



**Testimony of Dr. Jonathan Kusel to the  
Senate Subcommittee on Public Lands and Forests  
of the Committee on Energy and Natural Resources  
March 1, 2007**

Thank you for this opportunity to provide testimony to the Subcommittee on Public Lands and Forests regarding Senate Bill 380 to reauthorize the Secure Rural Schools and Community Self-Determination Act of 2000.

I direct the Sierra Institute for Community and Environment. The Sierra Institute is a non-profit research and education organization that works locally, regionally, and nationally. The Departments of Interior and Agriculture contracted the Sierra Institute to examine Title II and Title III of the 2000 Secure Rural Schools and Community Self-Determination Act (P.L. 106-393). My testimony will focus on key findings from our 18 month study, offer some recommendations based on these findings, and conclude with a view of the future for this legislation.

## **THE STUDY**

### **Methods and County Participation**

To give you a sense of the breadth and depth of our study, we conducted 16 case studies in nine states. A case study includes an analysis of the Resource Advisory Committee (RAC) and the projects they approved and that were funded, as well as Title III projects in the associated county areas. The 16 case studies themselves include over a third of all Title II and a fifth of all Title III allocations for the first four years of the program.

To improve our understanding of Title III, as part of the Mississippi case study we reviewed the Title III expenditures for the entire state. We also examined Title III expenditures for all of California for the first three years to track patterns across 32 counties.

Nationwide, a total of 85% of all counties eligible to opt into the secure payment program have done so. The high proportion of counties that opted into the program is an indication of the difficulties counties and forest-dependent communities have faced in providing road and school services based on a tax base that is constrained sometimes by poverty, always by the tax-exempt status of the public lands within their boundaries, and by declining revenues due to reduced timber harvests. Difficulties counties face in serving their own citizens are compounded by increased settlement adjacent to wildlands and by their obligation to provide further services such as search and rescue and to assist with fire prevention on public lands within the county boundaries. Secure payments under P.L. 106-393 have been an essential source of revenue allowing counties to meet these obligations.

### **Title II and Resource Advisory Committees**

One of the most important findings from our study is RAC success. There are few pieces of legislation that exceed the expectations of even the most optimistic supporters, but the collaborative relationships established and learning among RAC members, and between RACs and the counties and the federal agencies has, in general, been exceptional. As the first

legislation to require multi-stakeholder collaboration to advance resource management projects, few would have predicted the breadth and depth of success it achieved.

The initial trepidation and skepticism among environmentalists, timber industry, and other interest group representatives over simply sitting in the same room together after years of conflict gave way to joint work and learning. RACs have supported a plethora of projects that are now improving forest and watershed health on federal lands and enriching education and services associated with the counties' natural resource endowments.

A key ingredient of success is that RACs have money for projects and on-the-ground work.

RAC members know that unless they can come to an agreement, no projects will be funded. This proved to be a powerful motivator to work together and is different from coming together to talk policy. While the money was critical, members of many RACs reported an increasing openness among representatives from the different interest groups to consider projects that would previously have been anathema to them. One environmentalist said that had someone in the past suggested she would support the old growth thinning project she did as a RAC member, she would have dismissed that individual as "crazy."

RAC-funded projects have leveraged millions of additional dollars, many partnerships, and thousands of volunteer hours.

Many projects have been implemented that demonstrate the power of multi-jurisdictional and public-private partnerships. All of the RACs funded some projects that leveraged additional resources, partnerships, and volunteer work. Some of the largest projects were the most leveraged, including funds from other federal programs. Project record keeping was insufficient to determine the precise number of dollars and volunteer hours, but by all reports it was impressive.

Similar to interest group collaboration, an equally impressive collaboration has taken place between RAC interest groups and the federal agencies.

The RAC process has led to a new and qualitatively different kind of interaction between the RAC interest groups and the agencies. As a result of their participation, many RAC members have a greater appreciation for agency constraints, processes, and requirements for engagement with the public. In a similar vein, agency representatives spoke of their enhanced and more nuanced understanding of interest group perspectives. In many cases Forest Service and Bureau of Land Management personnel have become more responsive to public concerns as a result of interactions with the RAC. Agency representatives acknowledged that work with the RAC has helped them learn new ways of doing business.

By the close of our study, no RAC project had been appealed or challenged, confirming the success of Title II. Two other indicators of the success of RACs came from members reporting that they are learning from each other and collectively generating new ideas. This was not just "happy talk." These same members often expressed surprise at how well things were working.

Many RAC members reported that relationships are being carried into other collaborative endeavors.

Additional evidence of RAC success is the shift in funding: as counties grew more comfortable with RACs and their accomplishments, we saw a significant increase in the amount of funding allocated to Title II from early to later years, a pattern slightly more pronounced with Forest Service RACs.

Collaboration is fertile ground for more collaboration.

Previous experience with collaborative approaches in local government and with natural resource management has helped RACs to become operational sooner. In the West, the history of community involvement with the federal agencies has speeded RAC development. For example, in the Northern Panhandle of Idaho, years of working together as a five-county region not only helped the RAC get started, but also helped its members avoid the temptation to negotiate to receive project support equivalent to their Title II allocations—as many RACs did—and to focus more on the quality of and regional need for individual projects. The Southwest Mississippi RAC, whose members lacked a history of resource-based collaboration, is proving more successful in those counties that have had successes in overcoming a historic legacy of racial conflict. These RAC members are still learning about how best to use RAC funds, but they already view their work as positive and offering unique future possibilities.

Despite RAC successes, the general public is still in the dark about RACs and RAC work.

In most of the RAC areas, there remained a disappointing lack of knowledge among the general public about the RAC. The wider population simply knows little about RAC work. Project and collaborative learning was primarily confined to members of the RAC, with one key effect being a reduced number of non-agency and non-county applications for RAC funding.

### **RAC Membership and “Replacement” Members**

For the most part, interest group representation on RACs is sound, although some interest categories are filled with inappropriate representatives.

Some interest group designations like “wild horse and burro” do not fit the diversity of environments, regional economies, or sociodemographic conditions found in all regions of the country. Other categories like “organized labor” have proven difficult to fill.

The wild horse and burro position reflects an idealized west and is relevant only in certain regions; it was the most difficult category to fill in the RACs we examined in our study. The labor category has also proven difficult to fill in part because of the general decline in organized labor and in part because of the decline in the number of timber industry jobs, a sector that at one time historically constituted the highest number of unionized workers in forest dependent rural areas. Where other labor organizations exist they should be considered appropriate surrogates when traditional organized labor representatives are unavailable.

Despite their historic and continuing relationship to natural resources, including those on federal land, Native American groups are under-represented or not represented on some RACs and do not receive project support to the degree that might be expected.

Filling the Native American position on RACs proved difficult for a number of RACs. Reasons varied. In some cases tribes had little experience with collaborative groups, and, federally recognized tribes may view collaboration with a RAC as inappropriate given their unique relationship to the U.S. government. In areas with multiple tribes, obtaining representation is further challenged by the fact that a tribal member may not speak for more than one tribe. One solution to this is to recognize that participation by tribal members should not be limited to one reserved position on the RAC. Tribal members are often well qualified to serve in other positions such as an environmental or industry group representative or as a public official, and should be invited to do so. Tribes have participated effectively on some RACs, but more consistent attention by the agencies and by RAC members alike are needed to engage more tribal members.

Some RAC members and agency officials misunderstand the role of “replacements.”

Many RAC members and officials spoke of replacement and alternate members interchangeably. They felt a “replacement” could step in as an alternate at meetings, filling in for an absent member. Replacement members are appointed to move into an interest group position within their subgroup when one of five positions is vacated. While perhaps assuring continuity in RAC functioning, this process can lead to inappropriate filling of interest positions since there is no way to ensure that the replacement fits the vacated interest position.

### **RAC Projects**

The largest category of spending for the 15 case study RACs we examined is roads, representing 26% of total RAC expenditures (see the attached Figure 1). This category also includes culvert replacements. The second largest category of RAC expenditures is for projects that restore, maintain, or improve wildlife and fish habitat totaling nearly 17% of all RAC expenditures. A total of 9% was allocated for watershed restoration and maintenance-related projects such as upslope stabilization efforts, downslope sediment reduction projects, and estuary-related projects, such as fish-friendly tidegates. Given that most habitat projects involved watershed improvement, project work in these three categories met the legal requirement that 50% of all Title II projects be used to fund road maintenance/obliteration or watershed improvement/restoration.

Forest health-related projects constitute the third largest RAC categorical expenditure, with 95% of these expenditures concentrated in three Oregon RACs. A total of 13% of total Title II expenditures for the 15 case study RACs was allocated in this project category. Most forest health projects involve pre-commercial thinning. Few RACs have supported forest health projects that involve extraction of merchantable timber. At 9% of total expenditures, fuels reduction projects represent the fourth highest categorical expenditure. Noxious weeds were the fifth highest, receiving just under 8% of the funds.

Given the budget shortfalls the agencies are experiencing, RAC dollars have enabled the Forest Service and the Bureau of Land Management to implement projects that would otherwise not be

done. There are hundreds of examples of RAC funds being used to complete projects that the agencies need to do and that the public wants. RAC money represents a new source of funds for the agencies to do needed work, and to do so through partnership with a RAC.

### **RAC Administrative Fees: The Cost of Collaboration**

Agency administrative fee charges for RAC support and project administration have been confusing, shifting, and inconsistent. First, it is important to recognize that good RAC support and coordination is no accident: it consumes considerable agency personnel time and dollars. Second, agencies need to establish clear and simple guidelines for charging and ensuring that administrative expenses are covered.

### **Funding the RACs**

A common challenge of multi-county RACs is the demand by some county officials that each county should receive project dollars commensurate with their RAC contribution. This has sometimes led to project approval processes that respond primarily to county priorities, with a few county officials threatening to reduce or terminate Title II allocations when they are dissatisfied with the distribution of project dollars between counties. This form of control over RAC decisions is relatively uncommon, but where it occurs it can be destabilizing.

There has been concern about Title III, and this is discussed below, but it is important to note that there is an important relationship established between county commissioners or supervisors and the RAC and federal agency as a result of local officials having the choice to allocate dollars to Title II. This provides additional pressure on the RAC and the federal agencies to support and implement good projects and equitably distribute Title II dollars.

### **Title III**

Title III funds have proved to be most valuable to counties in covering services they are expected to provide to their citizens and the general public: search and rescue on public lands, fire prevention, and county planning.

The highest funded category of Title III expenditures in the case studies is “search and rescue and emergency services,” totaling 34%. “Fire prevention and county planning” at 24% and “forest-related education” at 22% were the next highest funded categories.

Title III funds have been used successfully to develop community wildfire protection plans and other capacity building work that has led to effective leveraging of Title II and National Fire Plan dollars, and other resources.

Considerable sums of Title III funds have been used for planning and for building the capacity of communities to engage in fuels reduction and forest thinning, qualifying them for National Fire Plan funds as well as other funding. This kind of leveraging has been an extremely effective tool for developing fire plans in the wildland-urban interface and in completing fuels thinning projects. Title III projects that build local capacity and leverage funds are even more important in light of declining National Fire Plan funding, the loss of Economic Action Programs of the Forest Service, and other funding shortfalls. Title III funds have also been used productively to implement a multitude of educational projects. County support for these programs has allowed local people and others to learn about forest communities, and the role and importance of stewardship of a working landscape.

Up to half the study counties did not disburse funds through open and competitive processes of project solicitation and approval. Roughly half of all Title III funds were allocated through administrative allocations. This had the effect of restricting the diversity of groups and projects receiving Title III project support.

On the whole, the majority of Title III funds appear to have been used for authorized purposes, but some clearly did not meet the spirit and intent of the act. Unacceptable allocations included payment for county officials' salaries and for reimbursement of PILT funds lost as a result of Title III payments. Administrative allocations and lack of oversight contributed to funds being allocated in ways that did not fit approved categories. Senate Bill 380 begins to get at this issue with the call for Secretary review of Title III projects, but more is needed.

In addition to Secretary review, the study team learned that many counties sorely needed an authoritative source for information about Title III. There was no agency or entity designated to provide Title III oversight or offer Title III consultation. As a result, county officials had no one to call if they had questions or needed an interpretation about a project's fit with the legislation. Bureau of Land Management and the Forest Service officials informally provided information, but this exceeded their responsibilities and many officials were clearly uncomfortable in this role. Some state-level associations of counties provided information, but it was not always consistent from one state to another and sometimes questionable with respect to how well recommendations fit with the spirit and intent of the law. This was complicated by the fact that Title III was not as clearly written as Title II.

### **Employment**

Across almost all of the cases, RACs and Title III projects have supported youth employment projects.

Millions of dollars have been invested in Youth Conservation Corps (YCC) or similar employment programs, as well as programs for at-risk youth. Almost all RACs examined supported one or more youth employment projects. RACs in general are quite pleased with experiences projects have offered youth, the benefits youth have gained from working on the land, as well as the landscape improvements. These programs have improved trails, reduced fire risks, and removed noxious weeds, among their many accomplishments. They are also developing the human capital needed for continued management of forests and watersheds as participants move into resource-related jobs or educational programs.

Job creation, beyond youth employment, has been indirect and piecemeal, despite this being a goal of P.L. 106-393. Most projects offer only part-time or short-term work.

In a few cases the RACs or the agencies have attempted to provide projects that bridge seasons and slow-work periods in order to offer year-round work. While a number of RAC members expressed interest in generating employment, they quickly learned how difficult this is and how limited a project-by-project approach to this issue is. Some RACs, like the Siskiyou County RAC in California, have actively discussed funding large projects. They recognize, however, that tradeoffs involve reduced funding for other worthwhile and needed smaller projects, and are

accompanied by the risk that large projects provide no guarantee of providing long-term, family wage employment. Lack of good monitoring and review prevents RACs and others from building a knowledge base of successful approaches to employment generation.

### **Monitoring**

Monitoring of both Title II and Title III has been inadequate and needs to be improved.

A few RACs and counties took it upon themselves to monitor funded projects, but even the best of them focused primarily on general project reporting and implementation monitoring, not on outcome-based or project effectiveness monitoring. To be fair, given the relatively short duration of the legislation, effectiveness monitoring is difficult if not impossible with many projects. P.L. 106-393 also did not specify an entity responsible for monitoring. The Forest Counties Payments Committee in its 2003 report identified this issue. Good monitoring builds accountability, contributes to program learning and project development, and ultimately improves resource management.

Title III lacks a coherent system of project recording and monitoring. It proved difficult for the study team to locate reliable data on how Title III money was spent, what projects were funded, and on project success. Like Title II, there was no effectiveness monitoring, and in a few cases there were only informal records of Title III use. Requiring a review by the Secretary as SB 380 does places federal officials in an awkward position of reviewing county expenditures.

### **CONCLUSIONS AND SOME RECOMMENDATIONS**

Given the successful collaboration, learning, and on-the-ground project accomplishments, P.L. 106-393 has exceeded expectations and accomplished more than most thought possible. The work that counties and RACs have accomplished during the first five years of the legislation has laid the groundwork for continued and improved future collaboration and learning. This work has accomplished valuable projects that are restoring health to working, forested landscapes, as well as a variety of other important work. This legislation has also significantly reduced gridlock that has characterized resource management over the last two decades. Below are some recommendations from our study about how to improve Secure Rural School and Community Self-Determination Act legislation.

1. RACs, the agencies, and possibly third parties need to do more outreach and education to inform others about the work and lessons of RACs and to encourage more project applications from non-agency groups.
2. RAC interest categories should be changed to reflect changing demographics and to enable them to respond more effectively to issues facing forest communities across the country (bolded words are our recommended changes to P.L. 106-393 RAC interest categories):
  - A. (i) represent organized labor, **another labor organization, or non-timber forest product harvester groups,**
  - (iii) represent energy and mineral development, **or commercial and recreational fishing, interests**
  - (v) hold federal grazing permits, or other land use permits within the area for which the committee is organized, **or represent non-industrial private forest land owners.**

B. (v) nationally or regionally recognized wild horse and burro interest groups, **wildlife organizations, or watershed associations.**

3. Eliminate use of replacement members associated with the RAC subgroups since there is no way to assure that one individual can “fit” in all five vacated interest group positions. If they’re retained, replacements should not replace a RAC member unless the individual can appropriately represent an interest group and receive Secretary approval.

4. The meaning of “project” in Title III needs to be made consistent with Title II. More open, competitive, and transparent processes for project solicitation, review, and approval by the counties are needed.

5. A single organization or entity should have responsibility for ensuring accurate and timely recording and possibly monitoring of Title III projects. This entity could also provide training for counties to improve project development, selection, and implementation.

### **LOOKING TO THE FUTURE**

Findings from the Sierra Institute study strongly support continuing P.L. 106-393, and Senate Bill 380 is a step in the right direction.

While it is widely recognized that fuels and forest management must continue and even be expanded, and products can be produced that will provide revenue, counties should not expect harvest totals and timber revenues to return to levels of the 1980s. Similarly, counties should not expect funding from the federal government based on the high three-year harvest average to continue in perpetuity. This is brought home by the current federal budget limitations and the challenges in finding funding for re-authorization. Other revenue streams need to be developed to support forest and watershed management and respond to the federal commitment to rural communities and landscapes.

Re-authorization should be viewed as a “bridge” to a program that combines deriving revenue from resource production with ecosystem services. Revenue from both ecosystem products and services can and should be part of sustainable funding of the legislation.

An ecosystems products and services approach can be launched by identifying ways to secure resources to support management that contributes to improvements in water quality and quantity as well as generating wood products. Services can be expanded to carbon credits and payment for habitat, as these are quantified and equitable mechanisms are developed to collect revenue. An ecosystem products and services approach will result in the inclusion of other areas with national forests, like the Northeast, the South, and the Midwest, that have not participated because they lacked sufficient historic timber revenue.

We recommend building on RAC collaboration to develop this new “ecosystem products and services” approach.

This leads to one final recommendation: should the legislation be extended by five to seven years—and my study team believes it should—where the combined total of Title II and Title III



funding exceeds \$200,000 yearly in a RAC area, there should be a requirement that 3-5% of these funds be dedicated to projects examining how forest products and ecosystem services can provide a future stream of revenues to replace the current P.L. 106-393 funding mechanism.

Any period of re-authorization of the Secure Rural School and Community Self-Determination Act should be used as a time to not only focus on the work at hand, but to identify ways ecosystem products and services or some other funding can be tapped to ensure program sustainability, and expansion of the program into new geographic areas to expand a powerfully successful program across the country.