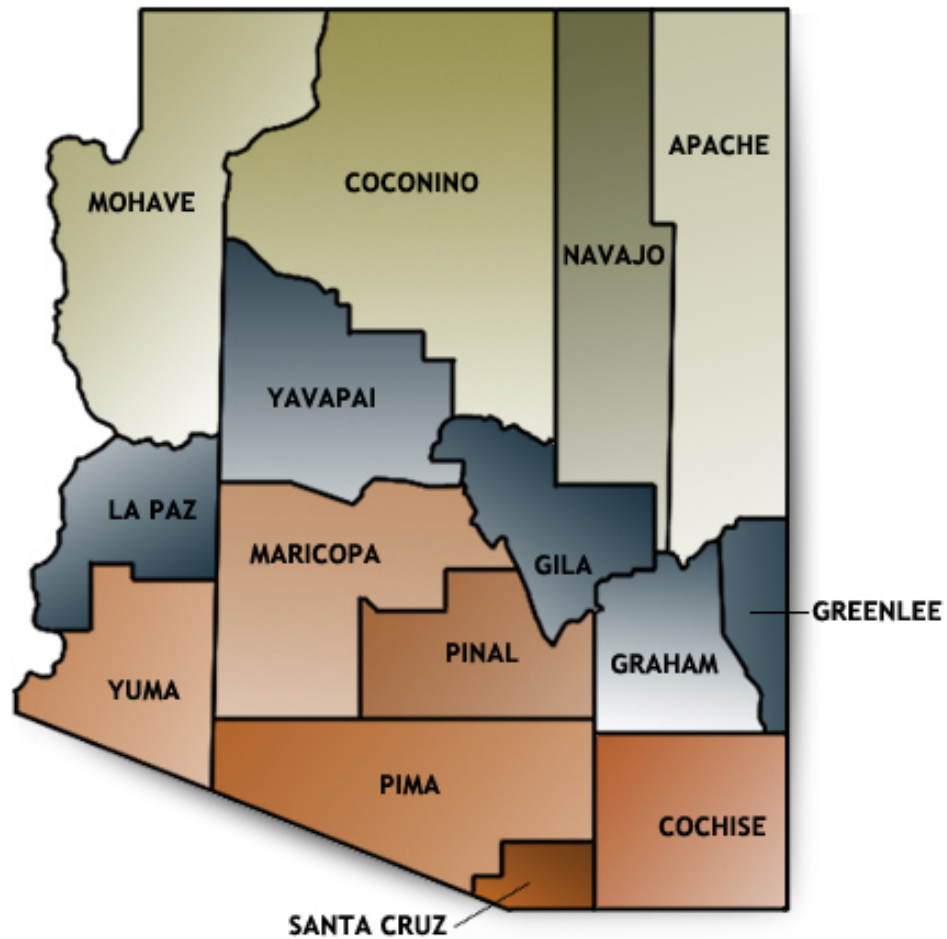




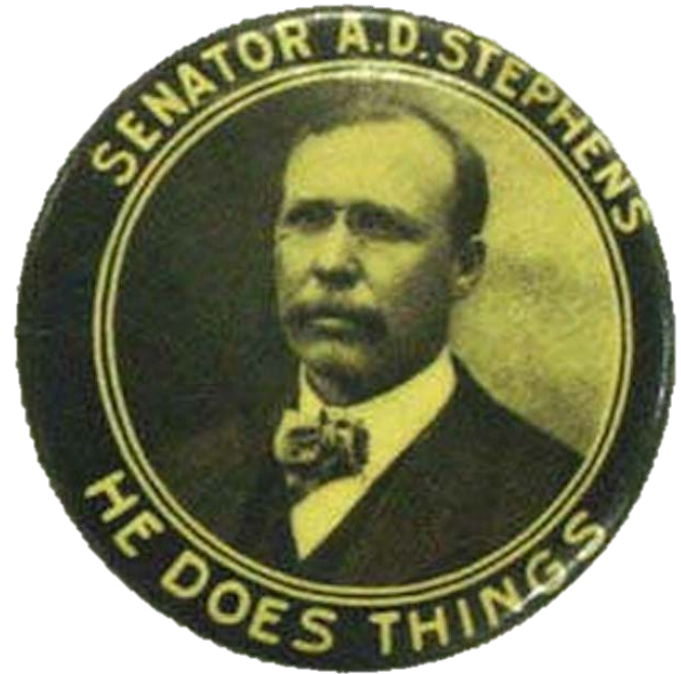
# Secure Rural Schools (SRS)

# Arizona Counties



# Why Do Counties Matter?

- Counties, cities and towns are *political subdivisions* of the state, charged with implementing state law and policy on a *regional level*
- Unlike cities, counties do not have “home rule” (authority to act independently of the state), therefore, *counties only have powers and authorities delegated to them by the legislature and state constitution*
- Counties provide a mechanism for implementing state law with regional efficiency, including:
  - *State administrative services*, such as elections, property assessment and tax collection, and courts
  - *Essential local services* for 1.3 million Arizonans living in unincorporated areas (20% of state population)

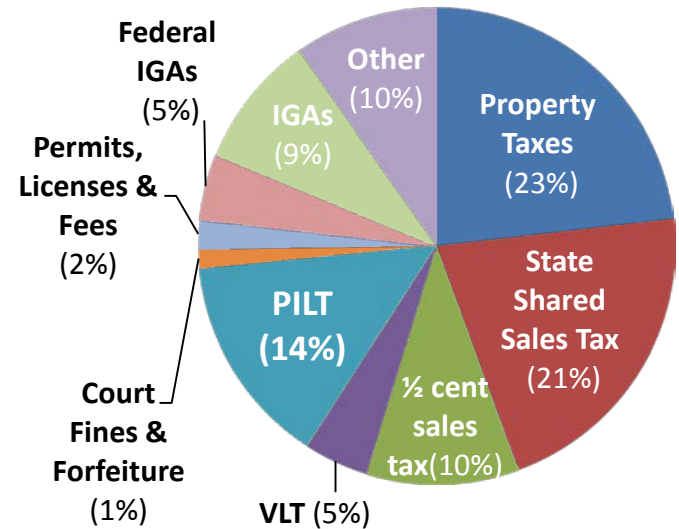


# How are counties funded?

Counties are funded through a combination of local and state-shared revenue (sources in **blue** are statutorily capped)

- Local tax revenue
  - **Half-cent sales tax (excludes Maricopa)**
  - **Primary property tax**
  - Secondary property tax (for dedicated purposes & voter approved)
- State-shared revenue
  - Sales tax
  - Vehicle license tax
  - Highway User Revenue Fund (HURF) – dedicated to transportation
  - Over \$115.4M diverted from counties since 2008

Sample Revenue Sources\*



\* Graham County FY13 Budget



# SECURE RURAL SCHOOLS (SRS)

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# History of SRS

The Contract between the federal government and rural America:

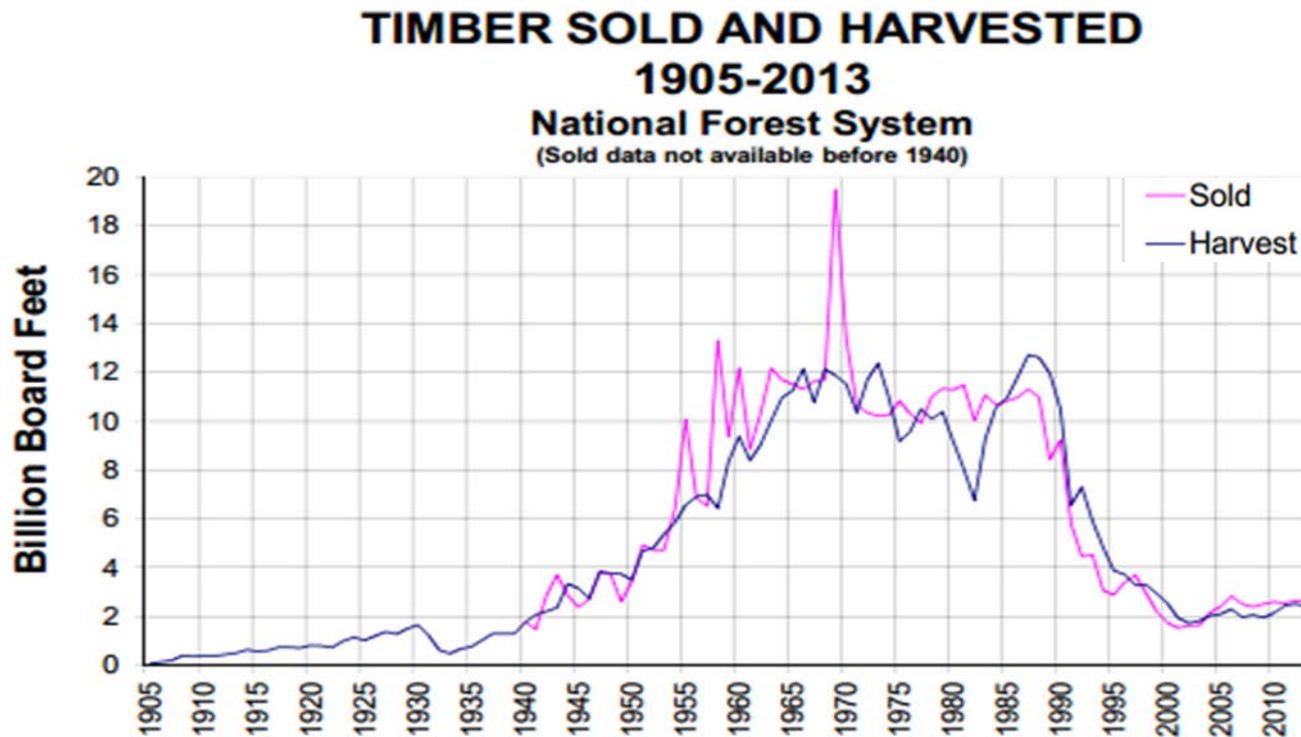
- 1891: Forest Reserve Act placed over 40 million acres in the Forest Reserves
- 1905: Forest Reserves renamed National Forests
- 1906: President Teddy Roosevelt proposed revenue sharing to promote multi-use forested lands
- 1908: Congress passes a 25% revenue sharing program to support roads and public schools



A PRACTICAL FORESTER  
(A subject that had attention all through Mr.  
Roosevelt's Presidency.)  
From the Pioneer Press (St. Paul)

# History of SRS

- Beginning in the 1980s policy changes led to diminishing timber sale revenue from National Forests
- By 1998 revenue from national forest activities and payments had declined by 70%



# History of SRS

- 2000: The Secure Rural Schools and Community Self-Determination Act was signed into law (P.L. 106-393) – Transition to Title I, II, III funds
  - Authorized for FY2001-FY2006
- 2007: 1-year extension of SRS (P.L. 106-393)
- 2008: SRS reauthorized and amended (P.L. 110-343)
  - Authorized through FY2012
  - New Formula for Title I
  - Narrowed use of Title III funds
- 2012: Part of MAP-21, 1-year extension of SRS (P.L. 112-141)
- 2013: Part of Helium Stewardship Act, 1-year extension (P.L. 113-40)
- Not Reauthorized for FY2014

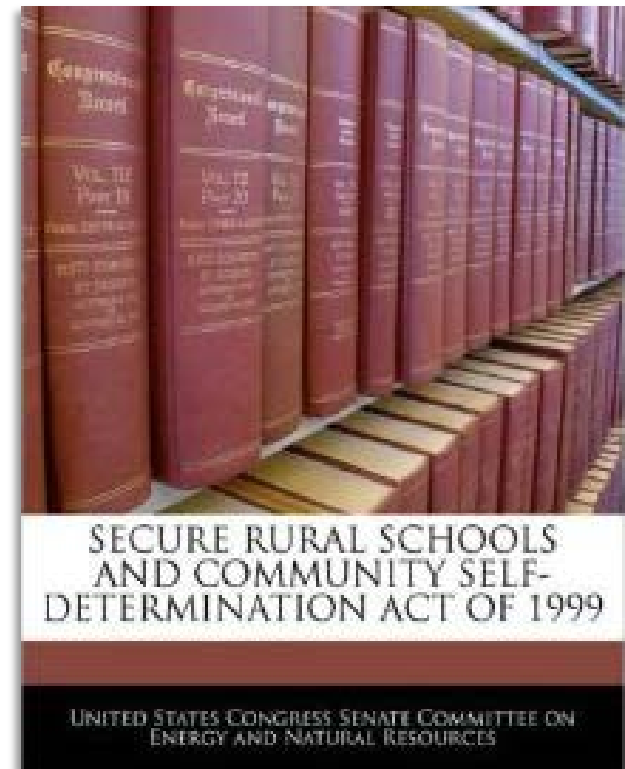




# Why SRS Matters

The Purpose of The Secure Rural Schools and Community Self-Determination Act (SRS) is to:

- Stabilize and transition payments to county schools and roads from the declining and unreliable 25% payments and safety net payments
- Invest in the land and create employment opportunities
- Improve cooperative relationships among the people that use and care for federal lands



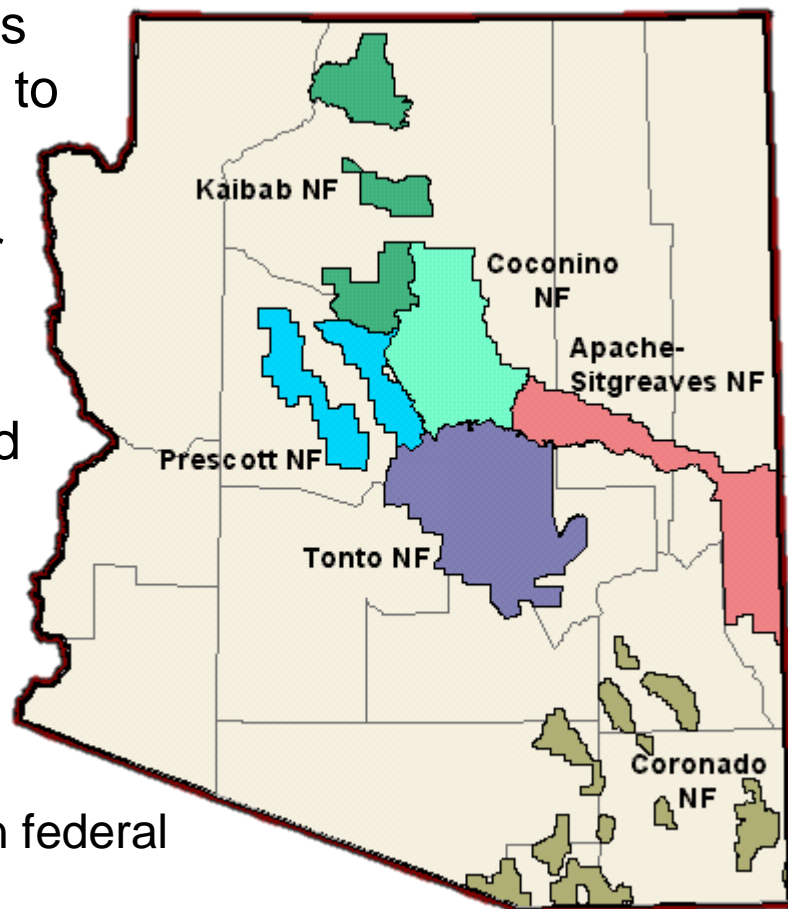
Prior to SRS, counties received 25 percent of Timber Sales which began due to federal action



# How SRS Works

## Payments are made under three separate Titles

- **Title I funds** (Secure Payment): for states and counties containing National Forests to help fund schools and roads
- **Title II funds** (Special Projects): used for the for protection, restoration, and enhancement of fish and wildlife habitat, and other resource objectives – Approved by Resource Advisory Committee (RAC)
- **Title III funds** (Specific Purpose): Funds may be used only for 3 purposes:
  - Firewise Communities program
  - Reimbursement for emergency services on federal land paid for by the county
  - Develop community wildfire protection plans (CWPPs)



# Title I & Title III Funds

County	SFY12/FFY11 Title I & III Amounts Received	FFY11 Funds Retained in FFY12	FFY11 Funds Passed Through in FFY12
Apache County	\$902,505	\$0	\$902,505
Cochise County	\$383,553	\$191,776	\$191,777
Coconino County	\$3,667,506	\$2,271,056	\$1,396,450
Gila County	\$1,567,233	\$50,000	\$1,517,233
Graham County	\$633,536	\$50,000	\$583,536
Greenlee County	\$817,224	\$350,000	\$467,224
Maricopa County	\$488,307	\$488,307	\$0
Mohave County	\$10,969	\$6,581	\$4,388
Navajo County	\$1,187,632	\$25,000	\$1,162,632
Pima County	\$338,393	\$338,393	\$0
Pinal County	\$351,436	\$351,437	-\$1
Santa Cruz County	\$570,015	\$138,348	\$431,667
Yavapai County	\$2,371,517	\$299,847	\$2,071,670
<b>Totals:</b>	<b>\$13,289,827</b>	<b>\$4,560,745</b>	<b>\$8,729,082</b>



# Title II Funds and RAC Projects

Arizona has 4 Resource Advisory Committees that approves projects. List below a just a few examples from each of them

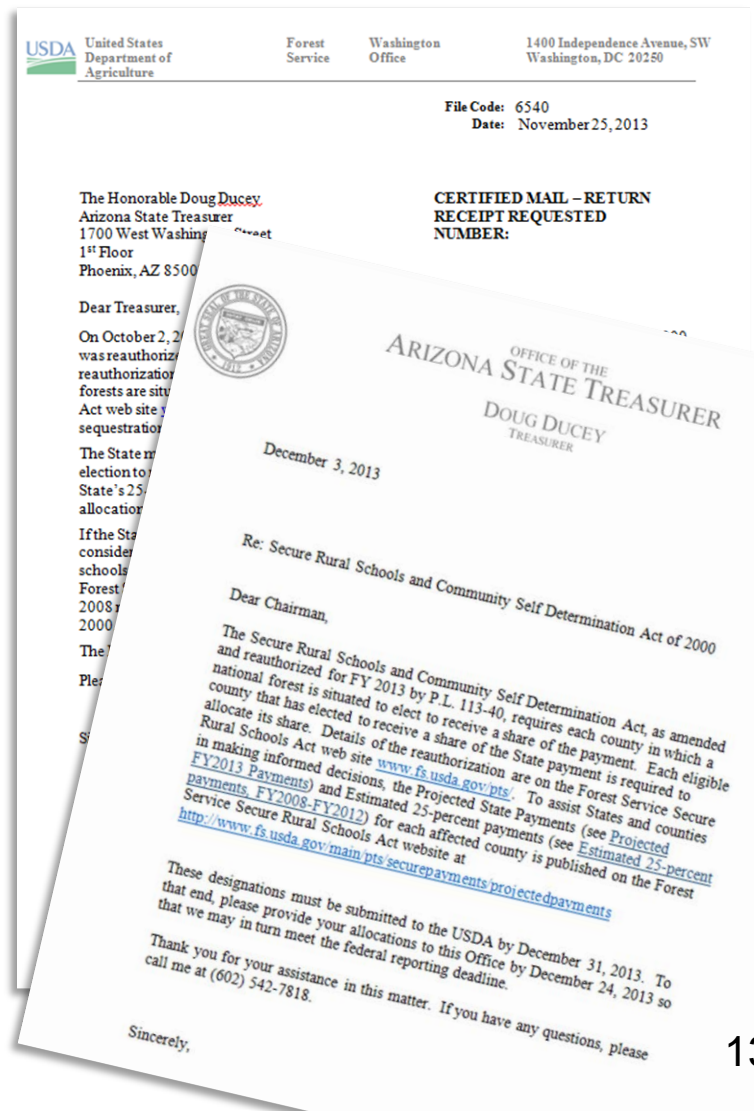
- Coconino RAC
  - Schultz Burn Rehabilitation Projects (\$497,175)
  - Mogollon Rim Watershed Enhancement (\$256,923)
- Eastern Arizona RAC
  - Forest Road 512 Surfacing Project – Young, AZ (\$361,535)
  - Blue River Tamarisk Removal (\$126,000)
- Southern Arizona RAC
  - Whitlow Ranch Flood Control Basin Restoration Project (\$181,000)
  - Horseshoe II Fire – Fence Reconstruction (\$31,050)
- Yavapai RAC
  - Crown King Road Improvement (\$78,750)
  - Highland Forest Health Improvement (\$89,275)



# How SRS Works

## Annual Payment

- Counties receive payment each year
- Payments are generally made in December
- Title I & Title III funds are paid to the state for distribution to counties
- Title II funds are held in a Forest Service account and are used to pay for approved projects within a county



# How SRS Works

## Fiscal Year 2008 payments

- \$477 million (Title I & III)
  - \$18.4 million to Arizona
- 41 States and Puerto Rico
- Redistributed to 729 Counties
  - 13 (out of 15) in Arizona

## Additional \$52 million in Title II

- 306 counties in 31 states
- 108 National Forests
- 120 resource advisory committees

## Fiscal Year 2012 payments

- \$291.4 million (Title I & III)
  - \$13.1 million to Arizona
- 41 States and Puerto Rico
- Redistributed to 729 Counties
  - 13 (out of 15) in Arizona

## Additional \$31.9 million in Title II

- 302 counties in 29 states
- 130 National Forests
- 64 resource advisory committees





# Questions?

