

Would Provide Life-line to Counties on the Verge of Bankruptcy

June 2, 2008

WASHINGTON, DC—Congressman Peter DeFazio (D-Springfield) and 12 other members today sent a letter to Speaker Pelosi supporting critical county payments funding in the domestic portion of the pending emergency spending bill. The Senate has already passed the legislation with a one-year extension of the county payments program but, the President has threatened to veto a bill that contains any funding for domestic programs.

"I am urging Congressional leaders to include county payments funding in the emergency supplemental," DeFazio said. "Counties in southwest Oregon are about to start laying off employees by the hundreds into a bad economy -- we're losing sheriffs patrols, jail beds, teachers and other vital public services. We are at the 11th hour and it is critical that something be done now. Curry and Josephine counties could go bankrupt if the funding isn't extended."

The Secure Rural Schools Act expired in September of 2006 on President Bush's watch with a Republican controlled Congress. Last year, the Democratic Congress gave counties a one-year extension while we continue to work on a longer-term solution. The county payments program provides nearly \$280 million a year to 33 Oregon counties for services like schools, roads and law enforcement. Counties receiving funding under the program have a high proportion of federally owned lands. Prior to the enactment of the county payments program, they had received a percentage of receipts from timber harvests, which fluctuated from year to year. However, harvest levels decreased precipitously in the late 1990s due to changes in federal forest policy. Congress passed the Secure Rural Schools and Community Self-Determination Act in 2000 to help stabilize these payments and ensure proper funding for vital county services.

DeFazio's letter follows:

The Honorable Nancy Pelosi
Speaker of the House
H232 Capitol
Washington, DC 20515

Dear Madam Speaker:

Our states are in crisis, and we are seeking your urgent assistance. As you know, the Senate has amended H.R. 2642, the war supplemental appropriations bill for FY 2008 to include a one-year \$400 million reauthorization of the Secure Rural Schools and Community Self-Determination Act (Secure Rural Schools). We ask that you accept this critical one-year extension.

A year ago thanks to your leadership, Congress passed a one year extension of the Secure Rural Schools legislation on the FY 2007 emergency supplemental appropriations bill, providing payments to counties that will run out in less than a month. Your support for rural communities gave our counties a lifeline, and we sincerely thank you for this desperately needed assistance.

Since then, Democrats and Republicans have worked together to secure a multi-year reauthorization of the Secure Rural Schools program. Both the House and the Senate have passed some form of multi-year reauthorization but we have not been able to achieve final passage of the reauthorization yet, though we remain hopeful that we will. In the mean time our counties and schools desperately need a one year bridge.

The Secure Rural Schools program aids over 600 rural counties and 4,400 school districts in 41 states. These counties are again facing the prospects of closing libraries, laying off county employees, curtailing sheriffs patrols, releasing prisoners from jails, ceasing search and rescue operations, eliminating mental health care services, and some are considering declaring bankruptcy and giving up their county status.

The lack of a reauthorization of the Secure Rural Schools legislation has needlessly wrought budget planning havoc on hundreds of rural communities. Most of these counties have fiscal

years that begin in July, and are in the midst of their budget planning processes. Because their fiscal future is uncertain, they are planning imminent layoffs of critical personnel and the cessation of a number of county services. Indeed, when faced with the lack of payments last year, counties began laying off employees in February, and began sending contract cancellation notices to teachers in March. This disastrous cycle is now repeating itself, which will only serve to worsen the economic downturn that many rural areas are currently experiencing.

Reauthorizing the Secure Rural Schools program will ensure that rural school children continue to have access to a quality education, libraries remain open, and public safety is guaranteed.

Thank you again for your invaluable assistance in reauthorizing the critically important Secure Rural Schools program in the past, and we look forward to continuing to work with you in the very near future to bring this process to a close.

Sincerely,

Darlene Hooley
David Wu
Joe Baca
Michael Michaud
Bruce Braley
David Loebsack
Phil Hare
Betty Sutton
Mike Thompson
Bob Etheridge
Baron Hill
Earl Blumenauer
Shelley Berkley
Stephanie Herseth Sandlin