

**Testimony of the Honorable Elizabeth Archuleta**

**Supervisor, Coconino County, Arizona**

concerning

**H.R. 3058, the Public Land Communities**

**Transition Assistance Act of 2007**

on behalf of

**The National Association of Counties**

**&**

**The National Forest Counties & Schools Coalition**

before

The Subcommittee on National Parks, Forests & Public Lands

of

The Committee on Natural Resources

United States House of Representatives

July 26, 2007

Good afternoon, Chairman Grijalva, Ranking Member Bishop and members of the subcommittee. I appreciate the opportunity to testify on H.R. 3058, the Public Land Communities Transition Assistance Act of 2007.

I am Elizabeth Archuleta, a Supervisor from Coconino County, Arizona. Coconino County spans almost 19,000 square miles and is the second largest county in the lower 48 states. Coconino County is only 13% private land with the remaining lands being tribal land, Arizona State Trust land, and lands managed by the U.S. Forest Service, National Park Service and the Bureau of Land Management.

I am testifying today as Chairman of the Public Lands Steering Committee for the National Association of Counties (NACo), the only national organization representing America's 3,066 counties. It is also my privilege today to represent the National Forest Counties and Schools Coalition (NFCSC). NFCSC is a broad-based umbrella organization of over 1,500 organizations nationwide, representing the interests of people who live and work in 700 forest counties nationwide and over 4,400 school districts in 39 states.

Our challenges in Coconino County are mirrored throughout the west. As a rural county, we struggle to pay for roads, schools, emergency services and other necessary county services. We rely on funding through the Secure Rural Schools and Community Self-Determination Act to support the funding of public lands management. For example, this funding assists the county with forest road maintenance and search and rescue operations, with more than 90 percent of rescue operations within Coconino County taking place on public land. We rely on funding through the Payment in Lieu of Taxes (PILT) to offset the cost associated with federal land ownership within Coconino County.

On September 30, 2006 PL 106-393 expired, leaving over 700 counties and 4,400 school districts in 39 states in financial limbo as they approach the end of their fiscal year. It was hoped when the original safety net was passed in 2000, that the Forest Service, the BLM and various stakeholders involved in the federal forest management issues would be able to move forward with plans and solutions. It was the intent of Congress that these updated plans and solutions would provide stability for rural communities, counties and schools while improving forest health and strengthening the environmental values we all support. While some progress has been made, the communities of rural America continue to struggle as a result of the precipitous decline in forest management jobs and revenue, combined with the grim prospect of a future in which there are no safety net dollars to fill the gap.

Funding under both programs is critically important to continuing services within our counties. Today, I would like to emphasize the importance of rural counties receiving funding through the Secure Rural Schools and Community Self-Determination Act (Public Law 106-393) and PILT. I would also like to demonstrate how the State of Arizona and Coconino County use Secure Rural Schools and PILT funding. Finally, I would like to provide items we would like included in any legislation passed by the United States Congress related to these programs.

## **STATE OF ARIZONA**

The State of Arizona received a total of \$7,814,817 in funding from the Secure Rural Schools and Community Self Determination Act for FY2007. Of that amount, \$6,544,691 went to Title I for roads and schools, \$525,067 to Title II and \$745,058 to Title III for forest-related projects. Of the twelve counties in Arizona that receive forest fee money, there are 5 counties that do not receive Title II or Title III funds and 100% of their forest fee money goes to Title I funds for schools and roads. The State of Arizona also received a total of \$19,098,223 in funding for Payment in Lieu of Taxes for FY2007.

As the attached article in the Arizona Daily Sun, *Forest Use Skyrockets*, demonstrates, public use of our neighboring national forests is escalating dramatically given the rapid growth in the metropolitan areas of Arizona, especially with Phoenix now being the fifth largest city in the United States. The U.S. Forest Service estimates that public use of the Coconino National Forest increased 72% between 2000 and 2005. Visitation exceeded 3.3 million in 2005 and the figure does not include those who live near the forest. With increasing use of the national forests in Arizona, the cost impacts to county governments are extensive. The impacts affect road maintenance, search and rescue, public safety, justice and jail systems, waste management, county parks, emergency services, and land use planning.

The cost impacts outlined above will continue to grow and continue to make funding forest counties a necessity. If Secure Rural Schools funding is not extended, then the funds spent to support public lands management by counties will be eliminated impacting public land management, access to public lands, and the public's experience of public lands will be diminished as well. Given the state statutory revenue limitations placed on Arizona counties, other sources of funding are not available in Arizona.

## **COCONINO COUNTY**

Coconino County received \$4,083,706 under the Secure Rural Schools Act in Fiscal Year 2007. The breakdown of the funds by each title is shown on Attachment A. Secure Rural Schools funding is critical to Coconino County and the vast majority of the funds, beyond the funds that go to schools (\$1.4 million), go directly to provide services in support of public lands management. For example, \$1.4 million of the funds goes to maintain 300 miles of U.S. Forest Service roads and roads leading to national forests. \$92,000 of Title III funds support Search and Rescue activities with over 90% of the searches taking place on public lands. 80% of the Search and Rescue budget is funded by Secure Rural Schools funding.

Coconino County successfully leverages Title III funds with other funding sources to support our Coconino Rural Environment Corp (CREC) and Youth Conservation Corp programs, which conduct forest thinning and other environmental improvement projects on public lands. Working with the Rural Communities Fuels Management Partnership, which involves the U.S. Forest Service, Arizona State Lands, municipalities, fire districts

and Northern Arizona University, CREC identifies and implements healthy forest improvement projects. In 2006, CREC conducted fuels reduction projects on over 1,000 acres, repaired over 100 acres of burned area, and planted over 5,500 trees. The program has graduated over 500 Corp members and granted over \$1 million in AmeriCorps Education Awards. 47% of the graduates pursue careers in resource conservation and land management.

Title III funds are also used to support Emergency Services activities, including community evacuation planning and Fire Wise Community Education. The funds have also been used to fund several Wildland-Urban Interface Plans.

## **PUBLIC LAND COMMUNITIES TRANSITION ASSISTANCE ACT**

NACo supports the Payment in Lieu of Taxes (PILT) provisions included in H.R 3058. The PILT program was conceived in 1976 to offset some of the costs incurred by counties for services provided to federal employees and families, and to the users of the public lands. These include education, solid waste disposal, law enforcement, search and rescue, health care, environmental compliance, fire fighting, parks and recreation and other important community services.

NACo, as you know, has long advocated for full funding for PILT, if not through mandatory spending, then through the appropriations process. For FY07, Congress appropriated \$233 million, a payment far short of the approximately \$350 million authorized, and substantially short of the amount that would be generated were the same lands privately held and on county tax rolls. Full funding of the PILT program through the enactment of the Public Land Communities Transition Assistance Act would bring much needed relief to counties and local government that have struggled with reduced revenues due to tax exempt federal lands in their communities and the impacts from significantly increasing forest visitation.

NACo and the NFCSC support the reauthorization of the Secure Rural Schools and Community Self-Determination Act of 2000 (PL 106-393) for the following reasons:

1. To restore the historic 25% forest reserve payments to county schools and county governments for roads, meeting the federal obligation under the 1908 Forest Reserve Act to support essential local community infrastructure.
2. To improve the health of our National Forests through active management, which involves all stakeholders at the local level.
3. To generate local employment through the creation of forest health improvement projects.

H.R. 3058 addresses the need to fund the forest county safety net to States and counties previously established under PL 106-393. NACo will continue to support the historic compact between forest counties and the federal government, which guaranteed forest

counties revenue sharing from sustainable natural resource management in perpetuity. However, NACo supports the distribution formula within HR 3058 as we did Wyden-Craig amendment in the Senate and commit to a continuing discussion regarding the formula and its application.

NACo, in cooperation with the National Forest Counties and Schools Coalition, supports the reauthorization and enhancement of PL 106-393 in a manner that maintains the “coupling” between payments to counties and active natural resource management; and the connection between sustainable natural resource management and the stability and well being of forest counties and communities. We understand that in crafting this legislation, careful consideration was given to certain provisions that would have placed the bill outside the primary jurisdiction of the House Natural Resources Committee. We applaud Rep. DeFazio and the Committee’s efforts to expedite Secure Rural Schools reauthorization legislation, but point out the importance and success of Title II and Title III of PL 106-393.

The continuation of Title II and Title III programs is critical to the ability of the forest counties to continue to be an important financial partner in the management of public lands. The success of Title II with the input from Resource Advisory Committees (RACs) has been demonstrated by the thousands of projects nationwide that have greatly improved forest health and made meaningful contributions to local economies. NACo looks forward to working with the Committee and your counterparts in the Senate to ensure that the forest health components of Title II and III are included in any Secure Rural Schools reauthorization legislation.

With regard to the proposed formula, if Congress elects to consider the current economic condition of counties when determining the Secure Rural Schools formula, then the economic measures used should take into account a more nuanced picture of the entire county's economic condition. *Per Capita* personal income, as identified in H.R. 3058 as a formula factor, does not, for example, account for the high cost of living in many forest counties. It also can fail to capture large income disparities which may exist, and the high cost of providing community services to low-income residents spread over large geographical areas – a considerable challenge in my county and others like it. In addition to per capita income, I would encourage exploring the use of other factors, to arrive at the true economic condition of a county.

Over the past two years Congress and the Administration have struggled to find agreeable funding sources to offset the cost of reauthorization of PL 106-393. Several attempts this year have been made in the Senate to provide Secure Rural Schools funding with little success. NACo applauds the efforts of Rep. DeFazio and the Committee to find funding offsets. NACo continues to urge Congress to work in a bipartisan / bicameral manner to identify offsets that can be agreed upon by both the House and Senate and ultimately signed by the President.

## CONCLUSION

In conclusion, NACo and specifically Coconino County highly values its relationship with public lands. We clearly recognize that many benefits accrue because of the proximity of our spectacular forests. However, our nation's forests are suffering from a severe forest health crisis. The dense, disease stricken, insect infested stands of trees have transitioned from a national treasure to national liability. Through the Secure Rural Schools and Community Self-Determination Act and the Healthy Forest Restoration Act, we are moving closer to restoring healthy forests and healthy communities in the forest counties of America. Reauthorization of PL 106-393 is critical to addressing both the needs of our National forests and the economic and social stability forest communities across the country.

Forest county budgets have suffered as a result of catastrophic decline in commercial timber receipts on federal land since the late 1980s. The passage of the Secure Rural Schools and Community Self-Determination Act brought relief to counties and forest communities across the nation. Its legacy and accomplishment over the last six years has been positive and substantial. This law deserves to be, and should be, extended so it can continue to benefit the citizens of our forest counties, their public schools, and our national forests. Forest communities will continue to depend on safety net dollars provided by the Secure Rural Schools and Community Self-Determination Act to support public land management and a transition to sustainable economies.

Thank you.