106TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPT. 106–392
Part 1

COUNTY SCHOOLS FUNDING REVITALIZATION ACT OF 1999

OCTOBER 18, 1999.—Ordered to be printed

Mr. COMBEST, from the Committee on Agriculture, submitted the following

R E P O R T

[To accompany H.R. 2389]

[Including cost estimate of the Congressional Budget Office]

The Committee on Agriculture, to whom was referred the bill (H.R. 2389) to restore stability and predictability to the annual payments made to States and counties containing National Forest System lands and public domain lands managed by the Bureau of Land Management for use by the counties for the benefit of public schools, roads, and other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "County Schools Funding Revitalization Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) The National Forest System, which is managed by the United States Forest Service, was established in 1907 and has grown to include 192,000,000 acres of Federal lands.

79–006

(2) The public domain lands known as revested Oregon and California Railroad grant lands and the reconveyed Coos Bay Wagon Road grant lands, which are managed predominantly by the Bureau of Land Management were returned to Federal ownership in 1916 and 1919 and now comprise approximately 2,600,000 acres of Federal lands.

(3) Congress recognized that, by securing these lands in Federal ownership, the counties in which these lands were situated would be deprived of revenues they would otherwise receive if the lands were held in private ownership.

(4) Even without such revenues, these same counties have expended public funds year after year to provide services, such as education, road construction and maintenance, search and rescue, law enforcement, waste removal, and fire protection, that directly benefit these Federal lands and people who use these lands.

(5) To accord a measure of compensation to the affected counties for their loss of future revenues and for the critical services they provide, Congress determined that the Federal Government should share with these counties a portion of the revenues the United States receives from these Federal lands.

(6) Congress enacted in 1908 and subsequently amended a law that requires 25 percent of the revenues derived from National Forest System lands be paid to States for use by the counties in which the lands are situated for the benefit of public schools and roads.

(7) Congress enacted in 1937 and subsequently amended a law that requires 50 percent of the revenues derived from the revested and reconveyed grant lands be paid to the counties in which those lands are situated to be used as are other county funds.

(8) For several decades during the dramatic growth of the American economy, counties dependent on and supportive of the Federal lands received and relied on increasing shares of these revenues to provide educational opportunities for the children of residents of these counties.

(9) In recent years, the principal source of these revenues, Federal timber sales, has been sharply curtailed and, as the volume of timber sold annually from most of the Federal lands has decreased precipitously, so too have the revenues shared with the affected counties.

(10) This decline in shared revenues has severely impacted or crippled educational funding in, and the quality of education provided by, the affected counties.

(11) In the Omnibus Budget Reconciliation Act of 1993, Congress recognized this trend and ameliorated its adverse consequences by providing an alternative annual safety net payment to 72 counties in Oregon, Washington, and northern California in which Federal timber sales had been restricted or prohibited by administrative and judicial decisions to protect the northern spotted owl.

(12) The authority for these particular safety net payments is expiring and no comparable authority has been granted for alternative payments to counties elsewhere in the United States that have suffered similar losses in shared revenues from the Federal lands and in the educational funding those revenues provide.

(13) Although such alternative payments are not an adequate substitute for the revenues, wages, purchasing of local goods and services, and social opportunities that are generated when the Federal lands are managed in a manner that encourages revenue-producing activities, they are critically needed now to stabilize educational funding in the affected counties.

(b) PURPOSES.—The purposes of this Act are—

(1) to arrest the decline in, and stabilize, the revenues derived from National Forest System lands and revested and reconveyed grant lands that the Federal Government shares with counties in which these Federal lands are situated;

(2) to assist the local governments that are so dependent on and supportive of the Federal lands to restore the quality of education that they were able to provide to the children of residents of these counties before the recent severe reductions in or curtailments of revenue-producing activities on those lands;

(3) to provide this temporary relief in a form that will neither encourage the long-term reliance on appropriations, nor discourage the management of the Federal lands in a manner that will generate revenues, to meet the Federal Government's statutory obligations to the counties that contain these lands; and

(4) to facilitate the development by the Federal Government and the counties and school districts which benefit from the shared Federal land revenues of a long-term method to generate payments to States and counties that would avoid the need to provide further temporary relief.

SEC. 3. DEFINITIONS.

In this Act:

(1) FEDERAL LANDS.—The term "Federal lands" means—

(A) lands within the National Forest System, as defined in section 11(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1609(a)); and

(B) the Oregon and California Railroad grant lands revested in the United States by the Act of June 9, 1916 (Chapter 137; 39 Stat. 218), Coos Bay Wagon Road grant lands reconveyed to the United States by the Act of February 26, 1919 (Chapter 47; 40 Stat. 1179), and subsequent additions to such lands.

(2) ADVISORY COMMITTEE.—The term "Advisory Committee" means the Forest Counties Payments Committee established by section 7.

(3) ELIGIBILITY PERIOD.—The term "eligibility period" means the period beginning on October 1, 1985, and ending on September 30, 1999.

(4) ELIGIBLE COUNTY.—The term "eligible county" means a county that received one or more 50-percent payments during the eligibility period.

(5) ELIGIBLE STATE.—The term "eligible State" means a State that received one or more 25-percent payments during the eligibility period.

(6) FULL PAYMENT AMOUNT.—The term "full payment amount" means the amount calculated for each eligible State and eligible county under section 4.

(7) HOUSE COMMITTEES OF JURISDICTION.—The term "House committees of jurisdiction" means the Committee on Agriculture, the Committee on Resources, and the Committee on Appropriations of the House of Representatives.

(8) SENATE COMMITTEES OF JURISDICTION.—The term "Senate committees of jurisdiction" means the Committee on Agriculture, Nutrition, and Forestry, the Committee on Energy and Natural Resources, and the Committee on Appropriations of the Senate.

(9) 25-PERCENT PAYMENTS.—The term "25-percent payments" means the payments to States required by the 6th paragraph under the heading of "FOREST SERVICE" in the Act of May 23, 1908 (35 Stat. 260; 16 U.S.C. 500), and section 13 of the Act of March 1, 1911 (36 Stat. 963; 16 U.S.C. 500).

(10) 50-PERCENT PAYMENTS.—The term "50-percent payments" means the payments that are the sum of the 50-percent share otherwise paid to a county pursuant to title II of the Act of August 28, 1937 (Chapter 876; 50 Stat. 875; 43 U.S.C. 1181f), and the payment made to a county pursuant to the Act of May 24, 1939 (chapter 144; 53 Stat. 753; 43 U.S.C. 1181f–1 et seq.).

(11) SAFETY NET PAYMENTS.—The term "safety net payments" means the payments to States and counties required by sections 13982 and 13983 of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66; 16 U.S.C. 500 note; 43 U.S.C. 1181f note).

(12) SUSTAINABLE FORESTRY.—The term "sustainable forestry" means principles of sustainable forest management that equally consider ecological, economic, and social factors in the management of Federal lands.

SEC. 4. DETERMINATION OF FULL PAYMENT AMOUNT FOR ELIGIBLE STATES AND COUNTIES.

(a) CALCULATION REQUIRED.—The Secretary of the Treasury shall calculate for each eligible State and eligible county an amount equal to the average of the three highest 25-percent payments, 50-percent payments, or safety net payments made to that eligible State or eligible county during the eligibility period.

(b) ANNUAL ADJUSTMENT.—For the second and each subsequent fiscal year in which payments are required to be made to eligible States and eligible counties under this Act, the Secretary of the Treasury shall adjust the full payment amount in effect for the previous fiscal year for each eligible State and eligible county to reflect changes in the consumer price index for urban areas (as published in the Bureau of Labor Statistics) that occur after publication of that index for fiscal year 1999.

SEC. 5. FOREST SERVICE PAYMENTS TO ELIGIBLE STATES FOR AFFECTED COUNTIES TO USE FOR PUBLIC EDUCATION AND TRANSPORTATION.

(a) REQUIREMENT FOR PAYMENTS TO ELIGIBLE STATES.—The Secretary of the Treasury shall make a payment to each eligible State in accordance with subsection (b) as early as practicable in each of fiscal years 2000 through 2005.

(b) PAYMENT AMOUNTS.—Each payment to an eligible State under subsection (a) shall consist of the following:

(1) The amount of the 25-percent payments applicable to that State.

(2) If the amount under paragraph (1) is less than the full payment amount for that State, such additional funds as are necessary to provide a total payment equal to the full payment amount.

(c) EXPENDITURE OF PAYMENTS.—Eligible States shall distribute and expend the payments received under subsection (a) in the same manner in which the 25-percent payments are required to be distributed and expended.

(d) SOURCE OF ADDITIONAL PAYMENT AMOUNTS.—Funds necessary to make the payment required by subsection (b)(2), shall be derived, as determined by the Secretary of Agriculture, from any revenues received by the United States from activities on the Federal lands described in section 3(1)(A), funds appropriated for the Forest Service, or both sources, except—

(1) programs from which the 25-percent payments are derived and funds which, if paid to eligible States, would contribute to a reduction in such revenues; and

(2) funds from trust or other special accounts established by statute for use by the Forest Service for specified purposes.

SEC. 6. BUREAU OF LAND MANAGEMENT PAYMENTS TO ELIGIBLE COUNTIES TO USE FOR THE BENEFIT OF PUBLIC SAFETY, LAW ENFORCEMENT, AND OTHER PUBLIC PURPOSES.

(a) REQUIREMENT FOR PAYMENTS TO ELIGIBLE COUNTIES.—The Secretary of the Treasury shall make a payment to each eligible county in accordance with subsection (b) as early as practicable in each of fiscal years 2000 through 2005.

(b) PAYMENT AMOUNTS.—Each payment to an eligible county under subsection (a) shall consist of the following:

(1) The amount of the 50-percent payments applicable to that county.

(2) If the amount under paragraph (1) is less than the full payment amount for that county, such additional funds as are necessary to provide a total payment equal to the full payment amount.

(c) EXPENDITURE OF PAYMENTS.—Eligible counties shall distribute and expend the payments received under subsection (a) in the same manner in which the 50-percent payments are required to be distributed and expended.

(d) SOURCE OF ADDITIONAL PAYMENT AMOUNTS.—Funds necessary to make the payment required by subsection (b)(2), shall be derived, as determined by the Secretary of the Interior, from any revenues received by the United States from activities on the Federal lands described in section 3(1)(B), funds appropriated for the Bureau of Land Management, or both, except—

(1) programs from which the 50-percent payments are derived and funds, which, if paid to eligible counties, would contribute to a reduction in such revenues; and

(2) funds from trust or other special accounts established by statute for use by the Bureau of Land Management for specified purposes.

SEC. 7. DEVELOPMENT OF LONG-TERM METHODS TO MEET STATUTORY OBLIGATION OF FEDERAL LANDS TO CONTRIBUTE TO PUBLIC EDUCATION AND OTHER PUBLIC SERVICES.

(a) FOREST COUNTIES PAYMENTS COMMITTEE.—There is hereby established an advisory committee, to be known as the Forest Counties Payments Committee, to develop recommendations, consistent with sustainable forestry, regarding methods to ensure that States and counties in which Federal lands are situated receive adequate Federal payments to be used for the benefit of public education and other public purposes.

(b) MEMBERS.—The Advisory Committee shall be composed of the following members:

(1) The Chief of the Forest Service, or a designee of the Chief who has significant expertise in sustainable forestry.

(2) The Director of the Bureau of Land Management, or a designee of the Director who has significant expertise in sustainable forestry.

(3) The Director of the Office of Management and Budget, or the Director's designee.

(4) Two members who are elected members of the governing branches of eligible counties, one appointed by the President pro tempore of the Senate (in consultation with the chairmen and ranking members of the Senate committees of jurisdiction) and one appointed by the Speaker of the House of Representatives (in consultation with the chairmen and ranking members of the House committees of jurisdiction) within 60 days of the date of enactment of this Act.

(5) Two members who are elected members of school boards for, or superintendents from, school districts in eligible counties, one appointed by the President pro tempore of the Senate (in consultation with the chairmen and ranking members of the Senate committees of jurisdiction) and one appointed by the Speaker of the House of Representatives (in consultation with the chairmen and

ranking members of the House committees of jurisdiction) within 60 days of the date of enactment of this Act.

(c) ADVISORY COMMITTEE FUNCTIONS.—

(1) DEVELOPMENT OF RECOMMENDATIONS.—The Advisory Committee shall develop recommendations for policy or legislative initiatives, or both, to substitute for the short-term payments required by this Act a long-term method to generate annual payments to eligible States and eligible counties at or above the full payment amount. Not later than two years after the date of the enactment of this Act, the Advisory Committee shall submit to the Senate committees of jurisdiction and the House committees of jurisdiction a final report containing the recommendations developed under this paragraph. The Advisory Committee shall submit semiannual progress reports on its activities and expenditures to the Senate committees of jurisdiction and the House committees of jurisdiction until the final report has been submitted.

(2) GUIDANCE.—In developing the recommendations required by paragraph (1), the Advisory Committee shall seek to produce adequate and reliable payments through revenues collected from the historic multiple use of Federal lands, in accord with sustainable forestry. Within the context of ensuring the long-term sustainable multiple use of Federal lands, the Advisory Committee shall seek to ensure that revenues and payments so generated will minimize adverse budgetary effects and generate additional revenues, wages, purchasing of goods and services, and other economic and social benefits to and for States, counties, and schools.

(3) MONITORING AND REPORTING ACTIVITIES.—The Advisory Committee shall monitor the payments made to eligible States and eligible counties pursuant to this Act and submit to the Senate committees of jurisdiction and the House committees of jurisdiction an annual report describing the amounts and sources of such payments and containing such comments as the Advisory Committee may have regarding such payments.

(4) TESTIMONY.—The Advisory Committee shall make itself available for testimony or comments on the reports required to be submitted by the Advisory Committee and on any legislation or regulations to implement any recommendations made in such reports in any congressional hearings or any rulemaking or other administrative decision process.

(d) ORGANIZATION OF ADVISORY COMMITTEE.—

(1) CHAIRPERSON.—The Chairperson of the Advisory Committee shall be selected from among the members appointed pursuant to paragraphs (4) and (5) of subsection (b).

(2) VACANCIES.—Any vacancy in the membership of the Advisory Committee shall be filled in the same manner as required by subsection (b). A vacancy shall not impair the right of the remaining members to perform the functions authorized by subsection (c).

(3) COMPENSATION.—The members of the Advisory Committee who are not officers or employees of the United States, while attending meetings or other events held by the Advisory Committee or at which the members serve as representatives of the Advisory Committee or while otherwise serving at the request of the Chairperson, shall each be entitled to receive compensation at a rate not in excess of the maximum rate of pay for grade GS–18, as provided in the General Schedule under section 5532 of title 5, United States Code, including traveltime, and while away from their homes or regular places of business shall each be reimbursed for travel expenses, including per diem in lieu of subsistence as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

(4) GEOGRAPHIC REPRESENTATION.—In making appointments under paragraphs (4) and (5) of subsection (b), the President pro tempore of the Senate and the Speaker of the House of Representatives shall seek to ensure that the Advisory Committee members are selected from geographically diverse locations.

(e) STAFF AND RULES.—

(1) EXECUTIVE DIRECTOR.—The Advisory Committee shall have an Executive Director, who shall be appointed (without regard to the provisions of title 5, United States Code, governing appointments in the competitive service) by the Advisory Committee and serve at the pleasure of the Advisory Committee. The Executive Director shall report to the Advisory Committee and assume such duties as the Advisory Committee may assign. The Executive Director shall be paid at a rate of pay for grade GS–18, as provided in the General Schedule under 5332 of title 5, United States Code.

(2) OTHER STAFF.—In addition to authority to appoint personnel subject to the provisions of title 5, United States Code, governing appointments to the competitive service, and to pay such personnel in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, the Advisory Committee shall have authority to enter into contracts with private or public organizations which may furnish the Advisory Committee with such administrative and technical personnel as may be necessary to carry out the functions authorized by subsection (c). To the extent practicable, such administrative and technical personnel, and other necessary support services, shall be provided for the Advisory Committee by the Chief of the Forest Service and the Director of the Bureau of Land Management.

(3) COMMITTEE RULES.—The Advisory Committee may establish such procedural and administrative rules as are necessary for the performance of the functions authorized by subsection (c).

(f) FEDERAL AGENCY COOPERATION.—The heads of the departments, agencies, and instrumentalities of the executive branch of the Federal Government shall cooperate with the Advisory Committee in the performance of its functions under subsection (c) and shall furnish to the Advisory Committee information which the Advisory Committee deems necessary to carry out such functions.

(g) COMMITTEE TERMINATION.—The Advisory Committee shall terminate three years after the date of the enactment of this Act.

SEC. 8. SENSE OF CONGRESS REGARDING ADVISORY COMMITTEE RECOMMENDATIONS.

It is the sense of Congress that the payments to eligible States and eligible counties required by this Act should be replaced by a long-term solution to generate payments conforming to the guidance provided by section 7(c)(2) and that any promulgation of regulations or enactment of legislation to establish such method should be completed within two years after the date of submission of the final report required by section 7(c)(1).

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

There are hereby authorized to be appropriated such sums as are necessary to carry out this Act.

SEC. 10. CONFORMING AMENDMENTS.

(a) REPEAL OF SAFETY NET PAYMENTS.—Sections 13982 and 13983 of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66; 16 U.S.C. 500 note; 43 U.S.C. 1181f note) are repealed.

(b) PAYMENTS FOR ENTITLEMENT LAND.—Section 6903(a)(1) of title 31, United States Code, is amended—

(1) by redesignating subparagraphs (D) through (J) as subparagraphs (E) through (K), respectively; and

(2) by inserting after subparagraph (C) the following new subparagraph:

"(D) the County Schools Funding Revitalization Act of 1999;".

BRIEF EXPLANATION

H.R. 2389 restores stability and predictability to the annual payments made to the States and counties from National Forest System lands managed by the Forest Service, Department of Agriculture, and forest lands managed by the Bureau of Land Management, Department of the Interior. Eligible counties use the annual payments primarily for the benefit of public schools and roads.

The bill can be divided into three distinct parts. The first part, comprising sections 1 through 3, contains the short title, findings and definitions. The second part, comprising sections 4 through 6, temporarily maintains and strengthens payments to states and counties in the short-term by establishing a guaranteed five-year safety net. This safety net establishes guaranteed payments to states and counties equal to the average payment of the highest three years since 1985.

Sections 5 and 6 require the Forest Service and the Bureau of Land Management to make safety net payments to eligible states and counties from revenues generated from Federal lands and funds appropriated to the agencies. The agencies are prohibited from drawing the required payments from programs that generate revenue or trust funds and special accounts established by law for specific purposes.

The third part of the bill, comprising Section 7 and all that follows, provides a method to improve Federal payments to states and counties for the long term. It establishes a "Forest Counties Payment Committee" with membership representing Federal, county and education interests. The committee is charged with developing and submitting to Congress policy and/or legislative recommendations to permanently improve revenue-sharing payments to states and counties. The Chief of the Forest Service, Directors of BLM and OMB, and Congress select committee members.

Section 8 of the bill establishes the sense of Congress that a permanent solution, based in whole or in part on the recommendations of the forest counties payment committee, should be put into place prior to the expiration of the short-term safety net established by sections 5 and 6.

PURPOSE AND NEED

The National Forest System, managed by the United States Department of Agriculture Forest Service, was established by the Organic Act of 1897 (30 Stat. 34; 16 U.S.C. 475). Since then, the National Forest System has grown to include 192 million acres of Federal lands. The revested Oregon and California Railroad and the reconveyed Coos Bay Wagon Road grant lands are managed by the United States Department of the Interior Bureau of Land Management. The Bureau of Land Management is responsible for the management of forestlands in the Pacific Northwest under the Act of June 9, 1916 (Chapter 137; 39 Stat. 218) and the Act of February 26, 1919 (Chapter 47; 40 Stat. 1179). The lands comprise over 2.6 million acres.

Congress recognized when it secured these lands under Federal ownership that it deprived the adjacent counties of revenues they would have otherwise received if the lands were sold or transferred into private ownership. Accordingly, in 1908 Congress enacted a law providing that 25 percent of the revenues from National Forests be paid to the counties in which those lands were situated for the benefit of public schools and roads (Act of May 23, 1908, 35 Stat. 260, 16 U.S.C. 500; Act of March 1, 1911, 36 Stat. 963, 16 U.S.C. 500). Similarly, in 1937, Congress established that 50 percent of the revenues from the revested and reconveyed Bureau of Land Management lands be paid to the counties in which those lands were located for similar public purposes (Act of August 28, 1937, 50 Stat. 875, 43 U.S.C. 1181f; Act of May 24, 1939, 53 Stat. 753, 43 U.S.C. 1181f–1 et seq.).

Since their enactment, counties adjacent to Federal forests have relied on the compacts of 1908 and 1937 to help finance rural schools, roads and maintain a stable socio-economic infrastructure. In recent years, the principal source of these revenues, Federal timber sales, has declined by over 70 percent nationwide. The corresponding revenues shared with eligible counties throughout America have also declined precipitously. As a result, school districts have cancelled classes, cut teachers, eliminated extracurricular activities, and cut corners in every conceivable way. Local economies have also been decimated and families dislocated as parents have been forced to make ends meet by looking for work further and further from home.

Congress provided partial relief to certain counties in Oregon, Washington and northern California in the Omnibus Budget Reconciliation Act of 1993 (OBRA) (P.L. 103–66). The OBRA established a temporary safety net payment for 72 counties in which Federal timber sales had been restricted or prohibited by administrative and judicial decisions to protect the northern spotted owl. However, the authority for these payments will expire on October 1, 2003. No comparable safety net authority has ever been established for counties elsewhere in the United States that have suffered similar or more severe losses in Federal payments.

Congress needs to strengthen the compacts of 1908 and 1937 for the short term to immediately arrest the decline in, and stabilize, the revenues derived from Federal forestlands until permanent improvements to existing law can be made. Congress must also assist local governments and school districts dependent on and supportive of the Federal lands to restore, for the long-term, the quality of education and quality of life provided to the children residing in these counties prior to the recent reductions in revenue-producing activities on these lands.

H.R. 2389 achieves both of these important objectives. By establishing a temporary national safety net, the bill ensures a stable payment to forest communities for the short term while giving local communities and educators a direct stake in crafting a long-term policy that will put school children in forest communities on equal footing with their peers in other parts of the country.

SECTION-BY-SECTION SUMMARY

Section 1: Short Title; Table of Contents

This Act may be cited as the “County Schools Funding Revitalization Act of 1999.”

Section 2: Findings and Purpose

The primary purposes of this Act are to: (1) Stabilize the revenue-sharing payments made by the Forest Service and Bureau of Land Management (BLM) to counties in which Federal lands are located; (2) help local governments and school districts restore the quality of education provided to children residing in such counties; (3) provide temporary relief to counties and school districts in the form of safety-net payments that will neither encourage the long-term reliance on appropriations nor discourage the management of Federal lands in a manner that will generate revenues; and (4) facilitate the development by the Federal government and the counties and school districts which benefit from the sharing of revenues, of a long-term method to provide payments to states and counties that will avoid the need to provide further temporary relief.

Section 3: Definitions

This section defines several terms that are used frequently in this Act, most notably:

The terms “25-percent payments,” “50-percent payments” and “safety net payments” identify the revenue-sharing payments that are made by the Forest Service and BLM to eligible counties under current law.

The term “sustainable forestry” means principles of sustainable forest management that equally consider ecological, economic and social factors in the management of Federal lands.

The Committee acknowledges that sustainable forestry is an evolving concept with several definitions. Most notable among these are the principles developed at the 1992 U.N. Conference on Environment and Development in Rio De Janeiro and the 1993 Ministerial Conference on the Protection of Forests in Europe in Helsinki, Finland; and the criteria and indicators adopted in the 1993 Montreal Process. Each of these definitions places significant emphasis on the ecological, economic and social aspects of forest management, which are equally important to any plan, strategy, framework, decision, activity or other undertaking for or on Federal forestlands.

It is the opinion of the Committee that sustainable forestry encompasses a broad range of management activities including, but not limited to, fire risk reduction, habitat improvement, forest rehabilitation following catastrophic events, infrastructure maintenance and restoration, commercial logging, watershed rehabilitation, arresting or preventing insect and disease infestations, recreation management, maintenance and enhancement of carbon storage capacity and other activities or practices that improve the long-term ability of the forest to provide a full range of ecological, social and economic benefits to people.

Section 4: Determination of Full Payment Amount for Eligible States and Counties

This section identifies how the temporary safety-net payments required by Sections 5 and 6 are calculated. The safety-net level, or “full payment amount,” is the average of the highest 25-percent, 50-percent or spotted owl safety net payments made to eligible states or counties between October 1, 1985 and September 30, 1999. The full payment amount is adjusted annually, beginning in the second fiscal year in which it is in effect, to reflect changes in the consumer price index for urban areas.

The Committee notes that the full payment amount established in section 4 is consistent with safety net payment levels supported by the Senate and the administration.

Sections 5 and 6: Forest Service and Bureau of Land Management Payments to Eligible States and Counties

These sections require the Forest Service (Section 5) and the Bureau of Land Management (Section 6) to make payments to eligible states and counties, in amounts not less than the “full payment amount” established under Section 4, for each of fiscal years 2000 through 2005. The Forest Service and Bureau of Land Management are required to make their respective payments from revenues generated from Federal lands and funds appropriated for the agencies.

The Forest Service and BLM have each had a legal obligation to make payments to states and counties since 1908 and 1937 respectively. It is the intent of the Committee to maintain and strengthen these obligations for the short term through the funding mechanisms in these sections. For this reason, sections 5 and 6 require that the short-term safety net payments to states and counties come from receipts and appropriated funds within the agencies. The Committee has been careful to maintain the discretion of the Chief of the Forest Service and the Director of the BLM to determine how to meet their respective payment obligations to states and counties within these parameters. It is the expectation of the Committee that the agencies will factor their payment obligations to counties, and the estimated portions of such payments supported by receipts and appropriated dollars, into the annual budget requests submitted to Congress following the date of the enactment of this Act.

The Committee recognizes that, as a practical matter, revenues from Federal timber sales will not likely return to levels achieved historically in most areas of the country, particularly in western states. Nevertheless, the Committee encourages the Forest Service and BLM to continue to seek methods to improve receipts, consistent with the principles of sustainable forestry, from all revenue-generating uses of Federal forestlands, including recreation, commodity production, rights of way, special forest products, permits, and other commercial activities, as a means of meeting their legal obligations to states and counties in a fiscally responsible way.

Section 7: Development of Long-term Methods to Meet Statutory Obligations

This section establishes a "Forest Counties Payment Committee" (Payment Committee) charged with developing and submitting to Congress policy and/or legislative recommendations to improve revenue-sharing payments to states and counties for the long term. Payment Committee members are selected by the Chief of the Forest Service, the Director of the Bureau of Land Management, the Director of the Office of Management and Budget, and Congress. The Committee is required to submit its recommendations to Congress within a two-year period and must report regularly to Congress on its activities.

Section 7 gives guidance to the Payment Committee that its final recommendations to Congress (1) seek to produce adequate and reliable payments to states and counties through revenues generated from Federal lands, (2) minimize adverse budgetary effects of such payments, and (3) generate additional revenues, wages, purchasing of goods and services and other economic and social benefits to and for states, counties and schools. As noted in the discussion of section 3 of the bill, the Committee has been careful to establish principles of sustainable forestry as the foundation for any recommendations to Congress ultimately proposed by the Payment Committee.

It is the intent of the Committee to give the historic benefactors and beneficiaries of 25% and 50% payments direct involvement in crafting a permanent policy to improve the payment system. For this reason, the Payment Committee includes county officials, educators and representatives from the affected agencies. The Committee recognizes that the makeup of the Payment Committee does not represent every conceivable interest potentially affected by the policy recommendations ultimately submitted to the Congress. However, the Committee expects the Payment Committee to consult with a broad range of affected interests as it develops its recommendations.

Section 8: Sense of Congress

This section provides the intent of Congress that legislation or regulations resulting from the recommendations of the Payment Committee established in section 7 replace the temporary payments required by this Act, and that such legislation or regulations be enacted or promulgated within two years of the receipt of such recommendations.

Section 9: Authorization of Appropriations

This section authorizes appropriations to carry out the intent of this Act.

Section 10: Conforming Amendments

This section repeals the spotted owl safety net payments established by Section 13982 of the Omnibus Budget Reconciliation Act of 1993.

COMMITTEE CONSIDERATION

I—SUBCOMMITTEE

On May 18, 1999, the Subcommittee on Department Operations, Oversight, Nutrition and Forestry held a hearing on Forest Service payments to counties (Serial No. 106–19). Testimony was taken from school superintendents and county officials. The purpose of the hearing was to review the obligation of the Forest Service to share revenues from national forest system lands with schools and counties, to examine the impact of declining national forest receipts on schools and counties, and to review a grass-roots proposal for stabilizing and improving the revenue sharing mechanism.

Subsequently, on July 15, 1999, the Subcommittee held a hearing regarding H.R. 2389, the County Schools Funding Revitalization Act of 1999 (Serial No. 106–28). Testimony was taken from Members of Congress, the administration, school superintendents, county officials, and a trade association representative. The predominate issue discussed at the hearing was how to best restore and maintain the well-being of rural school children, their families, and the communities in which they live. Furthermore, the Subcommittee examined the prospects of revitalizing rural America's compact with the Federal government in a way that will benefit their children and maintain the ecological, social and economic integrity of forests and forest dependent communities in both the short and long-term.

II—FULL COMMITTEE

The Committee on Agriculture met, pursuant to notice and with a quorum present, on September 23, 1999, to consider H.R. 2389. After opening remarks and a brief discussion of the bill, Chairman Combest recognized Mr. Ewing, Vice Chairman of the Subcommittee on Department Operations, Oversight, Nutrition and Forestry, for a unanimous consent request to discharge the Subcommittee. Without objection, it was so ordered.

Chairman Combest then offered an en bloc amendment and recognized counsel and professional staff for a brief explanation of the amendment and bill. Discussion occurred and, without objection, the amendment was adopted.

Mrs. Chenoweth and Mr. Goodlatte were also recognized and expressed their support for the bill.

Mr. Stenholm then moved that the bill, H.R. 2389, be adopted and favorably reported to the House with a recommendation that it passes. Mr. Stenholm's motion was agreed to by a voice vote and in the presence of a quorum.

Mr. Stenholm also moved, pursuant to clause 1 of rule XX, that the Committee authorize the Chairman to offer such motion as necessary in the House to go to conference with the Senate on H.R. 2389, or similar Senate legislation. Without objection, the motion was adopted.

Without objection, instructions were given to staff to make any technical, clarifying, or conforming changes as were appropriate without changing the substance of the legislation.

Chairman Combest thanked all the Members for their attentiveness and adjourned the meeting subject to the call of the Chair.

REPORTING THE BILL—ROLLCALL VOTES

In compliance with clause 3(b) of rule XIII of the House of Representatives, H.R. 2389, as amended, was reported by voice vote with a majority quorum present. There was no request for a recorded vote.

BUDGET ACT COMPLIANCE (SECTIONS 308, 402, AND 423)

The provisions of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(1) of the Congressional Budget Act of 1974 (relating to estimates of new budget authority, new spending authority, new credit authority, or increased or decreased revenues or tax expenditures) are not considered applicable. The estimate and comparison required to be prepared by the Director of the Congressional Budget Office under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and sections 402 and 423 of the Congressional Budget Act of 1974 submitted to the Committee prior to the filing of this report are as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 1, 1999.

Hon. LARRY COMBEST,
Chairman, Committee on Agriculture, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed revised cost estimate for H.R. 2389, the County Schools Funding Revitalization Act of 1999. This estimate supersedes the estimate provided on September 30, 1999. Specifically, it corrects an error in the calculation of inflation adjustments for the payments required under the bill. The previous estimate overstated the increase in state and county payments; we discovered that error and corrected it to produce this revised estimate. The estimated outlays in 2000 and 2001 resulting from enactment of H.R. 2389 are not affected by this change.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Victoria Heid Hall (for federal costs), and Marjorie Miller (for the state and local impact).

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

H.R. 2389—County Schools Funding Revitalization Act of 1999

Summary: H.R. 2389 would require additional payments to those states and counties that received a portion of the receipts from the sale of resources on certain federal lands during fiscal years 1986 through 1999. The bill specifies a formula for the amount of these additional payments in 2000, and would require continuing such payments through 2005, including annual adjustments for inflation. H.R. 2389 specifies that the additional payments required by this bill would be made either from receipts from the use of certain federal lands, or from funds appropriated for the Forest Service or the Bureau of Land Management (BLM). CBO estimates that enacting H.R. 2389 would increase direct spending by $173 million in fiscal year 2000 and by about $1.1 billion over the 2000–2004 period. Because enactment of H.R. 2389 would affect direct spending, pay-as-you-go procedures would apply. We estimate that implementing the bill would increase discretionary spending by less than $500,000 in each of fiscal years 2000 through 2002, assuming appropriation of the necessary amounts.

H.R. 2389 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. The increased payments guaranteed by this bill would benefit eligible states and counties.

Estimated Cost to the Federal Government: The estimated budgetary impact of H.R. 2389 is shown in the following table. The costs of this legislation fall within budget function 800 (general government).

	By fiscal year, in millions of dollars					
	1999	2000	2001	2002	2003	2004
CHANGES IN DIRECT SPENDING						
Spending Under Current Law: [1]						
Estimated Budget Authority	298	289	276	265	258	258
Estimated Outlays	298	289	276	265	258	258
Proposed Changes:						
Estimated Budget Authority	0	173	198	222	241	254
Estimated Outlays	0	173	198	222	241	254
Spending Under H.R. 2389:						
Estimated Budget Authority	298	462	474	487	499	512
Estimated Outlays	298	462	474	487	499	512
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	0	(2)	(2)	(2)	0	0

	By fiscal year, in millions of dollars					
	1999	2000	2001	2002	2003	2004
Estimated Outlays	0	(2)	(2)	(2)	0	0

[1] Payments under current law include receipt-sharing and guaranteed payments to states and counties from lands administered by the Forest Service and BLM.
[2] Less than $500,000.

Basis of Estimate: CBO estimates that, relative to current law, enacting H.R. 2389 would increase direct spending by $173 million in fiscal year 2000 and a total of $1.4 billion over the 2000–2005 period. Because we do not expect that there will be sufficient receipts to fully fund the additional payments, some of the payments would likely be made from amounts appropriated to the Forest Service and BLM. In addition, we estimate implementing the bill would require an increase in discretionary spending to operate the advisory committee created by the bill; such spending would total less than $500,000 in each of fiscal years 2000 through 2002.

DIRECT SPENDING

Receipt-Sharing and Guaranteed Payments Under Current Law

Offsetting receipts generated from the sale of resources on federal land result in payments to states and counties based on formulas specific to the type of federal land involved and are known as receipt-sharing payments. H.R. 2389 would affect receipt-sharing payments from three types of federal land: National Forest System (NFS) lands, which are managed by the Forest Service; Oregon and California Railroad grant lands, which are managed by BLM or the Forest Service; and Coos Bay Wagon Road (CBWR) grant lands, which are managed by BLM.

Eligible states and counties receive 25 percent of the receipts from the sale of resources on NFS land, and 50 percent of receipts from the use of Oregon and California grant lands and Coos Bay Wagon Road grant lands are distributed to eligible counties. However, a different payment process is temporarily in effect for certain counties where federal land is affected by decisions related to the northern spotted owl. Under the Omnibus Budget Reconciliation Act of 1993 (OBRA–93), those counties receive a special guaranteed payment (also called a safety net payment) through fiscal year 2003 based on the historic levels of their receipt-sharing payments from the federal government.

Additional Payments

The bill would repeal the current safety net payments created by OBRA–93 and replace them with the new payment required by this bill. For fiscal year 2000, H.R. 2389 would require the Secretary of the Treasury to pay each eligible state and county the higher of either the receipt-sharing payment currently applicable to the federal land in that jurisdiction, or an amount equal to the average of the three highest receipt-sharing payments (or safety net payments) that the jurisdiction received between 1986 and 1999. After fiscal year 2000, this payment would continue to be made to each eligible state and county through 2005, with an annual adjustment for inflation. Based on information from the Forest Service and BLM, we estimate that the payments required by H.R. 2389 would increase federal payments to states and counties by $173 million in fiscal year 2000 and a total of about $1.4 billion over the 2000–2005 period.

Potential Effect on Receipts

Additional payments required by H.R. 2389 would be funded either from revenues received on the relevant federal land, or from appropriations to the Forest Service and BLM. Enacting H.R. 2389 may create an incentive to generate additional receipts in order to finance the additional payments required. However, based on information from the Forest Service and BLM, we estimate the agencies would not raise significant additional receipts as a result of enacting this bill.

SPENDING SUBJECT TO APPROPRIATION

H.R. 2389 would establish an advisory committee, to be known as the Forest Counties Payments Committee, to develop recommendations regarding methods to ensure that states and counties in which federal lands are located receive adequate federal payments. The bill would authorize the appropriation of such sums as necessary for the committee, which would terminate three years after enactment. We estimate that implementing this provision would cost less than $500,000 for each of fiscal years 2000 through 2002, assuming appropriation of the necessary amounts.

Pay-as-You-Go Considerations: The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures as shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By fiscal year, in millions of dollars										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Changes in outlays	0	173	198	222	241	254	265	0	0	0	0
Changes in receipts	Not applicable										

Intergovernmental and Private-Sector Impact: H.R. 2389 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The increased payments guaranteed by this bill would benefit eligible states and counties.

Previous CBO Estimate: On September 30, 1999, CBO provided a cost estimate for the County Schools Funding Revitalization Act of 1999, as ordered reported by the House Committee on Agriculture on September 23, 1999. This estimate supersedes that previous estimate. Specifically, it corrects an error in the calculation of inflation adjustments in 2002 through 2005 for the payments required under the bill. The previous estimate overstated the increase in state and county payments based on inflation. The estimate has been corrected accordingly. The estimated outlays in 2000 and 2001 resulting from enactment of H.R. 2389 are not affected by this change.

Estimate Prepared by: Federal costs: Victoria Heid Hall. Impact on State, local, and tribal governments: Marjorie Miller.

Estimate Approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

COMMITTEE COST ESTIMATE

Pursuant to clause 3(d)(2) of rule XIII of the Rules of the House of Representatives, the Committee report incorporates the cost estimate prepared by the Director of the Congressional Budget Office pursuant to sections 402 and 423 of the Congressional Budget Act of 1974.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds the Constitutional authority for this legislation in Article I, clause 8, section 18, that grants Congress the power to make all laws necessary and proper for carrying out the powers vested by the Constitution in the Government of the United States or in any department or officer thereof.

OVERSIGHT STATEMENT

No summary of oversight findings and recommendations made by the Committee on Government Reform, as provided for in clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, was available to the Committee with reference to the subject matter specifically addressed by H.R. 2389.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Agriculture's oversight findings and recommendations are reflected in the body of this report.

ADVISORY COMMITTEE STATEMENT

Section 7 of this legislation creates a "Forest Counties Payment Committee" which is subject to the Federal Advisory Committee Act (FACA) (U.S.C. App.). Pursuant to section 5 of FACA, the Committee on Agriculture has determined that the functions of the proposed Forest Counties Payment Committee are not and cannot be performed by one or more agencies, by an existing advisory committee, or by enlarging the mandate of an existing advisory committee. Furthermore, the Committee on Agriculture has determined that this legislation meets all the requirements of section 5(b)(1)–(5) of FACA.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104–1).

FEDERAL MANDATES STATEMENT

The Committee adopted as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act (Public Law 104–4).

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

OMNIBUS BUDGET RECONCILIATION ACT OF 1993

* * * * * * *

TITLE XIII—REVENUE, HEALTH CARE, HUMAN RESOURCES, INCOME SECURITY, CUSTOMS AND TRADE, FOOD STAMP PROGRAM, AND TIMBER SALE PROVISIONS

* * * * * * *

CHAPTER 4—TIMBER SALES

* * * * * * *

[SEC. 13982. SHARING OF FOREST SERVICE TIMBER SALE RECEIPTS.

[(a) DEFINITIONS.—As used in this section:

[(1) APPLICABLE PERCENTAGE.—The term "applicable percentage" means—

[(A) for fiscal year 1994, 85 percent; and

[(B) for each of fiscal years 1995 through 2003, 3 percentage points less than the applicable percentage for the preceding fiscal year.

[(2) 25-PERCENT PAYMENTS TO STATES.—The term "25-percent payments to States" means the 25 percent payments authorized by the Act of May 23, 1908 (35 Stat. 260, chapter 192; 16 U.S.C. 500) for the States of Washington, Oregon, and California for the benefit of counties in which national forests are situated and that are affected by decisions related to the northern spotted owl.

[(3) SPECIAL PAYMENT AMOUNT.—The term "special payment amount" means the amount determined by multiplying—

[(A) the applicable percentage; by

[(B) the annual average of the 25-percent payments to States made to a county pursuant to such Acts during the 5-year period consisting of fiscal years 1986 through 1990.

[(b) PAYMENTS.—

[(1) IN GENERAL.—In lieu of making the 25-percent payments to States, the Secretary of the Treasury shall make payments to States, out of any money in the Treasury not otherwise appropriated, for the benefit of counties, that are eligible to receive the 25-percent payments to States as of the date of enactment of this Act in accordance with paragraph (2).

⟦(2) AMOUNT OF PAYMENTS.—

⟦(A) FISCAL YEARS 1994 THROUGH 1998.—For each of fiscal years 1994 through 1998, the payment to each State for the benefit of each county in the State referred to in paragraph (1) shall be equal to the sum of the special payment amounts for each county in the State.

⟦(B) FISCAL YEARS 1999 THROUGH 2003.—

⟦(i) IN GENERAL.—For each of fiscal years 1999 through 2003, the payment to each State for the benefit of each county in the State referred to in paragraph (1) shall be equal to the sum of the payments for each county in the State as calculated under clause (ii).

⟦(ii) PAYMENTS FOR COUNTIES.—The payment for each county referred to in clause (i) shall be equal to the greater of—

⟦(I) the special payment amount for the county; or

⟦(II) the share of the 25-percent payments to States allocable to the county.

⟦SEC. 13983. SHARING OF BUREAU OF LAND MANAGEMENT TIMBER SALE RECEIPTS.

⟦(a) DEFINITIONS.—As used in this section:

⟦(1) APPLICABLE PERCENTAGE.—The term "applicable percentage" means—

⟦(A) for fiscal year 1994, 85 percent; and

⟦(B) for each of fiscal years 1995 through 2003, 3 percentage points less than the applicable percentage for the preceding fiscal year.

⟦(2) 50-PERCENT PAYMENTS TO COUNTIES.—The term "50-percent payments to counties" means the 50-percent share paid to counties in the States of Oregon and California pursuant to title II of the Act of August 28, 1937 (50 Stat. 875, chapter 876; 43 U.S.C. 1181f), and the payments made to counties pursuant to the Act of May 24, 1939 (53 Stat. 753, chapter 144; 43 U.S.C. 1181f–1 et seq.).

⟦(3) SPECIAL PAYMENT AMOUNT.—The term "special payment amount" means the amount determined by multiplying—

⟦(A) the applicable percentage; by

⟦(B) the annual average of the 50-percent payments to counties made to a county pursuant to such Acts during the 5-year period consisting of fiscal years 1986 through 1990.

⟦(b) PAYMENTS.—

⟦(1) IN GENERAL.—In lieu of making the 50-percent payments to counties, the Secretary of the Treasury shall make payments, out of any money in the Treasury not otherwise appropriated, to counties that are eligible to receive the 50-percent payments as of the date of enactment of this Act in accordance with paragraph (2).

⟦(2) AMOUNT OF PAYMENTS.—

⟦(A) FISCAL YEARS 1994 THROUGH 1998.—For each of fiscal years 1994 through 1998, the Secretary of the Treasury shall pay to each county referred to in paragraph (1) the special payment amount.

【(B) FISCAL YEARS 1999 THROUGH 2003.—For each of fiscal years 1999 through 2003, the Secretary of the Treasury shall pay to each county referred to in paragraph (1) the greater of—

【(i) the special payment amount; or

【(ii) the share of the 50-percent payments to counties allocable to the county.】

* * * * * * *

SECTION 6903 OF TITLE 31, UNITED STATES CODE

§ 6903. Payments

(a) In this section—

(1) "payment law" means—

(A) the Act of June 20, 1910 (ch. 310, 36 Stat. 557);

(B) section 33 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1012);

(C) the Act of May 23, 1908 (16 U.S.C. 500);

(D) the County Schools Funding Revitalization Act of 1999;

【(D)】 *(E)* section 5 of the Act of June 22, 1948 (16 U.S.C. 577g, 577g–1);

【(E)】 *(F)* section 401(c)(2) of the Act of June 15, 1935 (16 U.S.C. 715s(c)(2));

【(F)】 *(G)* section 17 of the Federal Power Act (16 U.S.C. 810);

【(G)】 *(H)* section 35 of the Act of February 25, 1920 (30 U.S.C. 191);

【(H)】 *(I)* section 6 of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 355);

【(I)】 *(J)* section 3 of the Act of July 31, 1947 (30 U.S.C. 603); and

【(J)】 *(K)* section 10 of the Act of June 28, 1934 (known as the Taylor Grazing Act) (43 U.S.C. 315i).

* * * * * * *

○