**SRS: Secure Rural Schools and Community Self-Determination Payments**

**One-Line Description:**

The Secure Rural Schools program (SRS) provided emergency relief for counties due to reduced natural resource activities on federal lands.

**Short Description:**

In 1993, Congress passed a small payment program to help western Oregon counties that had lost revenue when federal forests were closed to logging due to endangered species listings. By the late 1990s, many more county and municipal governments in the American West and around the country were struggling with similarly fiscal difficulties. Congress responded by turning this patchwork effort into a program that would provide more consistent revenues for schools and roads. The Secure Rural Schools and Community Self-Determination Act was an attempt to stabilize a revenue relationship that had faltered due to shifts in the environmental management of federal lands. Unfortunately, Congress’s willingness to fund SRS has been an uneven story, and a program intended to stabilize rural governments itself became an emblem of instability.

**Full Description:**

SRS’s roots lay in the late-1980s timber battles of western Oregon. Logging plummeted as the forests became embroiled in lawsuits to protect habitat for spotted owls (*Strix occidentalis*), Pacific salmon (*Oncorhyncus* spp.), and marbled murrelets (*Brachyramphus marmoratus*). The fiscal impact on timber counties was severe, so in 1993 Congress extended relief to the eighteen Oregon & California Railroad Lands counties. The ten-year relief was dubbed “owl payments.” These were intended to shrink annually until 2003, but in 2000 Congress instead expanded and extended the program with the Secure Rural Schools and Community Self-Determination Act of 2000, which compensated rural counties nationwide for declining transfer payments due to changes in natural resource management on federal lands.

SRS had three goals: to stabilize funding to local governments, to diversify employment through infrastructure and ecological rehabilitation projects, and to improve relations between agencies, communities, and interest groups. The first goal was most readily achieved. SRS counties had to choose to continue with the old formula or to adopt one of several new payment plans. By 2003, 615 or 717 eligible counties had opted for SRS payments because they were either greater or more consistent. Over 90 percent of these payments went to California, Idaho, Montana, Oregon, Washington, and Alaska.

Less clear is the extent to which rural counties and residents benefitted from SRS. The aim was to stabilize rural schools, but actual funding varied by how states apportioned monies between schools and roads and between school systems. Baseline education funding fell sharply in many states due to property tax limits, and equalization formulas further reduced rural shares. Finally, 15 to 20 percent of each SRS payment was earmarked for habitat restoration or other public land infrastructures. Resource advisory boards including outside interests oversaw these projects, and they often sought to decouple governance from resource payments and to diversify local politics and economies. Evidence on how initiatives faired and how SRS benefits circulated is mixed, but advisory committees do seem to have improved community and governmental relationships.

SRS was a temporary measure, a bridge to a different future, but how that new fiscal relationship would work remained unclear. Some wanted to wean counties from what they portray as welfare payments; others wanted to develop tax-equivalency formulas, but no view gained much support. As a result each pending termination elicited panic and new expedients. SRS was set to expire in 2006, but a last-minute reprieve gave it another year. Several more legislative extensions failed before Congress passed a new law in late 2008. The revised rules again offered several payment options, and again all were to shrink annually until termination in 2012. Because of the legacy of owl payments, Oregon, California, and Washington instead received “transition payments” from 2008 to 2010, after which fiscal havoc ensued in rural Oregon. In 2011 eleven counties faced budgetary crises, and two nearly went bankrupt. Congress responded with further extensions in 2011, 2012, and 2013.

Congress did not extend SRS in 2014, so federal resource agencies reverted to paying counties via the original resource programs, including the 1908 Forest Service 25 percent program, 1920 Federal Mineral Leasing Act, the 1934 Taylor Grazing Act, the 1937 Oregon & California Lands Act, and the 1937 Bankhead-Jones Farm Tenancy Act. Put another way, after a quarter century public lands counties and federal agencies were back to where they had started, but SRS was extended (PL 114-10) two more years in spring 2015.

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