

December 5, 2019

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
U.S. Capitol Building, Room: S-230  
Washington, DC 20510

The Honorable Charles Schumer  
Minority Leader  
United States Senate  
Hart Senate Office Building, Room: 419  
Washington, DC 20515

The Honorable Nancy Pelosi  
Speaker  
United States House of Representatives  
U.S. Capitol Building, Room: H-232  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
United States House of Representatives  
U.S. Capitol Building, Room: H-204  
Washington, DC 20515

Dear Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi, and Minority Leader McCarthy,

With the deadline to finalize an appropriations package for FY 2020 approaching, we ask that you uphold the federal commitment to local communities with significant percentages of federal land within our jurisdictions by reauthorizing the Secure Rural Schools program (SRS) until a permanent solution is developed and fully funding Payments In Lieu of Taxes program (PILT). Sixty-one percent of counties in 49 states nationwide have untaxable federal land within our boundaries and are required to provide critical services to residents and public lands visitors including search and rescue services, emergency management, law enforcement and education. As Congress develops appropriations legislation for FY 2020, we strongly encourage you to fully fund PILT and reauthorize SRS.

#### Secure Rural Schools

The SRS program provides over 720 counties and 4,000 school districts in 41 states and Puerto Rico with significant U.S. Forest Service lands with funding to make up for the shortfall resulting from declining timber sales off federal forestlands beginning in the early 1990s. SRS was last reauthorized retroactively for FY 2017 and FY 2018 with final payments sent to counties and schools in spring 2019.

Should Congress not reauthorize SRS, payments to national forest counties and schools will revert to the permanently authorized 25 percent revenue sharing payments under the National Forest Revenue Act of 1908. This will negatively impact county government and school revenues. When SRS authorization expired in FY 2016, county payments nationwide decreased by a staggering 80 percent. Another revenue cut like this will force many public lands counties and schools to lay off vital employees, including schoolteachers, road crews, law enforcement and emergency services personnel, as well as scale back classes, reduce school extracurricular activities, and even close schools and libraries in some areas. Additionally, without long-term, mandatory funding of PILT, local governments that receive PILT may see a payment reduction as SRS payments would no longer be deducted under the PILT formula, spreading PILT thinner across more localities.

**To ensure local communities and schools do not face these funding shortfalls, companion bills in the House and Senate reauthorize and extend SRS for FY 2019 and 2020, H.R. 3048 and S. 430. We strongly support the adoption of language in a final appropriations bill to ensure SRS funding for an additional two**

years at FY 2017 levels. Finally, national forest counties and schools support the bipartisan long-term funding solution for SRS, S. 1643, the Forest Management for Rural Stability Act. This bill would establish an endowment fund to permanently fund these necessary payments to national forest counties and schools. Reliable funding to underwrite essential county service and education programs will assist rural forest communities develop and sustain local economic productivity and jobs. We encourage Congress to act on this legislation as a potential long-term solution for national forest counties and schools.

#### Payments In Lieu of Taxes

Nearly 1,900 counties, boroughs, and parishes in 49 states rely on PILT to make up for lost property tax revenue from tax-exempt federal public lands. PILT provides an important safety net so local governments can reliably provide essential services to their constituents. In FY 2019, Congress appropriated the necessary \$515 million to fully fund PILT, which counties greatly appreciated. Unless and until Congress guarantees full funding for PILT, counties will not be able to provide public services such as emergency management, law enforcement, education, healthcare, and road maintenance to residents and federal lands visitors. In both the Senate and House Interior Appropriations bills, PILT was treated as a mandatory program with full funding for one fiscal year, which is the same funding language from the past two fiscal years. Counties support this approach and urge the adoption of this language in any final appropriations packages.

**Additionally, counties support efforts to eliminate the annual funding uncertainty faced by PILT counties in the long-term by passing either H.R. 3043, the Permanently Authorizing PILT Act, which would fund PILT in perpetuity, or S. 2480, the PILT Reauthorization Act, which would fully fund PILT for ten years. Furthermore, counties under 5,000 in population are not on an equal footing with larger counties due to monetary and population caps under the PILT formula. To remedy this, legislation has been introduced in both chambers, H.R. 3716 and S. 2108, to fix the PILT formula to benefit smaller population counties without impacting the PILT payment for any counties above 5,000 in population. We encourage Congress to explore all available options for adopting these pieces of legislation to improve the PILT program and support local governments.**

State and local governments are responsible for implementing a broad array of services, such as educating our nation's youth, responding to emergency calls, and maintaining public infrastructure. As Congress finalizes an appropriations package for FY 2020, we encourage the inclusion of full funding of PILT and an extension of the SRS program. We urge Congress to protect these vital revenue streams that ensure public services in rural communities will not be interrupted now and in the long-term.

Sincerely,