

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

Updated January 27, 2022

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). 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 Railroad \(O&C\) lands](#) and [Coos Bay Wagon Road \(CBWR\) lands](#)—managed by the [Bureau of Land Management \(BLM\)](#).

Background

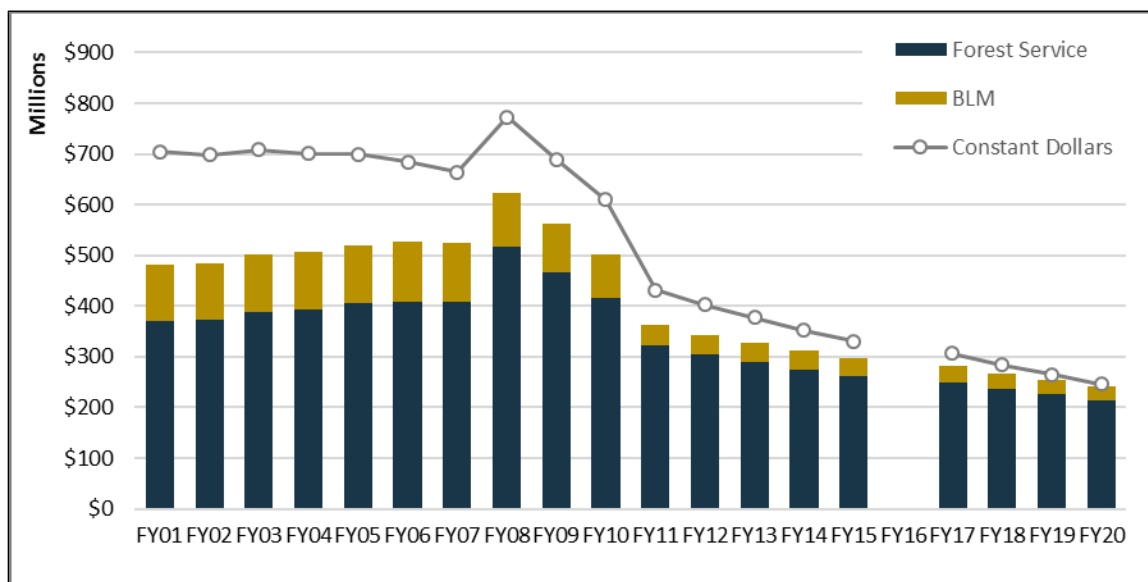
State and local governments are authorized to receive payments through various programs due to the presence of federal land within their jurisdictions. Some of these payment programs are based on the revenue generated from specific land uses and activities; other payments are based on acreage of federal land or nonrevenue factors. For example, Congress authorized counties to receive a portion of 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 revenue-sharing requirements. Timber sales have been the largest historical source of revenue. In the 1990s, federal timber sales began to decline, which led to reduced payments to the counties. In response, Congress enacted SRS as a temporary alternative to the FS and BLM revenue-based payments, starting in FY2001. SRS payments were reauthorized annually through FY2020, except for FY2016 (**Figure 1**). The IIJA reauthorized payments for FY2021-FY2023.

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IN11818

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: Bars reflect nominal dollars. 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 the revenue-based payments or the SRS payments. Most counties have elected the SRS payment. Prior to the IIJA, Congress had frozen the payment elections each county made for the FY2013 payment and continued that election through the FY2020 payment. The bulk of the SRS payment goes to the counties containing FS lands, 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, fluctuations in current revenue streams do not affect SRS payments. 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 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 school 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 purposes. Requirements for how a county may allocate its payment among the titles vary depending on the payment amount, but most of the payment goes toward Title I. Prior to the 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 the 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 is based on the total number of counties that receive an SRS payment, meaning each county's payment may vary based on the number of participating counties. The IIJA ended the freeze on payment [elections](#), but the timing of the reauthorization was such that all counties will default to receiving the SRS payment for FY2021 and FY2022. Counties will have the opportunity to elect between the SRS and revenue-sharing payments for the FY2023 payment.

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 reauthorization's timing was such that counties will not be able to do so for the FY2021 payment and all counties will receive the default allocation (80% to Title I; 20% to Title II). The IIJA authorized the use of Title III funds (for FY2022/FY2023) 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 \(RACs\)](#). Previously, 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 the IIJA, the FS Chief or BLM Director nominates RAC 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.

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