Education – Forest Schools

PHOTOCOPY
PRESERVATION

BOYD — FOREST SCHOOLS

COUNTY PAYMENTS – REP. DEFAZIO

(THIS BACKGROUND BORROWS FROM AND RELATES CLOSELY TO THE CALL SHEET PREPARED FOR REP. BOYD)

Prepared by Dan Sakura, CEQ, 202-456-5144

To offset the loss of property tax revenues in counties with federal forest lands, the U.S. Forest Service and Bureau of Land Management provide financial payments to rural counties to support education and road maintenance. Under current law, counties receive 25% of the receipts from timber sales from federal lands annually. In recent years, the level of federal timber harvest has dropped sharply due to improved management of federal forests, numerous court injunctions and endangered species issues. Accordingly, timber receipts and payments to counties nationally have also dropped in recent years.

In 1993 to help ensure stable funding for counties, Rep. DeFazio and other members of the Northwest congressional delegation secured legislation that "locked" in a sliding level of funding for rural counties that were impacted economically by the litigation associated with the spotted owl. (Rep. DeFazio's district was the epicenter of the spotted owl debate in Oregon.) The legislation provided that the "owl counties" of Oregon, Washington and Northern California would receive guaranteed levels of funding, regardless of the level of federal payments, through 2003. The guaranteed funding is on a ten-year, downward sliding scale.

Because Congress is unlikely to extend the special treatment for the "owl counties," Rep. DeFazio has taken an active leadership role to "de-couple" the current linkage between federal timber sales and payments to counties. Rep. DeFazio and the Administration believe schools should have stable and permanent funding and that the current linkage creates a perverse incentive which pits education funding against natural resource protection. Rep. DeFazio shares the Administration's concern that funding schools through timber harvest is bad public policy because timber receipts are not a stable funding source for schools and the level of timber harvest should be based on sound science and management and not on the fiscal needs of counties.

Accordingly, Rep. DeFazio has been our strongest ally in Congress to pass legislation to "de-couple" the current payment scheme and to ensure a high-level of funding for counties. Rep. DeFazio and the Administration worked extremely closely to develop his current "de-coupling" legislation and to encourage passage in the House. Administration witnesses have testified in support of his legislation.

In contrast to the DeFazio bill which we strongly support, Representatives Boyd and Deal have sponsored legislation that would address this issue in a fundamentally different way. The Boyd-Deal legislation would (1) retain the linkage between receipts and payments to counties; (2) lock in a high-level funding at the same level proposed by DeFazio and the Administration; and (3) require that the difference between actual receipts and the high level of funding be carved out of the Forest Service's annual budget. In hearings on the Boyd-Deal bill, USDA testified that

Secretary Glickman would recommend that the President veto the bill. In a break with the Administration, the NEA supported the Boyd-Deal bill.

Meanwhile in the Senate, Senators Craig and Wyden developed an approach that proposes to de-link the payments from the receipts, but would "re-link" schools and timber harvests by providing that a portion of the overall receipts be used for local forestry projects – the receipts from which would go back to the counties. The Administration opposes the Craig-Wyden bill, on the grounds that the bill "re-links" the receipts for local projects back to schools, thus continuing the perverse incentive to maximize timber harvest (and associated revenues) at the expense of the ecological integrity of local forests. However, we did not threaten a veto of the current Senate bill. (Senator Wyden has sought to enlist Democratic Senators on his bill, but, to date, Senator Murray, Senator Feinstein and other western Democrats have not signed on.)

After the Administration did not threaten a veto of the Craig-Wyden bill, Rep. Goodlatte borrowed the Senate approach and proposed an amendment to the Boyd-Deal bill in the House. Sensing that a version of the Boyd-Deal bill was likely to pass, Rep. DeFazio worked with Reps. Boyd, Goodlatte and others to soften some of the more objectionable provisions. However, the Goodlatte amendment, which was adopted by the full House, retained the "re-coupling" provisions and required counties to devote a portion of their receipts to projects. DeFazio believed that by working with the other members, he was able to help craft the best possible bill in light of the current makeup of the House.

During the debate last fall on the Goodlatte amendment, Rep. Mark Udall proposed and amendment to allow counties to choose between keeping the receipts or using the receipts to fund local projects, as envisioned by the Goodlatte bill. Rep. Udall and the Administration adopted this "pro-choice" position to allow individual counties to choose between pocketing all of the receipts or allocating a portion of the receipts for local projects. (Any proceeds from the local projects would in turn go back to the counties.)

Rep. DeFazio continues to support his original legislation and has committed to working closely with the Administration during negotiations with Senators Craig and Wyden to help us reach agreement on a bill we can support.

In preparation for negotiations with the Senate and House, the Administration is working on a "three secretaries" letter from Secretaries Glickman, Babbitt and Riley to the Congress outlining the Administration's position on the specific points of differences with the House and Senate bills. The letter proposes key principles: (1) identify a permanent, reliable funding source; (2) allow choice at the local level by counties; (3) promote non-controversial projects that encourage collaboration. We anticipate that the letter will be completed next week.

(As part of our effort to promote rural economic development in the Pacific Northwest, CEQ has enlisted the help of Tom Brumm, an employee of the Oregon Department of Economic Development. Tom is a friend of Rep. DeFazio and has been working at CEQ on this and other economic issues.)

February 18, 2000

Time	Name	Org	Phone Number	Message
02/11	Jeff Bleich		(510) 655-2192	Please call him at home.
02/14	Jim Johnson		622-0200	Calling to talk about Firearms strategy.
02/14	Don Baer		W: (301) 771-5849 H: (202) 364-9627 Cell: (202) 256-7709	Wants to discuss the Town Hall Meeting. Please call at home tonight up until 10:00 pm.
02/15	Perla		(650) 616-4267	Grassroots.com Reception is tonight. Call next week to check in.
02/15	Paul Glastris		6-5716	Calling about a personal matter.
02/15	Joe Harroz			Senator Boren and Joe wanted to take you to dinner.
02/17	Keenan Block		206-374-7788 ext. 29	Message saved b/c I think you would like to listen to it.
3:10	**Max Stier**		**708-1781 ext 3986 or cell: 262-1918**	**Please call back asap – just got back from meeting with Neal.**
3:30	**Bethany Little**			**Returned your call.**
3:45	**Dana Milbank**		**334-7570**	**Wanted to know if you are around this weekend.**

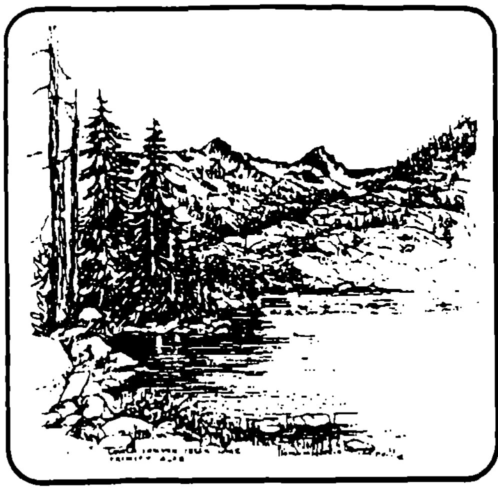
TALKING POINTS

I understand that this is a critically important issue for Oregon and other western states.

I greatly appreciate your strong leadership on this issue. We are committed to working closely with you and other members to get an acceptable bill in Congress this year.

We want to find a permanent funding source that does not subject payments to counties to annual appropriations.

We are working to complete a "three secretaries letter," which outlines our shared goal of providing a stable and permanent funding source for schools and local infrastructure.



National Forest Counties & Schools Coalition

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February 16, 2000

The Honorable William J. Clinton
President of the United States of America
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear President Clinton:

The National Forest Counties and Schools Coalition represents 800 forest counties from California to Florida. More than 5,000 school districts serve over 1.2 million public school children in these forest counties.

We are writing to request your direct help. Since 1908 school districts and counties in forest counties have relied on the commitment made by the United States government to create a partnership with America's rural forest communities. When our nation's national forests were formed in 1908 a system was established to assure funding for the vital services provided by forest counties and schools to the communities affected by the establishment of these national forests. The 25% Forest Reserve program funded schools and counties providing a fiscal foundation for our county and school budgets for most of the 20th Century.

Over the last ten years there has been a 65% decline in Forest Reserve Funds provided to schools and counties. Rural school districts have cut services provided to rural students. Teachers, aides, counselors, nurses, music programs, art programs, library books, curriculum services, extra curricular programs, and student transportation have been reduced or eliminated.

Last year the House of Representatives passed HR 2389 sponsored by Representatives Nathan Deal (R-GA) and Allen Boyd (D-FL). This bill passed with strong bipartisan support. It offers to halt the precipitous decline in county and school revenues in a manner sustaining rural county economic self-sufficiency and social stability.

Mr. President, we are asking you to assist us and the rural communities and schools we serve. The Senate Energy and Natural Resources Committee is preparing to consider S 1608 the Senate companion bill. The sponsors of S 1608 Senators Larry Craig (R-ID) and Ron Wyden (D-OR) are waiting to hear from the Administration about their bill, but there appears to be a delay. 1,200,000 students cannot afford a delay.

We are meeting later this week with Karen Tramontano to discuss S 1608 so that we can move forward this year. Schools and counties are facing incredible fiscal pressure to maintain school and county services. S 1608 offers the best chance to reestablish some degree of stability for our schools and the 1.2 million students we educate each day.

Thank you. We look forward to hearing from you on this important matter.

Sincerely,

Robert E. Douglas

Robert E. Douglas, President
National Forest Counties and Schools Coalition
Tehama County Superintendent of Schools