



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(revised 12/31/09)

APPROVED: MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-13 DATE 6/17/2010
LYNDA GROW, BOARD CLERK

Board Clerk Use Only

Meeting Date: 6/17/2010
Agenda Item #: R-13
Est. Start Time: 11:30 AM

Agenda Title: Authorizing Election to Receive **National Forest** Related Safety-Net Payments for Federal Fiscal Year 2010

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.

Requested Meeting Date:	<u>June 17, 2010</u>	Amount of Time Needed:	<u>5 minutes</u>
Department:	<u>County Management</u>	Division:	<u>Director's Office</u>
Contact(s):	<u>Mike Waddell</u>		
Phone:	<u>503.988.4283</u>	Ext.	<u>84283</u>
Presenter(s):	<u>Mike Waddell</u>	I/O Address:	<u>503/531</u>

General Information

1. What action are you requesting from the Board?

The department is requesting Board approval of a Resolution electing the method of US Forest Service Safety Net Payments to Multnomah County for Federal Fiscal Year 2010.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

In 2008, Congress and the President approved a modified extension of the Secure Rural Schools and Community Self-Determination Act of 2000 (PL106-393) that provides payments to forest counties for land held by the federal government. Originally, payments to counties represented shares of forest yields on those public lands, but as sale of timber has diminished the federal government has provided safety-net payments in lieu of actual timber sale proceeds.

The new legislation, Secure Rural Schools 2008 or "SRS 2008," provides for a decreasing payment schedule of these safety-net payments over a four-year period beginning in 2008 and ending in 2011. New to SRS 2008 is a tightening of funds available to Counties under Title III of the act, that now provides funding for a limited number of eligible projects: Search, rescue and emergency services on public lands; Fire prevention and planning under the Firewise Communities program; and Development of community wildfire protection plans.

3. Explain the fiscal impact (current year and ongoing).

For federal fiscal year 2010, to be received approximately December 2010, Multnomah County is estimated to receive approximately \$780,155 in overall safety-net payments. The largest share of this total will be in Title I payments (up to 85% of total, or about \$663,132) that must be split 75% to the County Road Fund (about \$497,349) and 25% to the County School Fund (about \$165,783). County School Fund revenues are transferred to the Multnomah County Educational Service District (MESD).

The remaining safety-net payments will be split between Multnomah County Title III projects (no more than 7% of total, about \$54,611) and the remainder of 8% (about \$64,412) must go to a Resource Advisory Committee managed by the US Forest Service for projects on national forests. As a point of reference, the MCSO has averaged about \$180,000 in eligible Title III search and rescue costs annually. Title III payments will help supplement these costs for the County General Fund.

Overall payments to the County decrease over the four-year funding period: to a 81% level for Federal Fiscal Year 2009, then 73% for FFY 2010; and finally an estimate of 22-40% for FFY 2011.

4. Explain any legal and/or policy issues involved.

The annual resolutions are required by the Federal government for counties to participate in the Safety-Net program. There are no controversial issues regarding the two elections that these resolutions address. A decision will have to be made annually on how to expend the Title III funds.

5. Explain any citizen and/or other government participation that has or will take place.

Citizens will have the opportunity to provide written comments on the Multnomah County projects that will qualify under Title III. A 45-day comment period is required by the legislation and will begin when the list is published prior to the County's approval of Title III projects next summer.

Each County with National Forest and/or O&C lands is required to make these elections prior to sending their decision on to the Federal government. Multnomah County has participated with Association of Oregon Counties (AOC) in developing the processes and resolutions.

Required Signature

Elected Official or
Department/
Agency Director:



Date: 5/24/10

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. _____

Authorizing Election to Receive **National Forest** Related Safety Net Payments for Federal Fiscal Year (FFY) 2010

The Multnomah County Board of Commissioners Finds:

- a. 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.
- b. The principal source of revenues from National Forest lands is from the sale and removal of timber, which has been curtailed in recent years with a corresponding decline in revenues shared with counties.
- c. The United States Congress recognized a need to stabilize education and road maintenance funding through predictable payments to the affected counties, and to achieve that goal enacted the Secure Rural Schools and Community Self-Determination Act of 2000, which has been amended and re-authorized for FFY 2008 - 2011 ("SRS2008").
- d. SRS2008 provides for guaranteed minimum payments for the benefit of affected counties, as well as an opportunity to invest a portion of the payments in projects on federal lands or that benefit resources on federal lands, or in county projects or activities.
- e. Title I of SRS2008 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 (the "25-percent payments"), or instead to receive a share of the state payment pursuant to Sections 102(a)(1)(B) and 103 (the "full county payment amount").
- f. An election to receive the full county payment amount is effective for all federal fiscal years through FFY 2011, and an election to receive a 25-percent payment is binding for two years.
- g. Any county electing to receive the full county payment amount must further elect to expend an amount not less than 15 percent nor more than 20 percent of its full county payment amount as project funds.
- h. Title I, Section 102(d) of SRS2008 requires that counties electing to receive the full county payment amount must allocate their project funds for expenditure between projects in accordance with Title II and Title III, and return the balance of project funds

unspent under Titles II and III to the Treasury of the United States, and communicate such allocation to the Secretary of the United States Department of Agriculture.

- i. Title II provides for special projects on federal lands or that benefit resources on federal lands, which projects are recommended by local resource advisory committees ("RACs").
- j. RACs recommend projects for consideration by the Secretary of Agriculture, with project funding supplied in whole or in part out of monies allocated for such purposes by participating counties.
- k. Counties that allocate funding to projects under Title II , 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 Treasury of the United States under the name of the county with a designation of the amount allocated to each RAC.
- l. Title III provides for county projects, some of which are associated with federal lands, with Title III authorizing expenditures for search, rescue and emergency services, fire prevention and planning under the Firewise Communities program, and development of community wildfire protection plans.
- m. A county with a full county payment amount of \$350,000 or more may not allocate more than 7 percent of its full county payment amount for Title III projects.

The Multnomah County Board of Commissioners Resolves:

1. Multnomah County has previously agreed to receive the guaranteed minimum full county payment amount pursuant to SRS2008 Sections 102(a)(1)(B) and 103.
2. Multnomah County allocates 15 percent of its full county payment amount for expenditure on projects under Title II and Title III. Multnomah County will return none (zero percent) of its full county payment amount to the Treasury of the United States.
3. Of the percent allocated to Title II and Title III projects above in paragraph 2, Multnomah County further allocates between such Titles for FFY 2010 (for expenditure after FFY 2010) on the following basis: eight percent of the full county payment amount for expenditure on Title II projects and seven percent of the full county payment amount for expenditure on Title III projects.
4. Of the amount of project funds allocated to Title II projects above in paragraph 2, Multnomah County further allocates between RACs as follows:

100 percent to the Hood / Willamette RAC.

5. The original or a certified copy of this Resolution shall be transmitted to Kevin Q. Davis, Attorney, sent to the following address: One SW Columbia Street, Suite 1600, Portland, OR 97258.

ADOPTED this 17th day of June 2010.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Jeff Cogen, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____
John S. Thomas, Deputy County Attorney

SUBMITTED BY:

Mindy Harris, Interim Director, Department of County Management