



Committee on Natural Resources U.S. House of Representatives

Chairman Doc Hastings

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Administration Continues to Withhold Information on SRS Funds *Questions Regarding Secure Rural Schools Remain Unanswered*

WASHINGTON, D.C. – On Friday, February 14, 2014, House Committee on Natural Resources Chairman Doc Hastings (WA-04) sent a [letter](#) to Secretary of Agriculture Tom Vilsack requesting more information about the U.S. Department of Agriculture's (USDA) [assertion](#) that the department was still legally obligated to recover the sequestered FY 2012 SRS payments that were already paid out to states and is considering withholding the sequestered amounts from the FY 2013 SRS payments. The letter requested the USDA provide the requested information by Tuesday, February 25.

Today, a [second letter](#) was sent to Secretary Vilsack about the USDA's failure to respond to the request for information and about the ongoing lack of transparency regarding whether FY 2013 SRS payments will be withheld or released in full. The letter also requests that USDA disburse the full amount of FY 2013 SRS payments and abandon any plans to withhold a portion due to the FY 2013 sequester.

"It is unacceptable that the Obama Administration continues to ignore requests from this Committee and Congress," said Chairman Hastings. "The Secure Rural School program, provides vital funding for rural schools and communities – keeping teachers in the classroom and police on the streets. The USDA's refusal to explain whether it plans to withhold any of the FY 2013 SRS payments due to last year's sequester is hurting rural communities across the country that need dependable funding and certainty."

At a Full Committee oversight hearing on January 14, 2014, the USDA's Undersecretary for Natural Resources and Environment, Robert Bonnie, claimed that the Administration is considering withholding a portion of the FY 2013 SRS payments as one option for recovering FY 2012 SRS payments that had been subject to sequester.

Background:

Due to the continued inability of the federal government to manage National Forest lands and provide local communities with a meaningful share of revenues from timber receipts, Congress has approved SRS payments to provide rural counties with funds for teachers,

schools, police officers, emergency services and infrastructure. The SRS program was extended through fiscal year 2012 as part of the “Moving Ahead for Progress in the 21st Century Act,” that was signed into law by President Obama on July 6, 2012. The Department of Agriculture distributed \$323 million to 41 states in accordance with that law in January of 2013. On March 19, 2013 the Obama Administration [announced](#), citing the 2013 sequestration cuts, it was requesting repayment of \$17.9 million in SRS and 25% fund payments that had already been disbursed to states.

Most recently SRS was reauthorized with a one-year extension for fiscal year 2013 as part of H.R. 527, the “Helium Stewardship Act of 2013.” The authorization ended on September 30 and the last payments are expected to be distributed by February of this year (SRS payments have always been disbursed in the following fiscal year: i.e., the FY12 payment was distributed early in FY13).

In September 2013, the House passed H.R. 1526, the “Restoring Healthy Forests for Healthy Communities Act.” If enacted, H.R. 1526 would begin restoring timber harvests on federal lands in order to increase timber revenues and the corresponding 25% payments. Passage of this bill would enable counties to bypass the constant question of whether Congress can fund an extension of SRS payments. H.R. 1526 included an extension of SRS payments for FY 2014 to serve as a transition to restored federal timber harvest.

Thirty-one Members of Congress sent a bipartisan [letter](#) to the USDA and the White House Office of Management and Budget (“OMB”) in March 2013 requesting that the repayment be halted and asked for a detailed explanation of the legal authority for demanding repayment of the funds. [State Governors](#) of both parties also informed the Administration that they would not repay the funds due to the questionable legal authority.

On May 20, 2013, Chairman Hastings sent oversight letters to the [USDA’s Forest Service](#) and [OMB](#) requesting documents and information on how this decision was reached and the legal authority. After receiving no response by the Committee’s requests, Chairman Hastings issued [subpoenas](#) to the USDA and OMB for documents on September 4, 2013.

In conjunction with the January 14th oversight hearing, the Committee’s majority oversight staff released an interim [report](#) finding that the White House Office of Management and Budget ordered the sequester of SRS funds, contrary to legal advice from USDA’s attorneys that the SRS funds already paid to states would not be subject to sequester, and that the USDA applied the sequester in a way that ensured all states receiving SRS money felt the pain of sequestration.

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