

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

August 8, 2023

FROM

LEONARD X. HERNANDEZ, Chief Executive Officer, County Administrative Office

SUBJECT

Ratification Action to Elect to Continue to Receive Funding Under the Secure Rural Schools and Community Self-Determination Act of 2000

RECOMMENDATION(S)

Ratify the Chief Executive Officer's election to continue to receive a share of funding from the Federal Secure Rural Schools and Community Self-Determination Act of 2000, as amended, under the State of California's 25-percent rolling average payment option.

(Presenter: Leonard X. Hernandez, Chief Executive Officer, 387-4811)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The County has elected to continue to receive the Secure Rural Schools and Community Self-Determination (SRS) Act funding under the 25-percent rolling average payment method. Based on the estimated payment report obtained by the United States Forest Service website, which was updated on May 25, 2023, the estimated minimum County share is \$785,200 for 2023. These funds will be split equally between the County and public schools in accordance with Government Code section 29484, resulting in the County receiving an estimated share of \$392,600. These funds are not currently accounted for in the County's 2024 Budget. A recommendation regarding the use of these funds will be included in a future budget report.

BACKGROUND INFORMATION

In 1908, Congress enacted a law that requires 25-percent of the revenues derived from National Forest System lands be paid to states for use by the counties in which the lands are situated for the equal benefit of public schools and roads. These Forest System revenues had been collected primarily from timber sales, however, as timber sales declined revenue to counties also declined. As a result of this decline, Congress recognized the need to stabilize payments to counties, and on October 30, 2000, the SRS Act of 2000, Public Law No. 106-393, was enacted. The SRS Act provided five years (fiscal years 2002 through 2006) of transitional assistance to rural counties affected by the decline in revenue from timber harvests on federal lands and provided the counties with the option to remain under the 25-percent Payment Method with fluctuating funding levels or change to the Full Payment Method, that required counties to designate 15% to 20% of these revenues be allocated to either Title II or Title III projects under the Act.

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On September 4, 2001 (Item No. 6), the Board of Supervisors (Board) approved changing from the 25-percent Payment Method to the Full Payment Method with 20% of the funds being used for Title III projects. Title III involves County projects that may include search and rescue services, community service work camps, easement purchases, forest related educational opportunities, fire prevention, county planning to reduce the impact of development on adjacent Federal lands, or community forestry. This election was utilized through Federal fiscal year 2006-07.

On May 25, 2007, the Iraq Accountability Appropriations Act of 2007, Public Law No. 110-28 included a provision for payments to States and Counties for fiscal year 2007 and extended provisions of Title II and Title III of the SRS Act for one more year. As a result of this extension, on September 18, 2007 (Item No. 43), the Board elected to continue with the Full Payment Method and continue to utilize 20% of the funds for Title III projects.

On October 3, 2008, Public Law No. 110-343 (Emergency Economic Stabilization Act of 2008) included a section that amended and reauthorizes the SRS Act for fiscal years 2008 through 2011. Counties were required to elect to receive one of the following payments: (1) a share of the State's 25-percent rolling average payment or (2) a share of the State payment (formula payment). For California, the State payment is actually a transition payment in lieu of the State payment. If the 25-percent payment option was elected, the election was effective for two years and the funding would be split equally between public schools and roads. If the State payment was selected, the election could not be changed in subsequent years. Additionally, the State payment option required counties to provide an allocation of 15% to 20% of its share to Title II, Title III, or a combination. As a result of this extension and upon review and analysis of the data provided by the U.S. Forest Service of these two options, on December 9, 2008 (Item No. 80), the Board elected to receive payment under the State's 25-percent rolling average payment.

On August 10, 2010 (Item No. 21), the Board approved the County's election to continue to receive its share of funding from the SRS Act under the State's 25-percent rolling average payment option. In 2010, this election provided the County with a share of \$317,916 versus a projected State payment of \$249,735.

On July 6, 2012, the SRS Act was reauthorized for federal fiscal year 2012 as part of Public Law 112-141. On August 7, 2012 (Item No. 23), the Board approved the County's election to continue to receive its share of funding from the SRS Act under the State's 25-percent rolling average payment option. In 2012, this election provided the County with a share of \$293,219 versus a projected State payment of \$185,918.

On, November 15, 2021, the Secure Rural Schools program was reauthorized for three years (2021-23) by the 2021 Infrastructure Bill and became Public Law No. 117-58.

On July 5, 2023, the County was contacted by the California State Association of Counties regarding the requirement to complete and submit an "FY 2023 Payment to States Title Election Form," which outlines how each qualifying county will be allocating SRS funds. Upon review and analysis of the data provided by the Federal Forest Service of the two options to receive payment, it is recommended the County elect to continue to receive payments under the State's 25-percent rolling average payment. In 2023, this election will provide the County with an estimated share of \$392,600 versus a projected State payment of \$167,500. Currently, there is no information on future SRS reauthorizations after 2023.

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This ratification is necessary as the SRS Act allocation identification was needed by July 20, 2023, to meet the United States Forest Service August 1, 2023 deadline. In order to meet the required deadline, the FY 2023 Payment to States Title Election Form was reviewed, approved and signed by County Counsel on July 19, 2023, and the Chief Executive Officer on July 20, 2023.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Julie Surber, Principal Assistant County Counsel, 387-5455) on July 25, 2023; Finance (Carl Lofton, Administrative Analyst, 387-5404) on July 25, 2023; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on July 25, 2023.

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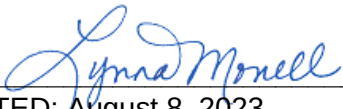
Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Joe Baca, Jr.

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: August 8, 2023



cc: File- Administrative Office

LA 08/9/2023