

Reauthorization of the Secure Rural Schools Payments in the Infrastructure Investment and Jobs Act

December 3, 2021

Section 41202 of the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58) reauthorized payments pursuant to the [Secure Rural Schools and Community Self-Determination Act](#) (SRS; P.L. 106-393, as amended, 16 U.S.C. §§7101-7153). The formula-based SRS payments are made to counties containing national forests—managed by the [U.S. Forest Service \(FS\)](#)—and counties in Oregon containing the [Oregon and California \(O&C\) Railroad Grant lands and Coos Bay Wagon Road \(CBWR\) lands](#)—managed by the [Bureau of Land Management \(BLM\)](#).

Background

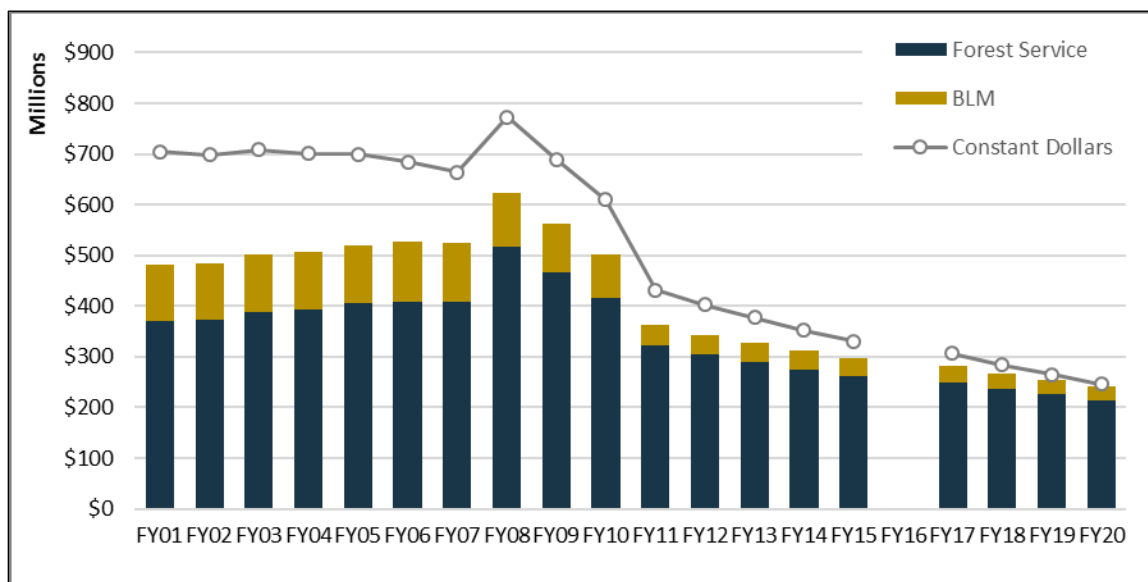
State and local governments are authorized to receive payments through various programs due to the presence of federal land within their jurisdictions. Some of these payment programs are based on the revenue generated from specific land uses and activities; other payments are based on acreage of federal land or nonrevenue factors. For example, Congress authorized counties to receive a portion of the annual revenue generated on O&C lands (43 U.S.C. §2605), CBWR lands (43 U.S.C. §2621), and national forests (16 U.S.C. §500). Revenue-generating activities include timber sales and grazing permits, among others, although Congress has designated some activities as exempt from the revenue-sharing requirements. Timber sales have been the largest historical source of revenue. In the 1990s, federal timber sales began to decline substantially, which led to significantly reduced payments to the counties. In response, Congress enacted SRS as a temporary alternative option to the FS and BLM revenue-based payments, starting in FY2001. SRS payments were reauthorized annually through FY2020, except for FY2016 (see **Figure 1**). The IIJA reauthorized payments for FY2021-FY2023.

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Figure I. Total SRS Payments by FS and BLM
(FY2001-FY2020)



Source: FS data: annual *All Service Receipts: Title I, II, and III Region Summary (ASR-18-3) Report*; BLM data: *SRS Official Payment reports*.

Notes: The bars reflect nominal dollars. The gray line reflects total SRS payments adjusted to constant (FY2021) dollars using the GDP Chained Price Index from the White House Office of Management and Budget, Table 10.1, “Gross Domestic Product and Deflators Used in the Historical Tables—1940-2026,” in *Historical Tables*. The x-axis is the receipt year. SRS payments were not authorized for the FY2016 receipt year.

Counties with eligible lands can elect to receive either a revenue-based payment or an SRS payment. Most counties have elected the SRS payment. Prior to IIJA, Congress had frozen the payment elections made by each county for the FY2013 payment and continued that election through the FY2020 payment. The bulk of the SRS payment goes to the counties containing lands managed by FS, because [national forests are located in more counties](#) than the [O&C and CBWR lands](#).

SRS payments are determined by a [formula](#) based on revenue generated between FY1986 and FY1999, federal land acreage, and county income. Because payments are based on historic revenue, SRS payments are not affected by fluctuations in current revenue streams. Congress has changed the SRS payment formula several times. For example, Congress amended the formula so the payment declined by 10% annually from FY2008 to FY2011 (P.L. 110-343 §601), and Congress again amended the formula so the payment declined by 5% annually from FY2012 to FY2020 (P.L. 112-141 §100101). The IIJA removed the annual decline and established a set annual payment amount.

The SRS payment is divided into [three parts](#). Title I payments are to be used for roads and schools purposes for the FS payment and are available for a broader range of governmental purposes for the BLM payment. Title II payments are retained by the agency for projects on or benefitting the federal lands within the county. Title III payments are to be used for specified county purposes. Requirements for how a county may allocate its payment among the three titles vary depending on the total payment amount, but most of the payment goes toward Title I. Prior to IIJA, Congress had frozen the payment allocations chosen by each county for the FY2013 payment and continued that allocation through the FY2020 payment.

The program is funded through mandatory spending, with funds coming first from agency receipts and then from the Treasury. SRS payments are disbursed after the fiscal year ends, so FY2021 payments are to be made in FY2022.

SRS Reauthorization in IIJA

The IIJA reauthorized SRS payments for three years: FY2021, FY2022, and FY2023 (payments to be made in FY2022, FY2023, and FY2024). The IIJA set the [payment level](#) as equal to the payment made in FY2017 (\$281.5 million). However, counties that received an FY2017 payment may receive a different payment amount for each of those three years, because the payment formula takes into account the total number of counties that elect to receive a payment. The IIJA ended the freeze on payment [elections](#), so counties will have the opportunity to elect between the SRS payment and revenue-sharing payments for those years. As such, the number of counties that elect to receive SRS payments for those years may differ from the number of counties that elected to receive the FY2017 payment, affecting the payment amount for each participating county.

The IIJA also ended a freeze on payment [allocations](#), meaning counties will have the opportunity to reallocate their SRS payment among the three titles. The IIJA authorized the use of Title III funds for broadband access or other technology related to education and prohibited the use of Title III funds for lobbying-related activities.

The IIJA amended SRS provisions related to appointing members of [Resource Advisory Committees \(RACs\)](#). Prior to IIJA, SRS required RAC members to be appointed by the Secretary of Agriculture or the Secretary of the Interior. Under the National Pilot Program (NPP) established in IIJA, the FS Chief or BLM Director nominates RACs members, with automatic approval after 30 days if the applicable Secretary does not act on the nomination. The IIJA also renamed an existing pilot program as the Regional Pilot Program (RPP). The RPP allows the applicable Secretary to select a regional forester as an applicable designee to appoint members of RACs chartered in Arizona and Montana. The NPP is available to RACs chartered in all other states.

Author Information

Katie Hoover
Specialist in Natural Resources Policy

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