

Mark Rey Explains the Bush Administration's Secure Rural Schools Proposal

(Washington, D.C.) - The March 2006 Recreation Exchange featured Mark Rey, Under Secretary of Agriculture for Natural Resources and the Environment, who oversees the Forest Service and a variety of other key programs. Mr. Rey addressed the Administration's proposal to re-authorize the **Secure Rural Schools and Community Self Determination Act** of 2000 for an additional five years. Key to this proposal is a plan to fund the extension of the Act by a one-time sale of up to 309,000 acres of land in parcels characterized by the Forest Service as "small, isolated or difficult to manage due to their location or other characteristics." According to Mr. Rey, the current proposal would result in the sale of an estimated 150-175,000 acres to raise the \$800 million needed to fund the proposed re-authorization which would provide a declining level of assistance to counties for five years.

Mr. Rey gave background on the development of the re-authorization proposal and explained that the government has been supporting rural schools in counties with National Forest land since 1908. Originally these payments were based on income to the federal government from timber or other commodity sales. By 2000, this income had declined by 80% and the **Secure Rural Schools Act** was created to offset the loss to affected counties in more than 40 states.

The five-year time frame of the Act was to allow counties sufficient time to broaden their economic bases to replace historic timber sale income. A second purpose of the Act was to improve historically-strained relationships between federal land managers and county and local governments. The creation of regional Resource Advisory Committees (RACs) was the mechanism for giving local stakeholders and governments direct input into how the \$36-40 million available for resource improvement would be allocated. The RACs have been very successful in improving relationships between the federal government and local stakeholders and in making funding recommendations.



The first purpose of the Act has been more difficult to achieve. While some counties have had significant success in transitioning their economies, many are nearly as dependent on federal funding for schools as they were in 2000. Therefore, Mr. Rey explained, the Administration concluded that continuing these payments for an additional five years was justified.

The challenge was to replace the funding for the program by an offsetting “revenue raiser” in an era of budget deficits, rather than by setting aside funds from a budget surplus to create a mandatory account as had been possible in 2000. The Administration considered many alternatives in a “budget scoring” process. A revenue source that starts producing funds in the first year of re-authorization would be required, and that eliminated a number of options. By the process of elimination, the land sale was identified as the most feasible mechanism for extending the program. The Forest Service, unlike the Bureau of Land Management, needs new authority from Congress for this land sale.

Though land sale proposals are historically unpopular, they have not been unprecedented or infrequent over the last 25 years, he said. The Administration based the current proposal on prior successful land sale proposals approved by Congress, such as the Southern Nevada Public Land Management Act and the Forest Service’s authority to sell unneeded administrative facilities granted in 2002 and expanded in 2005.

According to Mr. Rey, these successful land sales have three things in common with the present proposal:

- Precision: The Forest Service has included only parcels deemed surplus in a specific Forest Plan and has provided a list of all properties under consideration on its website by state and with maps. The list, which identifies almost twice the acreage expected to be sold, allows for refinement based on continued public input and research.
- Transparency: The Forest Service has provided detailed information and adequate time for public comment and debate.
- Public Purpose: Re-authorization of the **Secure Rural Schools Act** is widely accepted as a legitimate public purpose.

Mr. Rey asked the audience to consider the proposal in a larger context:

- Every acre of Forest Service land is not of equal importance and value. He gave the example of a group of 20, 40 and 80-acre parcels in the Bitterroot Valley. They came to the Forest Service by “accident rather than design”, he said, and are surrounded by private land. They were never part of the original Bitterroot Forest Reserve. These parcels and others like them, because of their location and size, are revenue-negative to the Forest Service, though some are likely to be important to state and local governments.
- The Forest Service acquires about 1 million acres of land per year - mostly through the Land and Water Conservation Fund. At this rate, Forest Service acquisitions would make up for the sale in two years.

Mr. Rey summed up by saying that of the many comments received to date, none questions the over-arching public need to continue the **Secure Rural Schools Act** for an additional five years to allow more time for counties to adjust to new economic realities. In response to comments received, the proposal now allows for state and local governments and land trusts to have a “right of first refusal” for parcels identified by them as worthy of protection. Finally, Mr. Rey noted that even those who support extending the **Secure Rural Schools Act**, but oppose the land sale, have offered no funding alternatives. He is aware that Congressional staffers are studying alternative funding mechanisms, but he noted they will also be constrained by Congressional Budget Office offset requirements.

Following his remarks, Mr. Rey was asked how the already financially strapped counties could raise funds to protect locally significant lands. He responded that though this is a valid question, county bond levies for open space protection have been remarkably successful, even as school funding levies have failed. He attributes this development to changing demographics: for example, the influx of retirees with no school-aged children into many Western communities. Another question concerned the loss of revenue from sold lands. Mr. Rey reiterated that the parcels in question are often revenue-negative due to size and the need for hazardous fuel reduction to protect adjacent private land. He noted that land sold to the private sector would return to the local tax rolls, potentially adding more to the county revenue stream than grazing leases. He added that while the land exchange inventory will be reduced for several years, the Administration believes the trade-off is worth it because land exchanges are declining in popularity among a public suspicious about land valuations and the complexity of land swaps in comparison to straight sales. Another questioner wondered if selling these lands would actually have a negative impact on counties’ ability to diversify their economies - specifically the recreation economy. Mr. Rey stated that some of these recreation lands are more suitable for county ownership, and many of those are already managed by county park authorities, which will now have the opportunity to add ownership to management responsibility.

Turning to the notion of selling capital assets to fund operating costs, a frequent criticism of the current proposal, Mr. Rey noted that it is a long-accepted corporate practice to sell assets to fund strategic needs. He believes this one-time sale is similarly appropriate for the Forest Service. Mr. Rey was asked if, given his justification of the proposed sale, he would have supported the sale regardless of the need to fund **Secure Rural Schools Act** re-authorization. He said that he would, noting that all the parcels are presently in the “exchange” category. In parting, Mr. Rey observed that, in hindsight, the original legislation might have been improved by including a provision for ramping payments down so that counties were better alerted to the possibility that the funding was not open-ended.

Comments on the proposed list of land parcels for sale must be received by March 30 and may be sent by e-mail to SRS_Land_Sales@fs.fed.us. Written comments may be sent to: USDA Forest Service, SRS Comments, Lands 4S, 1400 Independence Ave., SW, Mailstop 1124, Washington, DC 20250-0003. Send faxed comments to (202) 205-1604. Derrick Crandall, President of ARC, announced that he would organize a conference call during the week of March 27 to assist the recreation community in

responding to the request for comments.

To view the list of potential parcels, go to <http://www.fs.fed.us/land/staff/spd.html>.

For ARC's Fact Sheet on the **Secure Rural Schools** proposal, go to www.funoutdoors.com.

If you would like to contact Mr. Rey, he can be reached as follows:

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