

NEWS RELEASE

FOR IMMEDIATE RELEASE: April 14, 2015
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Counties applaud Secure Rural Schools, health care services extension

Two-year SRS reauthorization a major win for rural communities

WASHINGTON, D.C. – The National Association of Counties (NACo) today applauded federal lawmakers for passing the Medicare Access and CHIP Reauthorization Act of 2015 (H.R. 2), the so-called “doc fix” bill. The bill includes provisions important to the nation’s counties, particularly the much-needed reauthorization of the Secure Rural Schools (SRS) program retroactively for FY 2014 and through FY 2015 and an extension for the Children’s Health Insurance Program (CHIP), Community Health Centers and other health care programs.

“Counties welcome this federal investment in services that will help millions of Americans,” said Matthew Chase, NACo’s executive director. “We applaud the House and Senate for working in a bipartisan manner to provide greater budgetary certainty to counties. This investment will help counties deliver essential services like infrastructure, education and health care.”

The measure authorizes \$500 million through the SRS program to support local schools, transportation infrastructure, emergency response and other critical services. SRS funds will help more than 720 counties and 4,000 school districts across 41 states affected by the decline in revenue from timber harvests on federal lands. The bill also expedites SRS payments to counties by requiring the federal government to make payments within 45 days of the bill’s enactment.

“This legislation is a significant victory for forest counties and their residents. We are very pleased that Congress is making an investment to support local schools, roads and public safety in communities across the country,” said Chase. “Our partners on the Hill have heard the call echoing from forest counties across the country. Counties look forward to putting these much-needed, long-overdue funds to work as quickly as possible.”

Reauthorization of SRS renews Congress’ longstanding commitment to forest counties. “NACo encourages Congress to work together in the same bipartisan manner to enact legislation that promotes active natural resource management to support and strengthen forest communities,” Chase added.

U.S. COUNTIES AND SECURE RURAL SCHOOLS (SRS)

SRS PAYMENT FY 2014 RECEIPTS YEAR	SRS PAYMENT* FY 2014 RECEIPTS YEAR	PERCENT CHANGE FY 2014 RECEIPTS YEAR	PERCENT OF COUNTIES WITH U.S. FOREST SERVICE LAND
\$276.1 M	\$54.3 M	-80.3%	26%

SECURE RURAL SCHOOLS
 The Secure Rural Schools and Community Self-Determination (SRS) Act was enacted in 2002 to compensate for steep reductions in revenues from timber harvests, which resulted from national policies that substantially diminished revenue-generating activities within federal forests. For FY 2015, the SRS program provided \$270 million for roads and schools and other critical services in 729 mostly rural counties, parishes and boroughs across the United States. Since that time, the authorization for SRS has expired.

OUR ASK
 Without SRS, forest counties nationwide face dramatic budgetary shortfalls. Counties urge Congress to renew its long-standing commitment to forest counties by increasing revenue sharing through active forest management and extending SRS as critical transitional funding.

THE FUNDING IS CRITICAL FOR SERVICES INCLUDING:

- TRANSPORTATION INFRASTRUCTURE
- SCHOOLS
- FOREST MANAGEMENT
- ECOSYSTEM PROTECTION
- PROTECTION FROM WILDFIRES
- SEARCH AND RESCUE
- EMERGENCY SERVICES

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Since 1908, the U.S. Forest Service has shared 25 percent of timber revenues with rural counties whose ability to raise their own revenue to fund basic local services is limited by the presence of tax-exempt federal forest land. SRS was first enacted in 2000 as local governments faced steep reductions in timber revenues resulting from national policies that limit economic activities within federal forests.

Current 25 percent payments from forest revenues are no longer enough to support the services forest counties must provide, including education, transportation infrastructure maintenance and search and rescue.

Forest counties rely on **SRS funding** to provide essential services to their residents. In FY 2013 alone, the SRS program provided \$270 million to over 700 counties and 4,000 school districts. However, the authorization for SRS lapsed in 2013. Counties have yet to receive SRS payments for FY 2014 and were left with uncertainty as to whether SRS will be available to them in FY 2015. Due to this lapse, forest county payments **decreased over 80 percent** between 2013 and 2014. County-specific SRS profiles are available **here**.

Without critical SRS funds, counties and school districts nationwide are facing dramatic budgetary shortfalls, and some have been forced to halt infrastructure projects, terminate employees, cancel teacher contracts and reduce numerous other services.

The "doc fix" legislation also extends several programs that counties use to maintain local health care systems. It extends CHIP, which helps to provide health coverage to more than eight million children and pregnant women with incomes above Medicaid eligibility levels; Community Health Centers, National Health Service Corps and Teaching Health Centers, which increase access to health care services in underserved areas, both urban and rural; and the Maternal, Infant, and Early Childhood Home Visiting Program — all by two years.

The bill helps counties provide Medicaid services by permanently extending the Qualifying Individuals and Transitional Medical Assistance Programs benefitting low-income seniors and working families. Additionally, H.R. 2 delays scheduled reductions to Medicaid disproportionate share hospital (DSH) payments by one year. DSH supports county hospitals serving a disproportionate share of Medicaid beneficiaries and the uninsured. Delaying these cuts allows the 960 county-supported hospitals nationwide that serve Medicaid beneficiaries to continue to stabilize local health care systems.

"Each year, counties invest nearly \$70 billion to provide health care services to their residents," said Chase. "This legislation will help counties deliver health care services to some of their most vulnerable populations – children, pregnant women, low-income individuals and families and elderly residents. We commend our partners on Capitol Hill for supporting services that have a direct impact on people's health and well-being.

The [National Association of Counties](http://www.naco.org) (NACo) is the only national organization that represents county governments in the United States. Founded in 1935, NACo assists America's 3,069 counties in pursuing excellence in public service to produce healthy, vibrant, safe and resilient counties. NACo promotes sound public policies, fosters county solutions and innovation, promotes intergovernmental and public-private collaboration and provides value-added services to save counties and taxpayers money. More information at: www.naco.org.

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