREAS, Title I, Section 103 of P.L. 106-393 gives each eligible county the right to elect to receive either its traditional share of revenues from the O&C Lands, or

instead to receive the guaranteed minimum amount, also known as the "full payment amount;" and

WHEREAS, the election to receive either the full payment amount, or instead, the traditional share of revenues, must be communicated to the Secretary of the United States Department of the Interior; and

WHEREAS, an election to receive the full payment amount is effective for all federal fiscal years through fiscal year 2006; and

WHEREAS, Lane County is an eligible, affected county with the right to make an election pursuant to Title I, Section 103 of P.L. 106-393; and

WHEREAS, any county electing to receive the full payment amount must further elect to expend not less than 15 percent nor more than 20 percent of its full payment amount as project funds in accordance with Title I, Section 103(c)(1)(A) of P.L. 106-393; and

WHEREAS, Title I, Section 103(c)(1)(B) of P.L. 106-393 requires that counties electing to receive the full payment amount must allocate its project funds for expenditure between projects in accordance with Title II of P.L. 106-393, projects in accordance with Title III of P.L. 106-393, and a return of the balance unspent under Title II and Title III to the General Treasury of the United States, and communicate such allocation to the Secretary of the United States Department of the Interior; and

WHEREAS, Title II of P.L. 106-393 provides for special projects on federal lands or that benefit resources on federal lands, which projects are nominated by local resource advisory committees ("RACs"); and

WHEREAS, RACs recommend projects for consideration by the Secretary of the Interior, with project funding supplied in whole or in part out of monies allocated for such purposes by participating counties; and

WHEREAS, counties that allocate funding to projects under Title II of P.L. 106-393, and are participants in more than one RAC, may further direct that their Title II project funds be divided between different RACs according to an allocation decided by each participating county, with such funds held in the General Treasury of the United States under the name of the county with the amount allocated to each RAC; and

WHEREAS, Title III of P.L. 106-393 provides for county projects or services, some of which are associated with federal lands, with Title III authorizing expenditures for search, rescue and emergency services, staffing of community service work camps, the purchase of easements, forest related educational opportunities, fire prevention and

planning, and community forestry pursuant to the Cooperative Forest Assistance Act of 1978; and

WHEREAS, in 2001, Lane County elected to receive its full payment amount rather than electing to receive its traditional share of O&C Lands revenues, and that election is binding through federal fiscal year 2006:

NOW, THEREFORE, IT IS HEREBY ORDERED that Lane County allocates 15 percent of its full payment amount for expenditure on projects under Title II and Title III of P.L. 106-393. Lane County will return none (zero percent) of its full payment amount to the General Treasury of the United States pursuant to Title I, Section 103(c)(1)(B)(iii).

Of the total amount allocated to Title II and Title III projects above in the preceding paragraph, hereinafter referred to as the "Project Funds," Lane County further allocates between such Titles for federal fiscal year 2003 (for expenditure after federal fiscal year 2003) on the following basis: 49 percent of Project Funds for expenditure on Title II projects and 51 percent of the Project Funds for expenditure on Title III projects.

Of the amount of Project Funds allocated to Title II projects in the preceding paragraph, Lane County further allocates between RACs as follows:

0 percent to the Salem District RAC

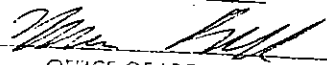
100 percent to the Eugene District RAC

0 percent to the Roseburg District RAC

ADOPTED this \_\_\_\_ day of May, 2003.

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Peter Sorenson, Chair  
Lane County Board of Commissioners

APPROVED AS TO FORM  
Date 4-28-03 lane county  
  
OFFICE OF LEGAL COUNSEL

IN THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO. 03-5-07

) In the Matter of Making Certain  
) Elections to Receive **O&C Land**  
) Related Payments Pursuant to  
) The Secure Rural Schools and  
) Community Self-Determination Act of  
2000. P.L. 106-393.

WHEREAS, Congress enacted in 1937 and subsequently amended a law that requires that 75 percent of the revenues derived from revested Oregon and California Railroad grant lands ("O&C Lands") be paid to counties in which the lands are situated, of which 50 percent has been available for use as general county funds; and

WHEREAS, the sharing of revenues from the O&C Lands is, in part, a recognition that these lands are not subject to local taxation, and also that counties provide services that directly benefit the lands and the people who use the lands; and

WHEREAS, the principal source of revenues from O&C Lands is from the sale and removal of timber, and which has been sharply curtailed in recent years; and

WHEREAS, the volume of timber sold annually from O&C Lands has declined precipitously, with a corresponding precipitous decline in revenues shared with counties; and

WHEREAS, the United States Congress recognized a need to stabilize communities through predictable payments to the affected counties, job creation in those counties, and other opportunities associated with restoration, maintenance and stewardship of federal lands, and to achieve those goals enacted P.L. 106-393 in 2000; and

WHEREAS, P.L. 106-393 provides for guaranteed minimum payments for the benefit of affected counties, as well as an opportunity to invest a portion of the guaranteed minimum payments in projects or activities on federal lands, or in county projects or activities; and

WHEREAS, Title I, Section 103 of P.L. 106-393 gives each eligible county the right to elect to receive either its traditional share of revenues from the O&C Lands, or

instead to receive the guaranteed minimum amount, also known as the "full payment amount;" and

WHEREAS, the election to receive either the full payment amount, or instead, the traditional share of revenues, must be communicated to the Secretary of the United States Department of the Interior; and

WHEREAS, an election to receive the full payment amount is effective for all federal fiscal years through fiscal year 2006; and

WHEREAS, Lane County is an eligible, affected county with the right to make an election pursuant to Title I, Section 103 of P.L. 106-393; and

WHEREAS, any county electing to receive the full payment amount must further elect to expend not less than 15 percent nor more than 20 percent of its full payment amount as project funds in accordance with Title I, Section 103(c)(1)(A) of P.L. 106-393; and

WHEREAS, Title I, Section 103(c)(1)(B) of P.L. 106-393 requires that counties electing to receive the full payment amount must allocate its project funds for expenditure between projects in accordance with Title II of P.L. 106-393, projects in accordance with Title III of P.L. 106-393, and a return of the balance unspent under Title II and Title III to the General Treasury of the United States, and communicate such allocation to the Secretary of the United States Department of the Interior; and

WHEREAS, Title II of P.L. 106-393 provides for special projects on federal lands or that benefit resources on federal lands, which projects are nominated by local resource advisory committees ("RACs"); and

WHEREAS, RACs recommend projects for consideration by the Secretary of the Interior, with project funding supplied in whole or in part out of monies allocated for such purposes by participating counties; and

WHEREAS, counties that allocate funding to projects under Title II of P.L. 106-393, and are participants in more than one RAC, may further direct that their Title II project funds be divided between different RACs according to an allocation decided by each participating county, with such funds held in the General Treasury of the United States under the name of the county with the amount allocated to each RAC; and

WHEREAS, Title III of P.L. 106-393 provides for county projects or services, some of which are associated with federal lands, with Title III authorizing expenditures for search, rescue and emergency services, staffing of community service work camps, the purchase of easements, forest related educational opportunities, fire prevention and

planning, and community forestry pursuant to the Cooperative Forest Assistance Act of 1978; and

WHEREAS, in 2001, Lane County elected to receive its full payment amount rather than electing to receive its traditional share of O&C Lands revenues, and that election is binding through federal fiscal year 2006:

NOW, THEREFORE, IT IS HEREBY ORDERED that Lane County allocates 15 percent of its full payment amount for expenditure on projects under Title II and Title III of P.L. 106-393. Lane County will return none (zero percent) of its full payment amount to the General Treasury of the United States pursuant to Title I, Section 103(c)(1)(B)(iii).

Of the total amount allocated to Title II and Title III projects above in the preceding paragraph, hereinafter referred to as the "Project Funds," Lane County further allocates between such Titles for federal fiscal year 2003 (for expenditure after federal fiscal year 2003) on the following basis: 49 percent of Project Funds for expenditure on Title II projects and 51 percent of the Project Funds for expenditure on Title III projects.

Of the amount of Project Funds allocated to Title II projects in the preceding paragraph, Lane County further allocates between RACs as follows:

0 percent to the Salem District RAC

100 percent to the Eugene District RAC

0 percent to the Roseburg District RAC

ADOPTED this \_\_\_\_ day of May, 2003.

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Peter Sorenson, Chair  
Lane County Board of Commissioners

APPROVED AS TO FORM

Date 4-28-03 lane county

  
OFFICE OF LEGAL COUNSEL



IN THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO. 03-5-07

) In the Matter of Making Certain  
) Elections to Receive **National Forest**  
) Related Payments Pursuant to  
) The Secure Rural Schools and  
) Community Self-Determination Act of  
2000. P.L. 106-393.

WHEREAS, Congress enacted in 1908 and subsequently amended a law that requires that 25 percent of the revenues derived from National Forest lands be paid to states for use by the counties in which the lands are situated for the benefit of public schools and roads; and

WHEREAS, the sharing of revenues from the National Forest lands is, in part, a recognition that these lands are not subject to local taxation, and also that counties provide services that directly benefit the lands and the people who use the lands; and

WHEREAS, the principal source of revenues from National Forest lands is from the sale and removal of timber, and which has been sharply curtailed in recent years; and

WHEREAS, the volume of timber sold annually from most National Forest lands has declined precipitously, with a corresponding precipitous decline in revenues shared with counties; and

WHEREAS, the United States Congress recognized a need to stabilize education and road maintenance funding through predictable payments to the affected counties, job creation in those counties, and other opportunities associated with restoration, maintenance and stewardship of federal lands, and to achieve those goals enacted P.L. 106-393 in 2000; and

WHEREAS, P.L. 106-393 provides for guaranteed minimum payments for the benefit of affected counties, as well as an opportunity to invest a portion of the guaranteed minimum payments in projects on federal lands or that benefit resources on federal lands, or in county projects or activities; and

WHEREAS, Title I, Section 102 of P.L. 106-393 gives each eligible county the right to elect to receive either its traditional share of revenues from the National Forest lands pursuant to the Act of May 23, 1908 and Section 13 of the Act of March 1, 1911,

or instead to receive the guaranteed minimum amount, also known as the "full payment amount;" and

WHEREAS, the election to receive either the full payment amount, or instead, the traditional share of revenues, must be communicated to the Governor of Oregon, who in turn must communicate the election by each county to the Secretary of the United States Department of Agriculture; and

WHEREAS, an election to receive the full payment amount is effective for all federal fiscal years through fiscal year 2006; and

WHEREAS, Lane County is an eligible, affected county with the right to make an election pursuant to Title I, Section 102 of P.L. 106-393; and

WHEREAS, any county electing to receive the full payment amount must further elect to expend an amount not less than 15 percent nor more than 20 percent of its full payment amount as project funds in accordance with Title I, Section 102(d)(1)(A) of P.L. 106-393; and

WHEREAS, Title I, Section 102(d)(1)(B) of P.L. 106-393 requires that counties electing to receive the full payment amount must allocate its project funds for expenditure between projects in accordance with Title II of P.L. 106-393, projects in accordance with Title III of P.L. 106-393, and a return of the balance unspent under Titles II and III to the General Treasury of the United States, and communicate such allocation to the Secretary of the United States Department of Agriculture; and

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planning, and community forestry pursuant to the Cooperative Forest Assistance Act of 1978; and

WHEREAS, in 2001, Lane County elected to receive its full payment amount rather than electing to receive its traditional share of National Forest revenues, and that election is binding through federal fiscal year 2006:

NOW, THEREFORE, IT IS HEREBY ORDERED that Lane County allocate 20 percent of its full payment amount for expenditure on projects under Title II and Title III of P.L. 106-393. Lane County will return none (zero percent) of its full payment amount to the General Treasury of the United States pursuant to Title I, Section 102(d)(1)(B)(iii).

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Of the amount of Project Funds allocated to Title II projects in the paragraph above, Lane County further allocates between RACs as follows:

10.6 percent to the Rogue / Umpqua RAC.

17.4 percent to the Siuslaw RAC.

72.0 percent to the Hood / Willamette RAC.

ADOPTED this \_\_\_ day of May, 2003.

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Peter Sorenson, Chair  
Lane County Board of Commissioners

APPROVED AS TO FORM

Date 4-28-03 lane county



OFFICE OF LEGAL COUNSEL

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WHEREAS, the election to receive either the full payment amount, or instead, the traditional share of revenues, must be communicated to the Governor of Oregon, who in turn must communicate the election by each county to the Secretary of the United States Department of Agriculture; and

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10.6 percent to the Rogue / Umpqua RAC.

17.4 percent to the Siuslaw RAC.

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ADOPTED this \_\_\_\_ day of May, 2003.

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Peter Sorenson, Chair  
Lane County Board of Commissioners

APPROVED AS TO FORM

Date 4-28-03 lane county

  
OFFICE OF LEGAL COUNSEL