



Cochise County Board of Supervisors

Public Programs...Personal Service
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October 3, 2017

The Honorable Senator Jeff Flake
United States Senate
Senate Russell Office Building 413
Washington, DC 20510
Via email to: Chuck.Podolak@flake.senate.gov

Dear Senator Flake:

On behalf of the 129,000 residents of Cochise County, we respectfully request your immediate support for the passage of [SENATE BILL 1027 (A bill to extend the Secure Rural Schools and Community Self-Determination Act of 2000)/HOUSE RESOLUTION 2340] which will reauthorize the Secure Rural Schools (SRS) program for the next two years and fully fund the Payment in Lieu of Taxes (PILT) program. Without congressional action, our county will face a budget shortfall that will greatly impact our ability to provide essential services to residents and visitors.

The PILT acreage of 901,148 in Cochise County does not include Fort Huachuca or the Willcox Bombing range, both military establishments totaling another 107,873 acres under federal control. This means that only 40% of the land in Cochise County is private and can be taxed or be used for economic development. As you know, the PILT and SRS programs were both established to offset costs and supplement lost revenue from federally owned lands within counties across the country. Currently, the SRS program assists rural counties and school districts who are affected by the decline in revenue from timber harvests on federal lands, while PILT funds are used to provide vital services to federal employees and users of public lands.

PILT is a historically underfunded program that takes into account other federal land programs that counties participate in, including SRS. As a result, any reduction in the SRS program will increase the maximum PILT funding counties are entitled to. However, because PILT is not fully funded, this change will redistribute the limited amount of PILT funds available to counties. For Cochise County this would cause a loss of \$2.2 million of PILT and \$180,000 of SRS in funding for vital services.

The failure of Congress to reauthorize SRS and fund PILT at 100 percent will significantly impact our ability to fund essential services for federal employees and their families, the public and users of public lands. Cochise County uses PILT and SRS payments to public safety, health care, and transportation for our residents.

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This issue impacts all of Arizona's counties and has the potential to reduce county funds by more than \$14.5 million statewide. For more information on the impacts to Arizona, please see the attached resolution.

Senator Flake, we thank you for your continued hard work and leadership, and we very much appreciate your consideration of our county perspective on the critical need for continuation of the PILT program. If needed, we would be happy to provide any additional information you may require.

Sincerely,



Ann English
Chairman
District 2



Patrick G. Call
Vice-Chairman
District 1



Peggy Judd
Member
District 3

CC: State Senator Gail Griffin
State Representative Becky Nutt
State Representative Drew John
County Supervisors Association
Arizona Associations of Counties