

W. 7. b.

**AGENDA DATE:** Wednesday April 8, 2009  
**TO:** Board of County Commissioners  
**DEPARTMENT:** County Administration  
**PRESENTED BY:** Christine Moody, Sr. Management Analyst  
**AGENDA ITEM TITLE:** APPROVING ADDITIONAL FUNDING FOR PROJECTS UNDER TITLE III OF THE SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000, P.L. 106-393 FOR FY 08-09

**I. MOTION**

**MOVE TO APPROVE BOARD ORDER 09-04-8-xx APPROVING ADDITIONAL FUNDING FOR TITLE III PROJECTS FOR FY 08-09.**

**II. AGENDA ITEM SUMMARY**

The "Secure Rural Schools and Community Self-Determination Act of 2000" (SRS) requires that projects funded under Title III meet certain criteria which Lane County has consistently followed. SRS expired at the end of Fiscal Year 2007-2008 and was subsequently renewed with new criteria for Title III projects. This Board Order refers to the "old" (PL 106-393) Title III funding, which is kept separate from the "new" (PL 110-343) Title III funding.

Lane County has maintained a reserve of PL 106-393 Title III funds for use after the original expiration of the Act and this Order requests the appropriation of some of those reserves as detailed below.

**III. BACKGROUND/IMPLICATIONS OF ACTION**

**A. Board Action and Other History**

Approximately six years ago, the Board of County Commissioners directed that the Title III fund set aside \$1 million in reserves to pay for unemployment costs that could be incurred when the funding ended and there were layoffs of employees. It was determined by legal counsel that this was an allowable use under the legislation since it is was paying for salaries of individuals who performed work for allowable projects.

At the end of FY 07-08, the Title III Fund ended with an actual reserve of \$1,440,630 - \$440,630 over the targeted reserve. Of this \$440,630, \$274,859 has been appropriated by the BCC in the FY 08-09 budget for

grant carryovers or fund expenditures, leaving a reserve of \$1,165,771.

The Budget Office has received requests from four of the projects previously funded by the Title III funds for either an additional appropriation or an extension of an appropriation for FY 08-09 totaling \$213,516.75 detailed as follows:

**Community Wildfire Protection Plan – \$11,556.89** which was un-spent from the original \$49,450 grant in FY 07-08.

**Forest Work Camp - \$141,038** for Overhead charges incurred in FY 06-07 but not charged to the program until FY 08-09 due to the set up of the County's Indirect Plan.

**Forest Work Crews - \$29,145** for Overhead charges incurred in FY 06-07 but not charged until FY 08-09 due to the set up of the County's Indirect Plan and for Risk Management Charges which are charged out over a 5 year period pursuant to the Risk Fund procedures.

**Search & Rescue - \$31,776.86** for eligible expenses incurred July 1, 2009 through September 30, 2009. This amount will be reimbursed back to the General Fund where it was budgeted when the Secure Rural Schools Act expired.

Land Management has completed the majority of the grant of \$49,450 awarded in FY 07-08. Difficulties that arose to completing the grant in the original time frame were weather and internal workload and financial difficulties experienced by the Division during the recent economic recession.

The Sheriff's Office was a recipient of Title III funding for several different programs since the SRS funding was awarded in 2000. The Title III funding paid for salaries and overhead of employees working in those programs. This included paying what is referred to as the "Countywide Overhead" which each County fund pays to cover the cost of the County's internal services such as Finance, Budget, Board of Commissioners Office, Human Resources and Legal Services. The Countywide Overhead charge is based on the most recent audited general ledger, which means that for FY 08-09 the charge is based on actual expenses incurred by internal service departments in FY 06-07. This 2-year delay means that even though the Forest Work Camp and Forest Work Crews programs ceased at the end of FY 07-08, they continue to have Overhead charges that must be paid in FY 08-09.

When the FY 08-09 budget was prepared by the Sheriff's Office, they

removed the programs that would no longer be funded by the Title III program. This did not however remove the Countywide Overhead charge and the result has been that the Sheriff's Office has had to use general fund, which was originally budgeted for another services, to cover the overhead costs of the programs that were discontinued.

As the BCC is aware, FY 08-09 was the first year of moving to the Budgeting for Outcomes process and we continue to refine this process to ensure we capture all expenses when services are reduced or eliminated. In this example, we have learned how to cover expenses that do not go away immediately when a service goes away. If this same request was brought forward for FY 09-10, the Department would ask for additional general fund to cover these expenses – what we now refer to as a “0” level of service which means there are remaining fixed costs that are due even if the service is discontinued. In this case, since these programs are eligible for Title III funding, and we've determined we have additional funds available, we are able to cover these additional expenses with the Title III funding rather than request additional general fund if the Board approves this Board Order.

**B. Policy Issues**

The Board previously designated that \$1,000,000 in Title III funds be set aside for future unemployment claims in the event the Act expired without subsequent legislation to cover the loss of funding. As shown on Attachment A, awarding additional funds to these projects will have little impact on the unemployment reserve.

**C. Board Goals**

Efficient use of the Title III funds received by Lane County through the SRS, will assist in the renewal efforts of the Act which is Lane County's strategic objective D5: *Develop timber revenue strategies*, which states: “Lane County will prepare a plan that identifies strategies and actions to ensure continuation of County payments from the federal government under Public Law 106-393”

**D. Financial and/or Resource Considerations**

The fiscal impact on the Title III fund caused by the attached Board order is found in Attachment A. Approving the presented board order will leave approximately \$977,500 for unemployment claims. It is estimated that in FY 08-09, approximately \$128,000 will be paid out for unemployment claims. Given this fairly moderate level of claims made thus far, and the fact that the fund continues to earn investment earnings on the reserve,

budget staff believes the fund is still funded well enough to cover unemployment claims for the period needed if the requested projects are approved. As attachment A shows, even if claims went up to \$200,000 per year, the fund will still have a balance at the end of FY 10-11.

**E. Analysis**

The projects receiving additional funding were previously advertised for the related time periods under the 45 day public notice requirements of Title III and therefore legal counsel has determined this award can be made without further notice.

The unemployment reserve will continue to be held for unemployment claims resulting from layoffs that occurred in May, 2008. Unemployment claims can be charged to the County for at least two years after an employee is laid off and therefore we will not have final numbers for this liability for some time. After approximately 2 1/3 quarters have been processed involving the laid off employees, the Title III fund has paid \$103,445.23 for related unemployment claims. The fund also continues to earn interest earnings on the reserve and therefore is currently still well funded to meet any unemployment claims liability.

The Title III funding under P.L. 106-343 remains available to the County for the six original allowable uses until the funding has been expended and we will continue to monitor the reserve levels and review usage of the fund as necessary.

**F. Alternatives/Options**

- Option 1** Grant the additional funding for the projects as requested.
- Option 2** Do not grant the extensions.
- Option 3** Fund a combination of the projects.

**V. TIMING/IMPLEMENTATION**

Approval of the projects is needed for the grantors to know whether or not they can continue work on the projects and for financial analysis within the departments.

**VI. RECOMMENDATION**

Staff recommends adopting Option 1 as written in the Board Order.

**VII. FOLLOW-UP**

Any budget adjustments required will be completed in the fourth supplemental budget for FY 08-09.

**VII. ATTACHMENTS**

- A. Fiscal Impact of Proposed Board Order
- B. Board Order

# TITLE 3 FUNDS as of 04/01/2009

Projected Revenue	Actuals FY 07-08	Budget FY 08-09	Estimate FY 09-10	Estimate FY 10-11
Projected Title III Revenues	\$ 5,055,096	\$ -	\$ -	\$ -
Refunds/Reimbursements*	\$ -	298		
Investment Earnings	\$ 159,682	\$ 25,000	\$ 17,500	\$ 15,000
Projected Carryover Acct Balance	\$ 1,560,273	\$ 1,440,630	\$ 849,106	\$ 581,606
<b>Projected Total Available Revenue</b>	<b>\$ 6,775,050</b>	<b>\$ 1,465,927</b>	<b>\$ 866,606</b>	<b>\$ 596,606</b>

<b>On-going Lane County Title III Uses</b>				
Search and Rescue	\$ 182,137	\$ 31,777	\$ -	\$ -
National Dunes Deputies	\$ 105,382	\$ -	\$ -	\$ -
Forest Lands Emergency Services	\$ 1,092,524	\$ -	\$ -	\$ -
Forest Work Camp/Inmate Work Crew	\$ 3,292,701	\$ 143,304	\$ -	\$ -
Forest Work Camp/Inmate Work Crew - ADD	\$ 0	\$ 170,183	\$ -	\$ -
Juvenile Forest Work Team	\$ 401,480	\$ 3,156	\$ -	\$ -
Forest Zone Development Permits	\$ -	\$ -	\$ -	\$ -
Title II/III Coordination Indirect/Misc Exp	\$ 138,571	\$ 95,646	\$ 85,000	\$ 85,000
<b>Sub Total</b>	<b>\$ 5,212,795</b>	<b>\$ 444,066</b>	<b>\$ 85,000</b>	<b>\$ 85,000</b>

<b>Additional Projects</b>				
Community Wildfire Protection Plan	7,540	30,353	-	-
Community Wildfire Protection Plan - ADD		17,557		
Northwest Youth Corp	62,024	-	-	-
Mt. Pisgah Education Program	9,600	2,400	-	-
Lane-Metro Youth Corps	20,326	-	-	-
Lane County Amateur Radio Operators	17,134.80	-	-	-
Spring Creek Neighbors Natural Gardens	5,000	-	-	-
<b>Sub Total</b>	<b>\$ 121,624</b>	<b>\$ 44,310</b>	<b>\$ -</b>	<b>\$ -</b>

<b>Total Projects Combined</b>	<b>\$ 5,334,420</b>	<b>\$ 488,376</b>	<b>\$ 85,000</b>	<b>\$ 85,000</b>
<b>UNEMPLOYMENT CLAIMS PAID</b>				
	\$ -	\$ 128,445	\$ 200,000	\$ 200,000
<b>Projected Title III Balance/Benefit Reserve</b>	<b>\$ 1,440,630</b>	<b>\$ 849,106</b>	<b>\$ 581,606</b>	<b>\$ 311,606</b>

Mt Pisgah - Award for FY 07-08 was \$12k. Billed final \$4k after close of general ledger.  
 Amateur Radio Operators - Award for FY 07-08 was \$21,418.50. \$17,134.80 (80%) initially paid. Approx \$300 will be returned.  
 \*Lane County Amateur Radio Operators was able to decrease costs after award and returned difference to the County.

\$213,517 equals new requests with this board order

IN THE BOARD OF COUNTY COMMISSIONERS  
OF LANE COUNTY, OREGON

ORDER NO. 09-04-08-

) IN THE MATTER OF APPROVING  
) ADDITIONAL FUNDING FOR PROJECTS  
) UNDER TITLE III OF THE SECURE  
) RURAL SCHOOLS AND COMMUNITY  
) SELF-DETERMINATION ACT OF 2000,  
P.L. 106-393 FOR FY 08-09.

WHEREAS, the Lane County Board of Commissioners reviews and authorizes the appropriate expenditure of Title III funds under the Secure Rural Schools and Community Self-Determination Act of 2000, P.L. 106-393; and

WHEREAS, the County previously provided the required public comment notice and reviewed the submitted projects requesting Title III funds for FY 08-09; and

NOW, THEREFORE, IT IS HEREBY ORDERED that Lane County approves additional funding for the following projects for FY 08-09 as follows:

**Community Wildfire Protection Plan – \$11,556.89**  
**Forest Work Camp - \$141,038**  
**Forest Work Crews - \$29,145**  
**Search & Rescue - \$31,776.86**

ADOPTED, this \_\_\_\_ day of April, 2009.

\_\_\_\_\_  
Chair, Lane County Board of Commissioners

APPROVED AS TO FORM

Date 3-30-09 lane county

  
OFFICE OF LEGAL COUNSEL

IN THE MATTER OF APPROVING ADDITIONAL FUNDING FOR PROJECTS UNDER  
TITLE III OF THE SECURE RURAL SCHOOLS AND COMMUNITY SELF-  
DETERMINATION ACT OF 2000, P.L. 106-393 FOR FY 08-09.