



MEMORANDUM: ACTION REQUIRED

To: Boards of County Commissioners in Affected Forest Counties
Cc: County Chief Administrators in Affected Forest Counties
Office of the State Treasurer
Colorado Counties, Inc.
From: Mia Gonzales, Department of Local Affairs
Date: June 23, 2023
Re: **Forest Service FED FY 2023 Payments to States Election Form**

The Department of Local Affairs, as directed by the Forest Service with the reauthorization of the Secure Rural Schools and Community Self Determination Act by P.L. 117-58 (the Act), must collect each eligible counties' election to receive national forest payments and select a payment methodology. Counties must select payment under the 1908 Amended Act (25% 7 Year Rolling Average) or the Secure Rural Schools Act and Community Self Determination Act (SRS Full Payment) methodology.

Counties selecting the SRS payment method will need to complete a second election to allocate the distribution amount between Titles I, II, and III. The Title Allocation election is due to the Department on September 15, 2023, but can be completed in conjunction with the initial payment election. Counties choosing to make allocations at a later time will be sent a separate form for completion by September 15.

The Forest Service has provided an estimated payment report to aid counties in determining the best option between payment methods, included in your email. The dollar amounts on this report are the Forest Service's best estimates during this election cycle. This report in no way confers the actual dollar amounts that would be received by any State or County. Data on this report is general in nature and should not be used in any government budget planning or future program management. The actual dollars earned and distributed for each State/County for federal fiscal year 2023 payments will be different based upon various future factors and variables that are not currently available.

The election applies for the 2023 federal fiscal year (payment year 2024). The Department will certify and transmit the election results to the Forest Service. The election must be completed electronically and should be submitted once by a single representative of the county.

The deadline for completing the electronic form to the Department is **Friday, July 21, 2023**.

Electronic Form for Submission: [Forest Service FED FY 2023 Payments to States Election Form](#)

Please contact me with any questions or concerns at (303) 864-7744 or mia.gonzales@state.co.us.



Secure Rural Schools (SRS) Act History and Election Form Training

June 16, 2023, 11:00 AM-12:30PM MTS

June 21, 2023, 1:00-2:30 PM MTS

- History and Legislation
- Overview of Secure Rural Schools Act
- Infrastructure Bill
- Reporting Requirements
- SRS vs 1908 Election
- County Fund Distribution Overview
- Election Form Review

Law was passed in 1906 to transfer 10 percent of the forest receipts (through grazing fees and some timber sales) to the states to support public roads and schools

Two years later, Congress ratified the Act of May 23, 1908 (1908 Act). The 1908 Act expanded the payments to the states from 10% to 25% of gross receipts

In 2008, Congress then amended the original 1908 Act (1908 As Amended)

- Payment became 25% of average gross receipts over the previous 7 years rolling average
- The 1908 Act as Amended payments have mandatory spending authority and are automatic unless Congress acts to alter
- Currently there are roughly 73 counties that are receiving payments under this methodology

In 2000, Congress passed the Secure Rural Schools and Community Self Determination Act of 2000 (SRS)

- Stabilize funding for rural counties
- Requires reauthorization by Congress
- Established state and county eligibility criteria
- Established the county option to receive either the 25% payment, or share of the States Payment amount under the Secure Rural Schools Act when authorized
- Funded by the same receipts as the 1908 Act and supplemented by Treasury

In years when the Secure Rural Schools Act is reauthorized by Congress, Title I and Title III payments are made from the Forest Service to states. States then distribute the payment to all eligible counties.

- Title I - **Secure payments** schools and roads
- Title II - **Special projects** on federal land
- Title III - **County funds** for specific purposes

Reauthorization of the SRS Act has occurred every year since its inception except for 2016. Several of the reauthorizations made significant changes to such items as payment methodologies and funding levels. For further details see the following link:

<https://www.fs.usda.gov/working-with-us/secure-rural-schools/act>

Title I - Roads & Schools

Counties generally receive the majority of Secure Rural Schools funds under Title I, which is designated for the benefit of public schools and public roads. In years when the Secure Rural Schools Act is reauthorized by Congress, Title I payments are made from the USDA Forest Service to states. States then distribute the payment to all eligible counties. The funds must be passed through to local governmental entities for use at the county level (but not necessarily to county governments themselves). Each state must spend the funds on road and school programs, and state law sets forth how the payments are to be allocated between road and school projects. The state laws differ widely, generally ranging from 30% to 100% for school programs.

Title II - Special Projects on Federal Lands

- | Counties typically receive 20% or less of Secure Rural Schools funds under Title II, which are used by willing Federal agencies, State and local governments, private and nonprofit entities, and landowners for protection, restoration and enhancement of fish and wildlife habitat, and other natural resource objectives on Federal land and on non-Federal land where projects would benefit these resources on Federal land.
- | Rather than being distributed to the State, Title II funds are retained by the Forest Service and are allocated to specific projects that have been reviewed and recommended by a local Resource Advisory Committee.
- | [Resource Advisory Committees](#) (RAC) must initiate (recommend) Title II projects by September 30, 2025. Project funds must be obligated by Sept. 30, 2026

I Title II – Special Projects

- § Road, trail, and infrastructure maintenance or obliteration;
- § Soil productivity improvement
- § Improvements in forest ecosystem health
- § Watershed restoration and maintenance
- § The restoration, maintenance, and improvement of wildlife and fish habitat
- § The control of noxious and exotic weeds
- § The re-establishment of native species

Title III – County Funds

- Firewise Communities program
- Reimbursement for emergency services (firefighting and law enforcement patrols) on federal land paid for by the county
- Develop community wildfire protection plans (CWPPs)
- Training costs and equipment purchases related to emergency service
- Plus, new updated usages per the Infrastructure Bill presented later in this training.

Distributions Based Upon SRS Elections \$100k or less

An eligible county that elects to receive a share of the State payment that is less than \$100,000 (a **minor** distribution) may elect to use 100-percent of its share to title I for public roads and schools.

- § The county must make this decision on the election sheet, and no other titles need to be selected.
- § **Alternatively**, a county that receives a minor distribution could also elect to enter 80-85% in title I.
- § The county may opt to allocate 15-percent to 20-percent of its share to title II, title III, or a combination of both.
- § The total percentage allocated to title II and title III combined must be no less than 15-percent and no greater than 20-percent.
- § The county also may opt to return its allocation, in whole or part, to the Federal Government.

If the county share of the State payment is more than \$100,000 but less than \$350,000 (a **modest** distribution).

- § The county must elect to put between 80-85% into title I.
- § The county must allocate 15-percent to 20-percent of its share to title II, title III, or a combination of both.
- § The total percentage allocated to title II and title III must be no less than 15-percent and no greater than 20-percent.
- § The county also may opt to return its allocation, in whole or part, to the Federal Government.

Distributions Based Upon SRS Elections is \$350k or Greater

If the county share of the State payment is \$350,000 or greater (a **major** distribution) the county must allocate 15-percent to 20-percent of its share to title II, title III, or a combination of both.

- The county must elect to put between 80-85% into title I.
- The total percentage allocated to title II and title III combined must be no less than 15-percent and no greater than 20-percent.
- Except that the allocation for title III projects may not exceed 7-percent for major distribution counties.
- The county also may opt to return its allocation, in whole or part, to the Federal Government.



Secure Rural Schools County Fund Distribution

Title Number	Minor Distribution (<\$100,000)	Modest Distribution (\$100,000-\$349,999)	Major Distribution (\$350,000 and above)
Title I	100% OR 80%-85% AND	80%-85% AND	80%-85% AND
Title II	15%-20% between Titles II & III	15%-20% between Titles II & III	8%-20%
Title III	15%-20% between Titles II & III	15%-20% between Titles II & III	<7%



- The reauthorization is effective for three years. (2021-2023)
- Funding was reverted to the 2017 funding level (\$282,043,153)
- Title II projects must be initiated by September 30, 2025, and must be obligated by Sept. 30, 2026
- Title III projects must be initiated by September 30, 2025, and must be obligated by Sept. 30, 2026
- Currently there is no information on future SRS reauthorizations after 2023.

Additional Title III elements added in recent reauthorization:

- | Title III has been expanded to include (A) broadband telecommunications services at local schools; or (B) the technology and connectivity necessary for students to use a digital learning tool at or outside of a local school campus.
- | Title III funds are “not available under this title to be used by any participating county for any lobbying activity, regardless of the purpose for which the funds are obligated on or before that date.”

REMINDER -ANNUAL REPORTING REQUIREMENT

Title III Certifications (SRS 2000)

I 'SEC. 303. CERTIFICATION. "(a) IN GENERAL.—Not later than February 1 of the year after the year in which any county funds were expended by a participating county, the appropriate official of the participating county shall submit to the Secretary concerned a certification that the county funds expended in the applicable year have been used for the uses authorized under section 302(a), including a description of the amounts expended **and** the uses for which the amounts were expended.

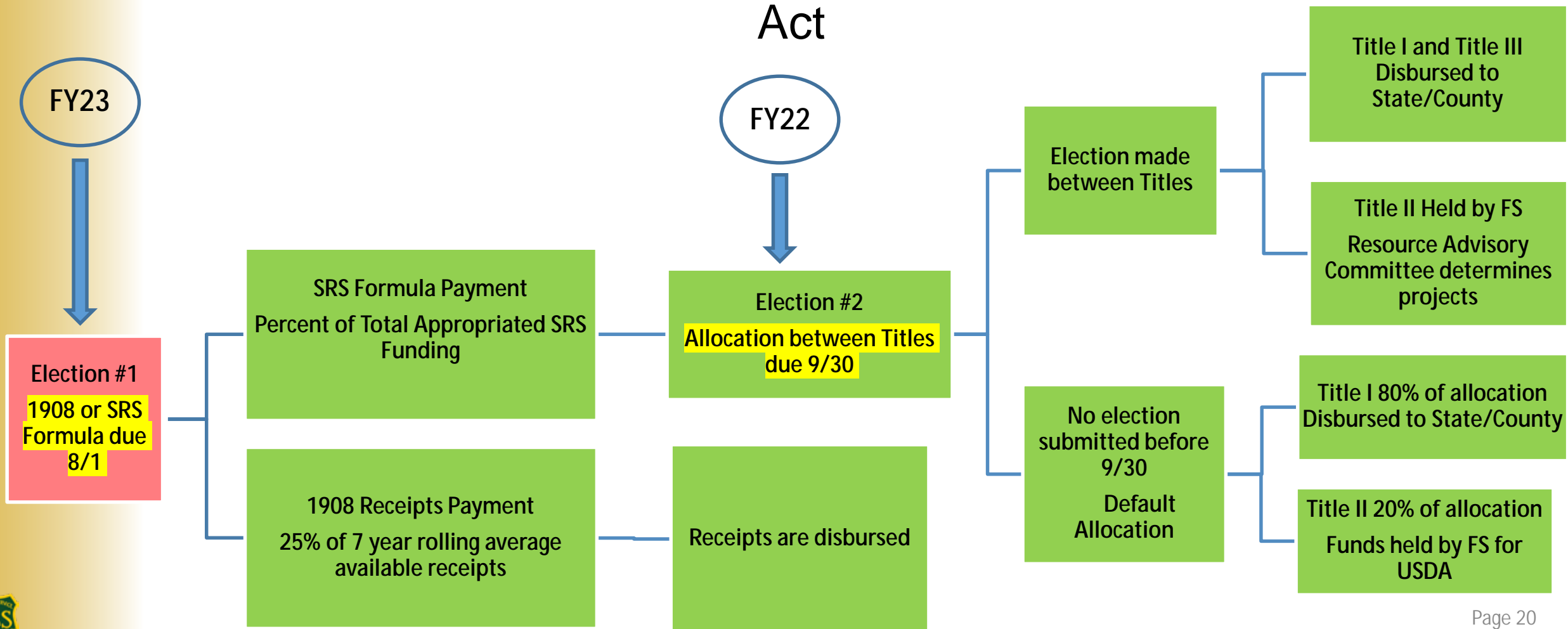
- Title III certification must be made by February 1 of the year following the year in which the expenditures were made.
- The Forest Service will work with the states to ensure all eligible Title III counties receive a form to meet this annual certification requirement.
- The annual reporting for Title III is mandatory. The Forest Service will be taking action to follow up with the states that are not in compliance with the law.
- The appropriate official of a county that receives funds under Title III shall submit an annual certification that the funds have been expended for the uses authorized under section 302(a) of the Act.

Certification of Title III Funds

- The certification may be in the form of conventional correspondence such as a letter, and at the option of the certifying official, attached tables, or similar graphic display. Or the certification may employ the optional form [OMB 0596-0220](#).
- Certifications can be submitted (email preferred) to the Forest Service via;
Fax: (877) 684-1422 ATTN: ASR
Email SM.FS.asc_asr@usda.gov
Mail to: Forest Service
Albuquerque Service Center, B&F
Attn: Funds Control / ASR
101B Sun Avenue NE
Albuquerque, NM 87109
- For additional Title III FAQs - <https://www.fs.usda.gov/working-with-us/secure-rural-schools/title-3-faqs>

- FY2023 will be the first year since 2013 that counties have had the option to change their payment election between SRS and 1908 Act Amended.
- Last year (FY2022) counties were only allowed to submit allocations requests between titles (I,II,III). The 1908 Act Amended designated counties remained the same until now in FY23.

Secure Rural Schools FY 22/23 Entry Points as Implemented by Infrastructure Investment and Jobs Act





1908 VS SRS Estimated FY 23 Payment Amounts Example

<u>Estimated</u> Payment Report			
Fiscal Year: 2023	National: Yes	Run Date : 05/25/2023	
PNF Lands Data: 2022	PCPI Data: 2021	Base Amount:	
BLM Lands Data: 2022	***Note*** Payment amount is rounded to the nearest \$100. If there is a \$0.00 dollar amount then payment would be less than \$50.00.		
State	County	SRS Full Payment Amount	25% 7 Year Rolling Average
SMOKEY BEAR STATE	Woody's Owl County 01	\$ 176,900.00	\$ 23,900.00
SMOKEY BEAR STATE	Woody's Owl County 02	\$ 48,600.00	\$ 8,500.00
SMOKEY BEAR STATE	Woody's Owl County 03	\$ 3,500.00	\$ 900.00
SMOKEY BEAR STATE	Woody's Owl County 04	\$ 53,500.00	\$ 9,100.00
SMOKEY BEAR STATE	Woody's Owl County 05	\$ 173,000.00	\$ 26,200.00
SMOKEY BEAR STATE	Woody's Owl County 06	\$ 205,700.00	\$ 38,700.00
SMOKEY BEAR STATE	Woody's Owl County 07	\$ 188,000.00	\$ 65,100.00
SMOKEY BEAR STATE	Woody's Owl County 08	\$ 4,900.00	\$ 800.00
SMOKEY BEAR STATE	Woody's Owl County 09	\$ 111,700.00	\$ 34,600.00
SMOKEY BEAR STATE	Woody's Owl County 10	\$ 3,000.00	\$ 1,000.00
SMOKEY BEAR STATE	Woody's Owl County 11	\$ 57,500.00	\$ 11,000.00
SMOKEY BEAR STATE	Woody's Owl County 12	\$ 188,900.00	\$ 70,000.00
SMOKEY BEAR STATE	Woody's Owl County 13	\$ 39,300.00	\$ 15,000.00
SMOKEY BEAR STATE	Woody's Owl County 14	\$ 79,000.00	\$ 12,800.00
SMOKEY BEAR STATE	Woody's Owl County 15	\$ 109,400.00	\$ 18,100.00
SMOKEY BEAR STATE	Woody's Owl County 16	\$ 22,200.00	\$ 4,300.00
SMOKEY BEAR STATE	Woody's Owl County 17	\$ 199,000.00	\$ 69,500.00



Estimated Payment Report Caveats

When reviewing the Estimated Payment Reports in determining which payment option is optimal, there are some caveats that need to be considered.

The amounts presented are estimates and will not be the exact dollar amount any State/County will receive for the FY23 payment. Actual figures will not be calculated until the spring of 2024.

- | The 25% 7 Year Rolling Average amount estimated figures are derived from the actual FY16 - FY22 revenues. This is because FY23 revenue data is incomplete at the time of the election.
- | The SRS Full Payment Amounts are derived under the assumption that all eligible counties selected the SRS payment method. This would entail the full funded SRS payment amount being diluted further as currently elected 25% 7 Year Rolling Average counties are included in the equations.



Example Election Form

FY 2023 Forest Service Payment to States, Public Law 117-58

Election to Receive Payment

Election to Allocate the State Payment

By August 1, 2023 (midnight, mountain time), please complete and return all pages of this form to the U.S. Forest Service, Albuquerque Service Center, All Service Receipts (ASR) Section.

By email: sm.fs.asc_asr@usda.gov

By fax: (877) 684-1422, ATTN: ASR

A county's election to receive a payment and to allocate the State payment must be transmitted by the Governor's office or other appropriate executive office of the state such as State Treasurer, on behalf of the Governor. The Forest Service will not accept an election directly from a county or from any non-governmental organization acting on behalf of a county.

Election to Receive Payment

The State must transmit, for each county in which a national forest is situated, the county's election to receive a share of the Secure Rural Schools Act State payment or a share of the State's 25-percent payment based on the 7-year rolling average annual receipts. The State may use this form to transmit county elections to the Forest Service. If the State fails to transmit a county's election by the deadline of August 1, 2023 (midnight, mountain time), the county will be considered to have elected to receive a share of the State payment.



Important Dates to Note During the SRS Election Cycles

- | Every February 1 - Title III certification reports are due for previous year expenditures.
- | August 1 within certain years of an SRS cycle – When prompted by the Forest Service, States and Counties must determine the payment election between 1908 Act Amended or the Secure Rural Schools Act and forward to your Governor’s Office or State’s Treasurers office for submission to the Forest Service. ■
- | September 30 of an eligible SRS year – When prompted by the Forest Service, prepare Title Election form and forward to your State Governor’s office or State’s Treasurers office for submission to the Forest Service. ■
 - § If a county is electing SRS, title election allocations can be submitted at the same time as the election between SRS and 1908 Act Amended. ■

- Website:
 - <https://www.fs.usda.gov/working-with-us/secure-rural-schools>
- Contact: All Service Receipts (ASR) |
 - Questions: SM.FS.SRSInbox@usda.gov
 - Return Forms : SM.FS.asc_asr@usda.gov
 - Fax: (877) 684-1422 ATTN: ASR
 - Albuquerque Service Center (ASC) through the ASC Contact Center at (877) 372-7248 Option 1.
 - Mail to: Forest Service
Albuquerque Service Center, B&F
Attn: Funds Control / ASR
101B Sun Avenue NE
Albuquerque, NM 87109

Questions



Estimated Payment Report

Fiscal Year: 2023	National: Yes	Run Date : 05/25/2023	
PNF Lands Data: 2022	PCPI Data: 2021	Base Amount:	
BLM Lands Data: 2022	***Note*** Payment amount is rounded to the nearest \$100. If there is a \$0.00 dollar amount then payment would be less than \$50.00.		
State	County	SRS Full Payment Amount	25% 7 Year Rolling Average
COLORADO(08)	Alamosa(003)	\$ 23,800.00	\$ 2,600.00
COLORADO(08)	Archuleta(007)	\$ 329,300.00	\$ 56,600.00
COLORADO(08)	Boulder(013)	\$ 35,700.00	\$ 21,500.00
COLORADO(08)	Chaffee(015)	\$ 252,200.00	\$ 72,100.00
COLORADO(08)	Clear Creek(019)	\$ 83,600.00	\$ 540,500.00
COLORADO(08)	Conejos(021)	\$ 306,500.00	\$ 36,400.00
COLORADO(08)	Costilla(023)	\$ 400.00	\$ 100.00
COLORADO(08)	Custer(027)	\$ 126,300.00	\$ 25,900.00
COLORADO(08)	Delta(029)	\$ 193,300.00	\$ 56,300.00
COLORADO(08)	Dolores(033)	\$ 450,700.00	\$ 44,400.00
COLORADO(08)	Douglas(035)	\$ 37,400.00	\$ 31,100.00
COLORADO(08)	Eagle(037)	\$ 163,200.00	\$ 844,400.00
COLORADO(08)	El Paso(041)	\$ 57,300.00	\$ 21,200.00
COLORADO(08)	Fremont(043)	\$ 120,900.00	\$ 15,900.00
COLORADO(08)	Garfield(045)	\$ 294,500.00	\$ 696,100.00
COLORADO(08)	Gilpin(047)	\$ 24,000.00	\$ 48,600.00
COLORADO(08)	Grand(049)	\$ 429,800.00	\$ 1,790,100.00
COLORADO(08)	Gunnison(051)	\$ 756,900.00	\$ 283,400.00
COLORADO(08)	Hinsdale(053)	\$ 372,000.00	\$ 85,900.00
COLORADO(08)	Huerfano(055)	\$ 122,700.00	\$ 22,800.00
COLORADO(08)	Jackson(057)	\$ 202,900.00	\$ 184,700.00
COLORADO(08)	Jefferson(059)	\$ 38,100.00	\$ 29,100.00
COLORADO(08)	La Plata(067)	\$ 190,000.00	\$ 53,800.00
COLORADO(08)	Lake(065)	\$ 138,800.00	\$ 25,900.00
COLORADO(08)	Larimer(069)	\$ 325,400.00	\$ 101,000.00
COLORADO(08)	Las Animas(071)	\$ 23,500.00	\$ 3,700.00
COLORADO(08)	Mesa(077)	\$ 453,200.00	\$ 296,300.00
COLORADO(08)	Mineral(079)	\$ 226,900.00	\$ 64,800.00
COLORADO(08)	Moffat(081)	\$ 41,300.00	\$ 24,600.00
COLORADO(08)	Montezuma(083)	\$ 210,000.00	\$ 34,500.00
COLORADO(08)	Montrose(085)	\$ 266,400.00	\$ 90,900.00
COLORADO(08)	Ouray(091)	\$ 47,000.00	\$ 39,000.00
COLORADO(08)	Park(093)	\$ 404,200.00	\$ 156,600.00
COLORADO(08)	Pitkin(097)	\$ 32,200.00	\$ 698,000.00
COLORADO(08)	Pueblo(101)	\$ 30,500.00	\$ 5,200.00
COLORADO(08)	Rio Blanco(103)	\$ 302,000.00	\$ 406,600.00
COLORADO(08)	Rio Grande(105)	\$ 181,100.00	\$ 33,400.00
COLORADO(08)	Routt(107)	\$ 144,800.00	\$ 321,200.00
COLORADO(08)	Saguache(109)	\$ 1,047,900.00	\$ 126,600.00
COLORADO(08)	San Juan(111)	\$ 111,800.00	\$ 24,000.00
COLORADO(08)	San Miguel(113)	\$ 30,400.00	\$ 51,400.00
COLORADO(08)	Summit(117)	\$ 123,800.00	\$ 1,042,100.00
COLORADO(08)	Teller(119)	\$ 66,300.00	\$ 27,300.00