

CHAPTER 1 INTRODUCTION

In 2000, Congress passed the Secure Rural Schools and Community Self-Determination Act to address the negative effects of declining federal receipts on local governments. Since 1908, the federal government has shared a portion of revenues generated on public forest lands with local governments. Timber harvests have far and away been the biggest revenue producer on these lands. By the mid-1990s, however, with the reduction of timber harvests—in some areas by as much as 90%—forest revenues had declined precipitously. At the same time, many rural counties were struggling with the effects of an already declining timber industry and rural deindustrialization. The Secure Rural Schools and Community Self-Determination Act responds to this crisis in rural county revenues. In the Northwest, the act also responded to the impending expiration of the “safety net payment” to 72 counties in Oregon, Washington, and California that was launched in 1993 to mitigate the impact of lost revenues, caused in part by the implementation of the Northwest Forest Plan.

Authorized for six years, through September 30, 2006, the Secure Rural Schools and Community Self-Determination Act aimed to restore payments to levels comparable to what counties were receiving when timber harvests were high, and to stabilize the amounts of payments until a more permanent solution could be devised. Under the act, counties are eligible for annual payments based on the value of harvested timber over the highest three-year average for their state between the years 1986 and 1999. Counties can wait to decide whether to opt into the program, but they may not withdraw from the program during the lifetime of the act. Counties participate in the program when their expected stable receipt payments exceed the value of current federal forest receipts the county receives. Many counties, particularly those in the West and South, joined the program immediately. Some counties, like those in the Upper Midwest, chose not to participate in the program, deciding instead to remain with their current receipt payments, which have been higher than the historic three-year average. Still other counties opted into the program after a year or two had passed and they learned they could obtain more by participating. Today, more than 600, or over 85%, of all eligible counties across the country have chosen to participate in the program.

Title I payments go to county roads and school programs in the case of receipts derived from U.S. Forest Service national forest lands, and to local general funds in the case of Oregon and California (O&C) and the Coos Bay Wagon Road grant lands in Oregon managed by the Bureau of Land Management. The stable Title I payments are vital for many rural counties; it is the Title II and Title III programs under P.L. 106-393 that are new, flexible, and offer the opportunity for experimentation and innovation. Title II gives counties access to funds to be used for reinvestment in forest and watershed health. Title III provides funds for search and rescue activities, forest-related education, fire prevention and county planning, among other uses. Only counties that receive funds under Title I may participate in the Title II and Title III programs. Counties that receive more than \$100,000 in P.L. 106-393 funds per annum must allocate between 15 and 20% of their full payment amount to Title II and Title III, in whatever proportion they wish. Titles II and III are the focus of this report.

Stable payments are a vital part of the legislation, but it is Titles II and III that make it unique because of the emphasis on reinvestment, as well the means to carry it out—through collaboration between local communities that depend on national forest lands and the federal agencies that manage these lands. Collaboration is of particular importance to the land

management agencies, which have faced increasing demands on forestland use, coupled with declining management budgets, resulting in the accumulation of an enormous backlog of maintenance and restoration projects. The legislation, by calling for strengthening cooperative relationships between local communities and land management agencies, offers local people and diverse interest groups the opportunity to take increased responsibility for restoring and improving land health and water quality on national forest lands. Just as important is the expectation that in providing funding for work in the forests, the legislation will offer opportunities to generate local employment.

One of the objectives of the Secure Rural Schools and Community Self-Determination Act is to “improve cooperative relationships among the people that use and care for federal lands and the agencies that manage these lands.” Collaborative, community-based resource management has been advanced at the federal level both administratively and through legislation since the mid-1990s, but these efforts have been largely piecemeal. The Secure Rural Schools and Community Self-Determination Act is the first legislation, however, to explicitly link investment in forest and watershed maintenance and restoration with more open and participatory public decision-making processes. Title II of the act requires that a local, multi-interest advisory body review and recommend projects that improve national forests and watersheds. The collaborative Resource Advisory Committees (RACs) consist of 15 members representing industry, environmental and recreational interest groups, tribes, local governments and residents, and others. A RAC may encompass one county, as they do in California, or up to 11 counties, as in the case of the Salem District RAC in Oregon. Investment in forest and watershed projects through Title II can be substantial. RAC funding ranges from roughly \$3 million per year in the case of the Medford District RAC in Oregon, to \$38,000 per year in the case of the Madison-Beaverhead RAC in Montana. Over 60 RACs have been established across the country under the authority of the legislation, from Mississippi to Alaska, and they have funded projects totaling slightly more than \$150 million of support in the first four years of the program.

P.L. 106-393 also seeks to improve relationships among local people, national forest lands, and federal land management agencies through Title III of the legislation. Through Title III, county governments themselves may support forest-related education, fire prevention and county planning, search and rescue services, conservation easement purchases, and other activities related to national forest lands. Expenditures through Title III total just over \$150 million in the first four years of the program.

The U.S. Department of Agriculture, Forest Service, and the U.S. Department of Interior, Bureau of Land Management commissioned the Sierra Institute for Community and Environment to evaluate Title II and Title III of the Secure Rural Schools and Community Self-Determination Act. Given the novel and experimental nature of these titles, and the fact that the counties themselves determine the allocation of funds to Title II and Title III, it is important to determine if program implementation has been effective, if Resource Advisory Committees functioned as hoped and planned for, and if projects from both titles achieved outcomes consistent with the legislation. Some legislators’ hopes for the act included creative collaboration and experimentation; this compels an examination of whether implementation increased employment opportunities, improved collaborative relationships, and led to innovation in natural resource management.

The results of this assessment will enhance our understanding of the benefits and limitations of participatory models of resource management and stewardship and, as a result, will inform broader policy discussions concerning collaborative community-based natural resource

management and programs such as the National Fire Plan. While this assessment concludes too late to contribute to improving the existing Secure Rural Schools and Community Self-Determination Act program, we hope the findings presented here might aid in the discussion of how such legislation, or its accompanying implementation guidelines, might be modified to more effectively implement program objectives and advance collaboration, as well as contribute to the discussions of re-authorization, given that P.L. 106-393 expires in September of 2006.

The Sierra Institute evaluated the legislation by examining Title II and III projects in 16 cases located in nine states across the country. Cases were chosen with the help of an eight-person advisory committee that included representatives from the agencies, counties, and other entities, all of whom had first-hand experience with the legislation. In choosing the cases, we wanted to ensure that a wide array of outcomes, challenges, and issues RACs and counties experienced would be covered. We did not set out to find successes or failures, but diverse programs, and, to the extent possible, diverse outcomes. Specific criteria for case selection included the amount of money available for RAC project recommendations, single versus multiple county participation in the RAC, geographic size and complexity of the area, state and regional diversity, variation in Title II and Title III allocations, stage of RAC development, and diversity of project funding. Since the Bureau of Land Management O&C receipt payments total roughly 25% of the almost two billion dollars spent to date on Titles I, II, and III, three of the four cases in Oregon that receive O&C Bureau of Land Management receipt payments are included in the study. The remainder of the cases involve U.S. Forest Service national forests and, with the exception of Pennsylvania, which had no RAC, Forest Service-managed RACs. The nine states in which cases were conducted include the eight states receiving the highest P.L. 106-393 payments. The other state, Pennsylvania, is ranked number 10 in terms of its full receipt payment. Case studies are in states where collectively 99% of Title II allocations and 75% of Title III allocations have been made.

Researchers spent anywhere from seven to 14 weeks to complete each case study. This involved collecting information on community and county background and Title II and Title III projects, conducting field work, and writing a draft case study. Researchers gathered information from the agencies, counties, libraries, and through preliminary interviews before traveling to a county or multi-county area. Once in the field, researchers conducted interviews with RAC members, county officials, project leaders, agency leaders—locally and regionally when appropriate—and other key people knowledgeable about the Title II and Title III implementation in their area and natural resource management issues in general. Many projects were examined in the field to learn about project outcomes firsthand. All cases were shared with those interviewed, and then re-drafted before they were made final.

In addition to conducting case studies to examine specific project outcomes, Sierra Institute assessed if and under what conditions stakeholder collaboration, as structured by the RAC process, leads to innovative approaches that satisfy both social and resource management objectives. We also evaluated the institutional mechanisms established at the federal and county levels to implement P.L. 106-393. A fundamental research issue involved trying to understand how effective these mechanisms have been in implementing the legislation.

Organization of the Report

This report presents findings of the Sierra Institute's assessment of Titles II and III of the Secure Rural Schools and Community Self-Determination Act. The report is organized into the following chapters:

Chapter 1

- Chapter 1, *Introduction*, describes the purpose and need for this study and the organization of the report.
- Chapter 2, *Legislating Collaboration: Institutions and the Players that Gave Birth to the Act*, describes the institutional and legislative context that framed the development and enactment of the Secure Rural Schools and Community Self-Determination Act.
- Chapter 3, *A View From the Ground: Case Studies in Implementation*, presents five of the 16 case studies completed as a part of this assessment: Olympic Peninsula (Washington), Idaho Panhandle, Southwest Mississippi, Siskiyou County (California), and Roseburg District (Oregon). A complete list of case studies is included. All 16 case studies are presented in a CD-ROM format, enclosed in the report's jacket pocket.
- Chapter 4, *Counties' Choices: Opting In or Not and Determining Allocations For Title II and Title III*, describes how counties have elected to allocate their Title II and Title III payments.
- Chapter 5, *Utilization of Title III Funds: Case Specific Findings*, describes how counties have implemented Title III of the legislation, including project-based outcomes and institutional challenges. Findings are drawn from an overview of Title III allocations nationally, statewide examinations of Title III expenditures in California and Pennsylvania, and the 16 in-depth case studies covering Title III programs in 44 counties and two Alaskan cities.
- Chapter 6, *The Life and Accomplishments of Resource Advisory Committees: Findings from the Cases*, examines how Title II of the legislation has been implemented, including project-based outcomes, Resource Advisory Committee functioning, and challenges and strengths of the RAC process for improving cooperative relationships and promoting innovation in natural resource management. Findings are drawn from national data on Title II expenditures and the case studies of RACs.
- Chapter 7, *Conclusion and Recommendations*, discusses the lessons learned from this study and recommendations for policy.

These chapters are followed by a References section, which cites sources used for the report, and several Appendices, one of which describes the methods used for this study.