

**Secure Rural Schools and Community Self-Determination Act of 2000**  
**Table Revision for Accounting of Minerals Revenue**

**Issue:**

Congress has directed the Forest Service to revise the original table used to determine the full payment amounts for each eligible state and county. The revision is due to Congress by March 1, 2002. This report includes a review of the need for the revision, the procedures used to conduct the analysis, a summary of the findings, and the revised table.

**Introduction:**

Public Law 106-393, the Secure Rural Schools and Community Self-Determination Act of 2000 (the Act), provides counties that received payments under 16 U.S.C. 500 (the 25 Percent Fund Act of 1908) with the option of receiving their share of the state's "full payment amount" (as defined by the Act), in lieu of the 25 Percent Fund payments. A table displaying each state's full payment amount and an associated county distribution was available to Congress and affected counties beginning in early 2000. The Forest Service officially forwarded this table to eligible states and counties in March of 2001, and it has been available on agency and external websites since that time. Congress relied on the numbers in this table during deliberations on the legislation. The table has come to be accepted as the authoritative document for expected payments under P.L. 106-393.

For purposes of calculating a state's full payment amount under the Act, the Forest Service determined the state's (and each county's) 25 percent payments for each fiscal year during the eligibility period (fiscal years 1986 through 1999). The full payment amount for a state is the average of the highest three years during the eligibility period.

For the years 1986-1992, the 25 percent payments reflected in the table include revenues associated with minerals leased pursuant to the Minerals Leasing Act (MLA) for Acquired Lands, enacted in 1947 and codified at 30 U.S.C 351. Specifically, this law relates to the disposal of phosphate, oil shale, gilsonite, sodium, sulphur, potassium, oil and gas, and coal (hereafter referred to as "energy" leaseable). The USDA Office of the General Counsel believes that the payments for these minerals should *not* have been included in the calculation of a state's full payment amount (see attached OGC memo for legal arguments supporting this position). Therefore, the table as it exists is inaccurate through fiscal year 1992 insofar as it includes these payments.

The Act of March 4, 1917 (1917 Act), codified at 16 U.S.C. 520 is the authority for disposal of the so-called hard-rock leaseable minerals on NFS lands acquired pursuant to the Weeks Act. Hard-rock leaseable minerals are those minerals (primarily metals such as lead, copper, gold, and silver, but also uncommon varieties of sand, stone, gravel, cinders, clay, pumice and pumicite)

that would be locatable under the General Mining Law of 1872 on NFS lands reserved from the public domain pursuant to the Creative Act.

In October 1992, Congress passed the Energy Policy Act of 1992 (Energy Act) that, in part, amended the MLA for Acquired Lands to transfer the responsibility for making the payments to states from revenues generated by mineral leases on lands subject to the Act to the Secretary of the Interior, through the Minerals Management Service (MMS). It is the opinion of the OGC that the Energy Act did *not* transfer authority for payment of hard-rock leaseable revenues to the MMS (see attached OGC memo for details). Yet, beginning in 1993 the MMS began making the payments for hard-rock leaseables, as well as for those minerals specified in the MLA for Acquired Lands. Consequently, as of 1993 these revenues were no longer included in the 25 percent payments reported by the Forest Service. Therefore, the payment tables used for determining full payment amounts under P.L. 106-393 are incorrect from 1993 through 1999 insofar as they do *not* include payments for hard-rock mineral leases.

### **Congressional Direction:**

The Agriculture Appropriations Act for FY 2002 included the following language:

For the purpose of making payments under section 102 of such Act [P.L. 106-393] to eligible States and eligible counties for fiscal years 2002 through 2006...the Secretary of Agriculture shall revise the table referred to in subsection (a) to accurately reflect, to the maximum extent practicable, each eligible State's and eligible county's historic share of the 25-percent payments and safety net payments made for the fiscal years of the eligibility period.

This revision is to be submitted to the Senate Committee on Energy and Natural Resources and the Committee on Agriculture of the House of Representatives by March 1, 2002. The following section outlines the process used to revise the table consistent with this Congressional mandate.

### **Methodology for Table Revision:**

Step One—Identifying States with Energy and/or Hard-rock Leaseable Revenue from Acquired Lands: Two sources of information were used to identify states with sufficient minerals revenue to warrant further analysis, the Forest Service's ASR reporting system and annual summary reports from the Minerals Management Service.

The ASR reporting system summarizes the components of the 25% Fund payments made to each state. These summaries include a minerals revenue category. For the years 1986-1992, the minerals revenue in the ASR-10 report is an aggregate of *all* minerals from acquired lands,

including: 1) those minerals leased pursuant of the Minerals Leasing Act of 1947 (the so-called “energy” leaseables); 2) those minerals leased pursuant to the Act of March 4, 1917 (the “hard-rock” leaseables); 3) “common variety” minerals such as sand and gravel. Consistent with the OGC opinion (Attachment A), category (1) should not have been included in the 25% payments (ASR-10 reports). Unfortunately, it is not possible to disaggregate the Forest Service data to isolate the three minerals revenue components included in the 1986-1992 period.

Beginning in 1993, the Minerals Management Service (MMS) began making payments to the states for both energy and hard-rock leaseables. Therefore only category (3), the “common variety” minerals revenue, was reported in the ASR-10 summaries. This provided the information needed to do an initial screen for identifying those states with energy and/or hard-rock leaseables on acquired lands. That is, if a state’s *total* minerals revenue in the ASR-10 report dropped between the 1986-1992 period and the 1993-1999 period, this was a strong indicator that the state was receiving payments for energy and/or hard-rock minerals during the 1986-1992 period. MMS payment summaries for 1993-1999 offered additional information for isolating those states with leaseable materials during this period. Nineteen states were identified as likely to have been receiving minerals payments: Alabama, Arkansas, Florida, Illinois, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, New Mexico, Ohio, Oklahoma, Tennessee, Texas, Utah, Virginia, West Virginia, and Wisconsin. The remaining 23 eligible states did not have identifiable minerals revenue from acquired lands.

*Step Two—Identifying States Where Minerals Revenue Adjustments Might Affect Full Payment Amounts and/or County Distributions:* The fact that a state had minerals revenue during the 1986-1992 period is not in itself evidence that the state’s full payment amount would be affected. Wisconsin provides a good example. For the 1986-1992 period, Wisconsin had an annual average of \$16,500 in total minerals revenue. The average from 1993-1999 was \$2,500, indicating that approximately \$14,000 (on average) of the state’s 25% payments from 1986-1992 was attributable to energy and/or hard-rock leaseable revenue. This \$14,000 is 0.72% of the state’s full payment amount of \$1.944 million. The three years that were the determinants of the full payment amount (the “high three”) were 1997, 1998, and 1999. These three years *far* exceeded any years in the 1986-1992 period. Therefore, if we conducted a detailed analysis to remove energy-related revenues from 1986-1992, it would have *no* effect on the full payment amount.

The only possible adjustment to the full payment amount for Wisconsin would be if hard-rock leaseable revenue should have been added to the 1993-1999 period. Review of Minerals Management Service summary data indicates there is no significant hard-rock revenue in Wisconsin during this period. Therefore, no further analysis is necessary for Wisconsin. Similar preliminary screening indicated that detailed analysis was unnecessary for Utah and Tennessee. Sixteen states were identified as warranting further analysis. That is, the analysis might result in a change in the state’s full payment amount and/or a noticeable change in the proportionate distribution of the full payment amount to the eligible counties.

*Step Three—Disaggregating “Energy” and “Hard-Rock” Leaseable Revenue:* In order to fully revise the payments table it is necessary to know how much of the total minerals revenue is attributable to energy and how much is attributable to hard-rock minerals. The revenues also need to be tracked by national forest within each state to assure proper distribution among the eligible counties. Data from the Minerals Management Service (MMS) was used to complete the analysis.

From 1986 through May, 1992 three systems were used by MMS to calculate minerals payments: Brass, AFS, and Offline. The Brass system calculates rental and bonus payments; the AFS system determines the production royalties; and the Offline systems were used for corrections and special payments. In May, 1992 MMS switched from the Brass system to the AFS system. From May, 1992 through 1999 only the AFS and the Offline systems were in existence.

Relevant reports at MMS included the ADR020R (1986-1992), ADF600R1 (1993-1999) and the BKUP805 (1986-1999). The ADR020R was a report run off of the AFS system during the 1986-May, 1992 period. This report did not give a full picture of the total payments being made by MMS. The BKUP805 reports include all three systems so it was determined to be the best source of data for the analysis.

For the 1986-1994 period, the monthly BKUP805 information for each year was keyed into an Excel spreadsheet and sorted by state, national forest, and product type. Once sorted it was easy to separate the hard-rock revenues from the energy revenues. (The product code clearly identifies hard-rock materials and their associated rents and royalties.) These figures were compared to the ADR020R to ensure consistency and look for errors.

Beginning in 1995, the BKUP805 format changed and no longer yielded the same detail as in the earlier years. For example, the product code was reduced to a 2-digit code representing each product. This made linking associated minerals rents much more difficult. It was discovered that Forest Service records at the regional and forest level could provide “non-energy” receipts by national forest for the years 1995-1999 based on information they had received from the MMS. This data was compared to the BKUP805 file and deemed superior for the 1995-1999 period.

An acreage file that listed each national forest and each county within was created for each year. County acres were divided by the total forest acreage to arrive at a percentage of the forest amount for each county. When forest minerals revenue totals were derived from the MMS data, these amounts were entered into the worksheet and multiplied by the appropriate county percentages. This yielded the revenue amount by county from the sorted forest total. These amounts were used to update the original worksheet.

**Summary of Findings:**

Changes to States' Full Payment Amounts-- For several of the sixteen states for which detailed analysis was conducted, the effect on the states' full payment amounts was very small. As shown in the table below, eight states had less than a one percent change in their full payment amounts. Only three states had greater than a 5% change, and 80% of the total net effect on full payment amounts is attributable to the State of Arkansas.

**Table 1: Changes to States' Full Payment Amounts (in thousands of \$)**

	<b><u>ORIGINAL</u></b>	<b><u>REVISED</u></b>	<b><u>DIFFERENCE</u></b>	<b><u>% CHANGE</u></b>
Alabama	2,006.4	1,972.9	-33.5	-1.67%
Arkansas	8,127.8	7,124.4	-1,003.4	-12.35%
Florida	2,351.1	2,317.3	-33.8	-1.44%
Illinois	281.4	281.4	0.0	0.00%
Kentucky	655.0	630.7	-24.3	-3.71%
Louisiana	3,596.9	3,445.1	-151.8	-4.22%
Michigan	2,956.8	2,957.0	0.2	0.01%
Minnesota	2,119.0	2,133.5	14.5	0.68%
Mississippi	7,897.3	7,897.3	0.0	0.00%
Missouri	2,448.7	2,562.2	113.5	4.64%
New Mexico	2,217.5	2,203.8	-13.6	-0.61%
Ohio	166.1	154.7	-11.4	-6.86%
Oklahoma	1,285.8	1,188.7	-97.1	-7.55%
Texas	4,570.4	4,551.1	-19.3	-0.42%
Virginia	879.6	883.1	3.5	0.40%
West Virginia	1,902.6	1,902.7	0.1	0.01%
	<b>43,462.3</b>	<b>42,205.9</b>	<b>-1,256.4</b>	<b>-2.89%</b>

It is important to note that Table 1 displays *potential* effects of the table revisions. That is, the full differences would only occur if all eligible counties within a state elected the full payment amount. This is often not the case. For instance, of the 29 eligible counties in Arkansas, only 14 elected the full payment amount for the first two years of P.L.106-393 implementation, the other 15 opting to continue to receive the 25% Fund payments. This results in the actual full payment amount reduction to Arkansas being \$651,600 for the counties currently electing payments under the new legislation (see Table 3; Attachment C).

The changes in states' full payment amounts reflected in Table 1 are only one outcome of the table revision process. Other potential effects may be found in the proportionate distribution to eligible counties and in the payments states receive from the Minerals Management Service. These effects are addressed below.

*Changes in County Distributions of States' Full Payment Amounts--* The county distributions reflected in the original payments table were based on Forest Service records (in the ASR system) reflecting the acreage of each county within each national forest within the eligible states. Revenue attributable to a given national forest is spread proportionately to the counties within the forest. Therefore, it is necessary to track minerals revenues to the specific forest from which they flowed. Furthermore, the forest-specific revenues were disaggregated by energy and hard-rock leaseables in order to make the necessary table adjustments.

Table 2, displaying changes in full payment amounts for all eligible states and counties, is included as Attachment B. Attachment C (Table 3) displays the full payment amount changes for just those counties that elected the full payment amount at this time. The revised full payment table without differences displayed is included as Attachment D. It is clear that the largest impact of the revised tables is found in Arkansas, where (of the state's \$1.003 million decline), Scott, Montgomery, Yell, and Polk Counties account for reductions of approximately \$579,000.

Although some states (Texas, Mississippi, and Michigan for example) have very minor (or in the case of Mississippi, *zero*) change to the state's full payment amount, there may be significant proportional changes to certain counties within the state. This occurs when there is more than one national forest within the state and the minerals revenue is not attributable to all forests equally. If the minerals in question are energy leaseables (the Texas/Mississippi/Michigan case), removing the revenue for these leases from the 1986-1992 period results in some counties (those within the high oil & gas producing forests) having a significantly lower share of the state's full payment amount.

For example, although Michigan's state total is essentially unchanged, the revised table reflects some counties having a higher proportionate share and some counties having a lower proportionate share of the full payment amount. This situation is complicated by the fact that many of the counties that would have an increased share elected to remain under the 25% Fund payments. In Michigan, only 4 of 31 eligible counties chose to switch to the full payment amount. Three of these 4 counties had significant declines (18%) in their share of the state's full payment amount. These declines are offset statewide by increases in counties that chose not to participate in the new legislation at this time (see Table 2). Focusing strictly on the change in the state full payment would be misleading and tend to underestimate the potential impacts to individual counties.

Other states, such as Louisiana, have substantial reductions in the state's full payment amount (-\$151,800) but only one national forest. In these cases the reduction in the full payment amount is spread proportionately to all eligible counties within the state. Similarly, Missouri contains

only one national forest (Mark Twain) and the *increase* in full payment amount (\$133,500) due to adding hard-rock revenue for 1993-1999 is spread proportionately to the counties within that forest.

Changes in States/Counties Payments from the Minerals Management Service-- As noted in the “Introduction” of this report, the Energy Policy Act of 1992 amended the Minerals Leasing Act for Acquired Lands (MLA) to transfer the responsibility for making the payments to states (from revenues generated by “energy” mineral leases on lands subject to the Act) to the Secretary of the Interior, through the Minerals Management Service (MMS). It is the opinion of the USDA Office of the General Counsel (OGC) that the Energy Act did *not* transfer authority for payment of hard-rock leaseable revenues to the MMS (see Attachment A for details). Yet, beginning in 1993 the MMS began making the payments for hard-rock leaseables, as well as for those minerals specified in the MLA for Acquired Lands.

MMS is continuing to make these payments on a monthly basis in FY 2002. Congress recognized this in the FY 2002 Agricultural Appropriations Bill and directed that an affected state “shall continue to receive its share of any payments made to that State from a lease for mineral resources issued by the Secretary of the Interior under the last paragraph under the heading ‘FOREST SERVICE’ in the Act of March 4, 1917 (Chapter 179; 16 U.S.C. 520).” This citation refers to “hard-rock” leaseables on acquired lands. The FY 2002 Appropriations Bill clause has been interpreted by the Department of Agriculture as applying through FY 2002, but not beyond. However, our interpretation is not binding on the Department of Interior. It is not known if the Interior Solicitor’s Office agrees with this position.

The revised payments table (Table 2) now reflects the historic 25% payments with energy leaseable revenues *removed* for the entire 1986-1999 period and hard-rock leaseable revenues *included* for the entire 14-year period. Counties that have elected to receive their share of the state’s full payment amount will continue to receive payments from MMS for the energy leaseables.

The only states that are receiving significant hard-rock leaseable payments from the MMS are Missouri and Minnesota, and to a lesser extent, Virginia, Alabama, Arkansas, and Illinois. The original full payment amounts for both Minnesota and Virginia were based on “high-three” years during the 1993-1999 period. The revised full payment amounts for these states have been increased to reflect the inclusion of the hard-rock revenues. Although it is impossible to know precisely the amount that *would* have been received from MMS in the future (a function of production and market value), it is reasonable to assume that it would be similar to payments of recent years. Under that assumption, the net effect on Minnesota and Virginia is negligible, i.e. the loss of MMS payments for hard-rock minerals is almost exactly offset by the increase in full payment amount. The relatively small loss of MMS payments to Alabama and Arkansas are also significantly offset by increases in full payment amounts resulting from adding hard-rock revenues to the 1993-1999 period. (Note: although there is a *net* decline in full payment for

Alabama and Arkansas due to removing oil and gas revenue, this decline is mitigated to a small degree by additions for hard-rock revenues).

Missouri presents a much different set of circumstances. Again, it is impossible to know exactly how much revenue will be generated from the lead/zinc operations on the Mark Twain National Forest in the future. Data from recent years offers the best estimate. For the seven-year period 1995-2001, hard-rock payments to Missouri from the MMS averaged \$1.04 million. Payments were as high as \$1.27 million in 1997 but dropped to \$893,000 in FY 2000 and a seven-year low of \$790,000 in FY 2001. Conversations with staff on the Mark Twain National Forest indicate that the market for lead continues to be down. Based on the seven-year average and recent trends, it is likely that MMS payments to Missouri would drop by significantly less than one million dollars annually if all counties in the state elected the full payment amount. The five counties that elected to stay with the 25% Fund would continue to receive hard-rock minerals payments from MMS.

Table 1 indicates that the full payment amount for Missouri has increased \$113,400 in the revised payment table. This increase mitigates the loss of MMS payments to some degree. It should also be noted that with the declining lead/zinc market, the full payment amount under P.L. 106-393 serves to stabilize payments at previously high levels.

### **Effect on County Election Decisions:**

Public Law 106-393 required counties to make an election by September 30, 2001 as to whether they wanted to continue to receive payments under the 25% Fund Act or switch to the full payment amount. This decision was largely based on the expected full payment amount as displayed in the original payments table. The Agriculture Appropriations Act for 2002 has specified that if the revised table reflects a lower full payment amount for a county, that county “shall have 90 days, beginning on the date the revised table is first available to the public, during which to reconsider and change its election.” This provision is likely to receive serious consideration in Arkansas where 15 of the 29 eligible counties initially elected to remain with the 25% Payments and the payments to the 14 counties choosing P.L. 106-393 will decline as a result of the table revision.

The Appropriations Bill does not provide for changes to election decisions for two other classes of counties that may be negatively impacted by the table revisions. The first group includes those counties (primarily in Missouri) that may experience an increase in full payment amount but will no longer receive MMS payments for hard-rock minerals. It is possible that some of these counties may have opted out of the new legislation if given the opportunity to do so. Without allowance to change their election, these counties will remain under the full payment amount program for the six-year life of the legislation.

The second group includes counties that initially chose to remain under the 25% Fund and whose share of their state's full payment amount has increased as a result of the revisions. Several counties in Michigan fall in this category. Given the choice, it is possible some of these counties would opt to switch to the full payment amount program. Although they have not been given that option this year, P.L. 106-393 allows counties that chose the 25% payments to revisit that decision after two years (by September 30, 2003).

### Summary

The tables originally created from historical payments under the 25% Fund Act of 1908 were determined to be inaccurate insofar as they included some energy-related minerals revenues for the 1986-1992 period (when they should *not* have) and excluded "hard-rock" minerals revenues for the 1993-1999 period when these minerals *should* have been included. As directed by the Congress, the Forest Service has worked with the USDI Minerals Management Service (MMS) to use the best available information to revise the payments tables.

Although 16 states are affected to various degrees, the effects of the revisions are most evident on a state-wide basis for the states of Arkansas, Kentucky, Louisiana, Ohio, Oklahoma, and Missouri; the latter being the only state with a large increase in full payment amount, due to the addition of lead/zinc revenues for 1993-1999. By far the largest decline in full payment amount is experienced by Arkansas, with a potential reduction of \$1.003 million if all counties chose the full payment amount. For the first two years of P.L. 106-393 implementation, 14 of the 29 eligible counties in Arkansas elected the full payment amount; therefore the actual reduction for this period is \$651,600.

States with substantial hard-rock revenues (such as Missouri) would presumably no longer receive payments for these minerals from the MMS for the counties choosing the full payment amount. This could result in large reductions in *total* payments received by these states. In the case of Missouri, if all counties chose the full payment amount, MMS payments could drop by upwards of one million dollars annually.

The table revisions redistribute each state's full payment amount based on the national forest location of the relevant minerals and the counties within those forests. In some states (e.g. Michigan), this redistribution can result in significant effects on individual counties' payments even while the state total full payment amount remains essentially unchanged.

**Attachment A: USDA Office of General Counsel Opinion**

**PRIVILEGED & CONFIDENTIAL**

September 26, 2001

MEMORANDUM FOR CHRISTOPHER RISBRUDT  
ACTING DEPUTY CHIEF PROGRAMS & LEGISLATION

FROM: Michael J. Gippert /s/  
Assistant General Counsel

SUBJECT: Treatment of Mineral Receipts under the Secure Rural School and  
Community Self-Determination Act  
of 2000

Issue

This is in response to your request for our legal opinion regarding the treatment of mineral receipts under the Secure Rural School and Community Self-Determination Act of 2000 (the Act). For purposes of calculating a state's full payment amount under the Act, the Forest Service must determine the state's 25 percent payment for each fiscal year during the eligibility period (fiscal years 1986 through 1999). To this end, the agency prepared tables showing these 25 percent payments for each state. You have asked whether certain mineral receipts should be included in the 25 percent payments used to calculate the full payment amount.

Specifically, the issues you have raised are:

- \* Should the payments to states made pursuant to the Mineral Leasing Act for Acquired Lands be included in the 25 percent payment for purposes of calculating a state's full payment amount under the Act?
- \* Should the payments of receipts derived from leases for hardrock leaseable minerals under 16 U.S.C. 520 be included in the 25 percent payment for purposes of calculating a state's full payment amount under the Act?

## Background

The Mineral Leasing Act (MLA) for Acquired Lands, enacted in 1947 and codified at 30 U.S.C. et seq., governs the disposal of most leaseable minerals on acquired National Forest System (NFS) lands. Specifically, it authorizes the Secretary of the Interior, subject to the consent of the Secretary of Agriculture, to dispose of phosphate, oil shale, gilsonite, sodium, sulphur, potassium, and gas, and coal on these lands.

Before enactment of the MLA for Acquired Lands, minerals on NFS lands purchased pursuant to the Weeks Act were leased under the authority of the Act of March 4, 1917 (1917 Act), codified at 16 U.S.C. 520. The 1917 Act remains the authority for disposal of the so-called hardrock leaseable minerals on NFS lands acquired pursuant to the Weeks Act or having Weeks Act status pursuant to 16 U.S.C. 521a, as these minerals are not subject to the MLA for Acquired Lands.<sup>1</sup> Hardrock leaseable minerals are those minerals (primarily metals such as lead, copper, gold, and silver, but also uncommon varieties of sand, stone, gravel, cinders, clay, pumice and pumicite) that would be locatable under the General Mining Law of 1872 on NFS lands reserved from the public domain pursuant to the Creative Act. (Note: Hardrock leaseable minerals on lands acquired pursuant to the Bankhead-Jones Farm Tenant Act of 1937 or transferred for administration pursuant to that Act, including National Grasslands, are disposed of under the authority of that Act, unless such lands have Weeks Act status pursuant to 16 U.S.C. 521a.)

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<sup>1</sup> 16 U.S.C. 521a provides in relevant part:

In order to facilitate the administration, management, and consolidation of the National Forests, all lands of the United States within the exterior boundaries of National Forests which were or hereafter are acquired for or in connection with the National Forests or transferred to the Forest Service, Department of Agriculture for administration and protection substantially in accordance with National Forest regulations, policies, and procedures, excepting (a) lands reserved from the public domain or acquired pursuant to laws authorizing the exchange of lands or timber reserved from or part of the public domain, and (b) land within the official limits of towns or cities, notwithstanding the provisions of any other Act, are hereby subject to the Weeks Act of March 1, 1911 (36 Stat. 961), as amended, and to all laws, rules, and regulation applicable to National Forest lands acquired thereunder ....

**Should the payments to states made pursuant to the Mineral Leasing Act for Acquired Lands be included the 25 percent payment for purposes of calculating a state's full payment amount under the Act?**

Since its enactment in 1947, the MLA for Acquired Lands has provided that revenues derived from leases of most minerals on lands acquired by the United States be paid into the same accounts in the Treasury and be disbursed in the same manner as prescribed for other revenues generated from such lands. 30 U.S.C. 355(a). Accordingly, before fiscal year 1993, mineral receipts were deposited by the Minerals Management Service (MMS), the collecting agent for Department of the Interior, into the National Forest receipt account at the Department of the Treasury. These revenues, along with the other revenues from NFS lands, were paid by Treasury to the states on the certification of the Forest Service, to the states at the end of the fiscal year consistent with 30 U.S.C. 500.

In October 1992, Congress passed the Energy Policy Act of 1992 (Energy Act) that, in part, amended the MLA for Acquired Lands: (1) to transfer to the Secretary of the Interior (through MMS) the responsibility for making the payments to states from revenues generated by mineral leases on lands subject to the Act; (2) to change the schedule of payments to the states from an annual to a monthly disbursement; and (3) to impose interest charges on late disbursements to states. Specifically, section 2506(a) of the Energy Act added subsection (b) to 30 U.S.C. 355. Section 355 now reads in part:

(a) Subject to the provisions of section 35(b) of the Mineral Leasing Act (30 U.S.C. 191(b)), all receipts derived from leases issued under the authority of this chapter [the Mineral Leasing Act for Acquired Lands] shall be paid into the same funds or accounts in the Treasury and shall be distributed in the same manner as prescribed for other receipts from the same lands affected by the lease, the intention of this provision being that this chapter shall not affect the distribution of receipts pursuant to legislation applicable to such lands . . .

(b) Notwithstanding any other provision of law, any payment to a State under this section shall be made by the Secretary of the Interior and shall be made not later than the first business day of the month following the month in which such moneys or associated revenues were received by the Secretary of the Interior, whichever is later . . . (emphasis added)

We do not believe the monthly receipt distributions pursuant to the MLA for Acquired Lands should be included as part of the 25 percent payment for purposes of calculating a state's full payment amount under the Act. Section 3(5) of the Act defines the term "full payment amount" to mean, in relevant part, the amount calculated for each eligible state under section 101. As calculated under section 101(a)(1), the full payment amount for each eligible state is an amount equal to the average of the three highest 25 percent payments and safety net payments made to that state for fiscal years through 1999.<sup>2</sup>

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<sup>2</sup> The term "safety net payments" is defined in section 3(8) of the Act to mean, in relevant part, "the special payment amounts paid to states and counties required by section 13982 . . . of [Public Law 103-66]".

The term “25 percent payment” is defined in section 3(6) of the Act to mean the payment to states “required by [16 U.S.C. 500]”. Payment of receipts from leases of minerals subject to the MLA for Acquired Lands are required by the MLA for Acquired Lands, not by 16 U.S.C. 500. The MLA for Acquired Lands requires distribution of receipts from mineral leases subject to the Act in the same manner as prescribed for other receipts derived from NFS lands, namely 16 U.S.C. 500. The Department of the Interior Solicitor’s office advises that it agrees with our interpretation. Thus, 25 percent payments used to calculate a State’s full payment amount should *not* include payments to states required by the MLA for Acquired Lands, regardless of whether the payments were made before or after the 1992 amendment to the MLA for Acquired Lands. The transfer of the responsibility for the Secretary of the Interior to make the payment did not change the legal basis for the distribution.

As a result, the Forest Service tables (showing the 25 percent payments for each State during the eligibility period) are inaccurate through fiscal year 1992 insofar as they include payments for leases pursuant to the MLA for Acquired Lands. It is our understanding that the Forest Service tables for fiscal years 1993 through 1999 do not include these payments.

An eligible county that elects to receive its share of the state’s full payment amount will continue to receive its share of the payment made to the state by MMS pursuant to the MLA for Acquired Lands. MMS, in the same manner as prescribed by 16 U.S.C. 500. An eligible county’s election to receive its share of the state’s full payment amount will not affect its receipt of payments required by the Act for Acquired Lands because the latter payments are separate from the 25 percent payment required by 16 U.S.C. 500.

**Should the payments of receipts derived from leases for hardrock leaseable minerals under 16 U.S.C. 520 be included in the 25 percent payment for purposes of calculating a state’s full payment amount under the Act?**

The 1917 Act (16 U.S.C. 520) authorizes the disposal of hardrock leaseable minerals on NFS lands acquired pursuant to the Weeks Act, or having Weeks Act status pursuant to 16 U.S.C. 521a, and governs the disposition of receipts from these leases. The 1917 Act provides:

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(Emphasis added.) Section 13982 requires special payment amounts be paid to the States of Washington, Oregon, or California for the benefit of counties affected by decisions related to the northern spotted owl for fiscal years 1994 through 2003. We interpret section 3(8) of the Act to refer to the special payment amounts actually paid to these states for fiscal years 1994 through 1999.

The Secretary of Agriculture is authorized, under general regulations to be prescribed to permit the prospecting, development, and utilization of the mineral resources of the acquired under the [Act of March 1, 1911], known as the Weeks law, upon such terms specified periods or otherwise, as he may deem to be for the best interests of the United States, *and all moneys received on account of charges, if any, made under this [Act] shall be of as is provided by existing law for the disposition of receipts from national forests.* (added.) (16 U.S.C. 520)

Thus, the 1917 Act provides that receipts from leases subject to the Act shall be distributed pursuant to 16 U.S.C. 500. As explained above, the term “25 percent payment” is defined in section 3(6) of the Act to mean the payment to states “required by [16 U.S.C. 500]”. Consequently, payments of receipts from leases of hardrock minerals must be considered part of the 25 percent payment under the Act.

Under these authorities, the Secretary of the Treasury, on the certification of the Forest Service, has been and remains responsible for distributing the receipts based on rental fees and royalties from hardrock mineral leases to states. However, we understand that MMS has handled the payment of receipts from hardrock mineral leases since fiscal year 1993, when it became responsible for making payments under the MLA for Acquired Lands. MMS treated the receipts from hardrock mineral leases as it treats receipts from minerals subject to MLA for Acquired Lands, making monthly payments to states rather than distributing the payments back to the Forest Service. We understand that the Forest Service tables reflect this practice in that the tables include payments of receipts for hardrock mineral leases made by Forest Service through 1992 but do not show the comparable payments made thereafter. The tables are incorrect from 1993 onward insofar as the 25 percent payments from leases through 1999 do not include payments for hardrock mineral leases.

An eligible county that elects to receive its share of the state’s full payment amount should not continue to receive its share of the payment to the state for hardrock mineral leases required by 16 U.S.C. 500. Section 102(b)(1) of the Act requires an eligible county to elect to receive its share of the state’s full payment amount or its share of the state’s 25 percent payment required by 16 U.S.C. 500. As explained above, the authority to distribute revenues from rental fees and royalties for hardrock mineral leases on lands acquired pursuant to the Weeks Act or having Weeks Act status is 16 U.S.C. 500, pursuant to 16 U.S.C. 520. For this reason, if an eligible county elects to continue to receive its share of the 25 percent payment, it will continue to receive its share of receipts from hardrock mineral leases, because the latter payment is required by 16 U.S.C. 500. If the eligible county elects to receive its share of the state’s full payment amount, receipts from hardrock mineral leases would be included in the calculation of the state’s full payment amount.

#### Summary

The monthly payments to states made pursuant to the MLA for Acquired Lands should not be included in the 25 percent payment for purposes of calculating each state’s full payment amount under the Act. The Forest Service tables are inaccurate through fiscal year 1992 insofar as they include these payments. The payments of receipts derived from leases for hardrock leaseable minerals issued pursuant to 16 U.S.C. 520 are required to be distributed pursuant to 16 U.S.C. 500 and should be included in the 25 percent payment for purposes of calculating a state’s full payment amount under the Act. The Forest Service tables are incorrect from 1993 onward because the 25 percent payments from leases through 1999 do not include payments for hardrock mineral leases. An eligible county’s election to receive its share of the state’s full payment amount should not result in the state receiving its share of the 25 percent payment for purposes of calculating each state’s full payment amount under the Act.

receive its share of the state's full payment amount will not affect its receipt of payments required by the MLA for Acquired Lands. Such a county will not continue to receive its share of the payments from the state for hardrock mineral leases; however, receipts derived from hardrock mineral leases will be included in the calculation of the state's full payment amount.

cc: Rey  
Tenny  
Sharpe  
Quinn  
FS Fiscal  
Poling  
Piech  
Becker  
Monfort

monfort:c:\myfiles\ptsimplementation\mineralreceiptsfinalmemo.wpd

**Attachment B: Effect of Table Revisions**

**Table 2: Changes to States' Full Payment Amounts for All Eligible Counties**  
**(in thousands of \$)**

<b>Alabama</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Bibb	164.6	162.6	-2.0
Calhoun	62.5	61.7	-0.8
Cherokee	3.2	3.2	0.0
Chilton	62.1	61.3	-0.8
Clay	174.3	172.1	-2.2
Cleburne	249.6	246.5	-3.1
Covington	298.9	286.0	-12.9
Dallas	6.0	5.9	-0.1
Escambia	160.6	153.7	-6.9
Franklin	3.3	3.3	0.0
Hale	77.2	76.2	-1.0
Lawrence	230.3	230.0	-0.3
Macon	47.7	47.7	0.0
Perry	88.0	86.9	-1.1
Talladega	122.5	121.0	-1.5
Tuscaloosa	27.6	27.2	-0.4
Winston	227.9	227.6	-0.3
	-----	-----	-----
	2,006.4	1,972.9	-33.5

<b>Arkansas</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Ashley	7.1	6.2	-0.9
Baxter	120.6	105.4	-15.2
Benton	15.8	13.7	-2.1
Conway	13.3	11.6	-1.7
Crawford	165.0	144.3	-20.7
Franklin	199.6	174.4	-25.2
Garland	477.9	420.1	-57.8
Hot Spring	1.4	1.2	-0.2
Howard	5.6	4.9	-0.7
Johnson	343.9	300.9	-43.0
Lee	45.2	44.5	-0.7
Logan	208.9	182.5	-26.4
Madison	92.3	80.6	-11.7
Marion	6.4	5.6	-0.8
Montgomery	1,380.3	1,210.3	-170.0
Newton	379.1	331.2	-47.9
Perry	408.6	358.2	-50.4
Phillips	37.1	36.6	-0.5
Pike	16.8	15.4	-1.4
Polk	856.6	749.4	-107.2
Pope	360.6	316.0	-44.6
Saline	229.7	201.0	-28.7
Scott	1,543.0	1,349.9	-193.1
Searcy	60.2	52.6	-7.6
Sebastian	67.7	59.7	-8.0
Stone	118.0	103.0	-15.0
Van Buren	61.4	53.7	-7.7
Washington	43.0	37.4	-5.6
Yell	862.6	754.1	-108.5
	-----	-----	-----
	8,127.8	7,124.4	-1,003.4

<b>Florida</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Baker	255.2	252.8	-2.4
Columbia	225.7	223.6	-2.1
Franklin	25.8	25.0	-0.8
Lake	266.4	264.1	-2.3
Leon	121.5	118.4	-3.1
Liberty	310.7	301.6	-9.1
Marion	872.3	864.8	-7.5
Okaloosa	1.0	1.0	0.0
Putman	74.8	74.2	-0.6
Santa Rosa	0.1	0.1	0.0
Wakulla	196.8	191.1	-5.7
Walton	0.6	0.6	0.0
	-----	-----	-----
	2,351.1	2,317.3	-33.8

<b>Illinois</b>	<b>ORIGINAL</b>	<b>REVISED</b>	
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	<b>CHANGE</b>
-----	-----	-----	-----
Alexander	15.9	16.4	0.5
Gallatin	7.0	7.2	0.2
Hardin	16.1	16.7	0.6
Jackson	28.4	29.4	1.0
Johnson	11.6	12.0	0.4
Massac	1.7	1.8	0.1
Pope	55.4	57.3	1.9
Saline	8.5	8.8	0.3
Union	22.0	22.7	0.7
Will	114.6	108.8	-5.8
Williamson	0.2	0.2	0.0
	-----	-----	-----
	281.4	281.4	0.0

<b>Kentucky</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Bath	18.0	17.4	-0.6
Clay	73.8	71.0	-2.8
Estill	4.6	4.4	-0.2
Harlan	0.8	0.8	0.0
Jackson	55.2	53.1	-2.1
Knox	0.1	0.1	0.0
Laurel	57.9	55.8	-2.1
Lee	7.6	7.4	-0.2
Leslie	50.6	48.7	-1.9
Letcher	0.5	0.5	0.0
McCreary	136.2	131.1	-5.1
Menifee	43.4	41.8	-1.6
Morgan	12.5	12.0	-0.5
Owsley	15.6	15.0	-0.6
Perry	2.1	2.0	-0.1
Pike	0.1	0.0	-0.1
Powell	13.8	13.3	-0.5
Pulaski	31.7	30.6	-1.1
Rockcastle	12.7	12.2	-0.5
Rowan	59.9	57.7	-2.2
Wayne	0.6	0.6	0.0
Whitley	41.9	40.3	-1.6
Wolfe	15.4	14.9	-0.5
	-----	-----	-----
	655.0	630.7	-24.3

<b>Louisiana</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Claiborne	119.1	114.0	-5.1
Grant	851.7	815.8	-35.9
Natchitoches	773.1	740.5	-32.6
Rapides	608.4	582.7	-25.7
Vernon	509.1	487.6	-21.5
Webster	73.2	70.1	-3.1
Winn	662.4	634.4	-28.0
	-----	-----	-----
	3,596.9	3,445.1	-151.8

<b>Michigan</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Alcona	138.7	113.8	-24.9
Alger	116.3	123.0	6.7
Baraga	44.7	48.0	3.3
Barry	0.0	0.0	0.0
Cheboygan	0.0	0.0	0.0
Chippewa	225.2	238.0	12.8
Crawford	46.4	38.1	-8.3
Delta	223.0	235.7	12.7
G. Traverse	0.0	0.0	0.0
Genesee	0.0	0.0	0.0
Gogebic	309.0	331.5	22.5
Houghton	156.0	167.4	11.4
Iosco	138.7	113.7	-25.0
Iron	176.7	189.5	12.8
Lake	131.8	127.1	-4.7
Mackinac	140.1	148.1	8.0
Manistee	101.7	98.2	-3.5
Marquette	17.6	18.8	1.2
Mason	70.5	68.0	-2.5
Mecosta	2.9	2.8	-0.1
Montcalm	2.1	2.0	-0.1
Muskegon	14.7	14.1	-0.6
Newaygo	127.7	123.1	-4.6
Oceana	62.1	59.9	-2.2
Ogemaw	24.5	20.1	-4.4
Ontonagon	277.4	297.5	20.1
Oscoda	183.8	150.8	-33.0
Otsego	0.0	0.0	0.0
Roscommon	0.0	0.0	0.0
Schoolcraft	113.0	119.5	6.5
Wexford	112.2	108.3	-3.9
	-----	-----	-----
	2,956.8	2,957.0	0.2

<b>Minnesota</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Beltrami	112.6	112.8	0.2
Cass	508.0	508.7	0.7
Cook	278.0	281.7	3.7
Itasca	543.6	544.3	0.7
Koochiching	0.2	0.2	0.0
Lake	301.0	305.0	4.0
St. Louis	375.7	380.8	5.1
	-----	-----	-----
	2,119.0	2,133.5	14.5

<b>Mississippi</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Adams	184.0	178.6	-5.4
Amite	459.9	446.3	-13.6
Benton	197.3	206.0	8.7
Chickasaw	147.4	150.9	3.5
Choctaw	65.7	67.2	1.5
Copiah	94.3	91.5	-2.8
Forrest	287.1	289.1	2.0
Franklin	1,225.0	1,188.8	-36.2
George	50.5	50.9	0.4
Greene	191.5	192.8	1.3
Harrison	357.9	360.4	2.5
Jackson	108.2	108.9	0.7
Jasper	145.5	147.1	1.6
Jefferson	101.7	98.9	-2.8
Jones	189.6	190.9	1.3
Lafayette	141.2	147.5	6.3
Lincoln	101.9	98.9	-3.0
Marshall	76.2	79.6	3.4
Newton	28.2	28.5	0.3
Oktibbeha	0.7	0.7	0.0
Pearl River	22.8	23.0	0.2
Perry	933.9	940.1	6.2
Pontotoc	3.0	3.1	0.1
Scott	725.6	733.3	7.7
Sharkey	96.3	98.7	2.4
Smith	617.0	623.6	6.6
Stone	241.1	242.7	1.6
Tippah	33.7	35.2	1.5
Union	29.1	30.3	1.2
Wayne	518.6	522.0	3.4
Wilkinson	287.9	280.1	-7.8
Winston	159.9	164.1	4.2
Yalobusha	74.4	77.7	3.3
	-----	-----	-----
	7,897.3	7,897.3	0.0

<b>Missouri</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Barry	90.4	94.4	4.0
Bollinger	2.6	2.7	0.1
Boone	2.8	3.7	0.9
Butler	80.1	83.6	3.5
Callaway	9.0	12.1	3.1
Carter	150.8	157.4	6.6
Christian	85.7	89.5	3.8
Crawford	82.5	86.2	3.7
Dent	116.2	122.1	5.9
Douglas	68.2	71.1	2.9
Howell	81.6	85.1	3.5
Iron	159.2	165.7	6.5
Laclede	47.9	50.1	2.2
Madison	83.4	87.2	3.8
Oregon	167.7	176.8	9.1
Ozark	64.4	67.1	2.7
Phelps	106.5	111.4	4.9
Pulaski	78.6	82.2	3.6
Reynolds	148.4	155.0	6.6
Ripley	159.0	166.2	7.2
Shannon	138.8	144.7	5.9
St. Francois	1.4	1.4	0.0
St.			
Genevieve	17.1	17.8	0.7
Stone	26.0	26.8	0.8
Taney	106.4	111.1	4.7
Texas	80.6	84.2	3.6
Washington	136.8	142.7	5.9
Wayne	145.0	151.6	6.6
Wright	11.8	12.3	0.5
	-----	-----	-----
	2,448.7	2,562.2	113.5

<b>New Mexico</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Bernalillo	12.4	12.3	-0.1
Catron	682.4	679.5	-2.9
Chaves	7.1	7.0	-0.1
Cibola	52.2	51.6	-0.6
Colfax	19.7	19.6	-0.1
Eddy	23.6	23.5	-0.1
Grant	111.3	110.6	-0.7
Hidalgo	13.1	13.0	-0.1
Lincoln	69.4	68.9	-0.5
Los Alamos	9.8	9.7	-0.1
McKinley	31.1	30.8	-0.3
Mora	32.1	31.8	-0.3
Otero	98.5	98.0	-0.5
Rio Arriba	421.0	418.5	-2.5
San Miguel	110.6	109.9	-0.7
Sandoval	117.6	116.7	-0.9
Santa Fe	79.7	79.2	-0.5
Sierra	49.2	48.8	-0.4
Socorro	101.6	100.5	-1.1
Taos	147.1	146.3	-0.8
Torrance	25.3	25.0	-0.3
Valencia	2.6	2.6	0.0
	-----	-----	-----
	2,217.4	2,203.8	-13.6

<b>Ohio</b>	<b>ORIGINAL</b>	<b>REVISED</b>	
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	<b>CHANGE</b>
-----	-----	-----	-----
Athens	11.9	11.1	-0.8
Gallia	11.1	10.4	-0.7
Hocking	17.8	16.5	-1.3
Jackson	1.4	1.3	-0.1
Lawrence	50.1	46.6	-3.5
Monroe	16.4	15.3	-1.1
Morgan	2.8	2.6	-0.2
Noble	0.2	0.2	0.0
Perry	15.9	14.8	-1.1
Scioto	8.5	7.9	-0.6
Vinton	1.5	1.4	-0.1
Washington	28.6	26.6	-2.0
	-----	-----	-----
	166.1	154.7	-11.4

<b>Oklahoma</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Le Flore	984.2	900.7	-83.5
Mc Curtain	301.6	288.0	-13.6
	-----	-----	-----
	1,285.8	1,188.7	-97.1

<b>Texas</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Angelina	267.2	276.1	8.9
Houston	925.7	914.4	-11.3
Jasper	95.9	99.1	3.2
Montgomery	231.8	239.7	7.9
Nacogdoches	42.8	44.3	1.5
Netwon	16.5	15.9	-0.6
Sabine	883.5	854.1	-29.4
San			
Augustine	337.0	345.5	8.5
San Jacinto	292.4	302.2	9.8
Shelby	549.9	531.4	-18.5
Trinity	664.4	656.3	-8.1
Walker	263.2	272.1	8.9
	-----	-----	-----
	4,570.4	4,551.1	-19.3

<b>Virginia</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Allegheny	77.2	77.8	0.6
Amherst	31.2	31.5	0.3
Augusta	106.1	106.9	0.8
Bath	94.8	95.5	0.7
Bedford	9.7	9.7	0.0
Bland	37.5	37.5	0.0
Botetourt	41.6	41.6	0.0
Carroll	3.5	3.5	0.0
Craig	59.8	59.7	-0.1
Dickenson	4.3	4.3	0.0
Frederick	2.7	2.7	0.0
Giles	32.7	32.7	0.0
Grayson	17.1	17.0	-0.1
Highland	31.6	31.8	0.2
Lee	5.9	5.8	-0.1
Montgomery	10.0	10.0	0.0
Nelson	10.2	10.3	0.1
Page	14.7	14.9	0.2
Pulaski	10.0	10.0	0.0
Roanoke	1.6	1.6	0.0
Rockbridge	35.8	36.0	0.2
Rockingham	76.1	76.6	0.5
Scott	17.8	17.8	0.0
Shenandoah	41.4	41.7	0.3
Smyth	38.1	38.1	0.0
Tazewell	4.9	4.9	0.0
Warren	3.4	3.4	0.0
Washington	11.5	11.5	0.0
Wise	18.7	18.6	-0.1
Wythe	29.8	29.7	-0.1
	-----	-----	-----
	879.6	883.1	3.5

<b>West Virginia</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Barbour	0.0	0.0	0.0
Grant	40.3	40.2	-0.1
Greenbrier	204.4	203.9	-0.5
Hampshire	2.0	2.1	0.1
Hardy	31.9	33.3	1.4
Monroe	11.2	11.6	0.4
Nicholas	47.6	47.5	-0.1
Pendleton	195.3	196.2	0.9
Pocahontas	622.7	621.4	-1.3
Preston	7.9	7.9	0.0
Randolph	406.2	405.7	-0.5
Tucker	200.2	200.4	0.2
Webster	132.9	132.5	-0.4
	-----	-----	-----
	1,902.6	1,902.7	0.1

**Attachment C: Effect of Table Revisions**

**Table 3: Changes to States' Full Payment Amounts for Counties Electing to Receive Full Payment Amount at This Time (in thousands of \$)**

Alabama	ORIGINAL	REVISED	CHANGE
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Bibb	164.6	162.6	-2.0
Calhoun	62.5	61.7	-0.8
Cherokee	3.2	3.2	0.0
Chilton	62.1	61.3	-0.8
Clay	174.3	172.1	-2.2
Cleburne	249.6	246.5	-3.1
Covington	298.9	286.0	-12.9
Dallas	6.0	5.9	-0.1
Escambia	160.6	153.7	-6.9
Franklin	3.3	3.3	0.0
Hale	77.2	76.2	-1.0
Lawrence	230.3	230.0	-0.3
Macon	47.7	47.7	0.0
Perry	88.0	86.9	-1.1
Talladega	122.5	121.0	-1.5
Tuscaloosa	27.6	27.2	-0.4
Winston	227.9	227.6	-0.3
	-----	-----	-----
	2,006.3	1,972.9	-33.4

<b>Arkansas</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Ashley	0.0	0.0	0.0
Baxter	0.0	0.0	0.0
Benton	0.0	0.0	0.0
Conway	13.3	11.6	-1.7
Crawford	165.0	144.3	-20.7
Franklin	0.0	0.0	0.0
Garland	0.0	0.0	0.0
Hot Spring	0.0	0.0	0.0
Howard	0.0	0.0	0.0
Johnson	343.9	300.9	-43.0
Lee	45.2	44.5	-0.7
Logan	208.9	182.5	-26.4
Madison	92.3	80.6	-11.7
Marion	0.0	0.0	0.0
Montgomery	1,380.3	1,210.3	-170.0
Newton	0.0	0.0	0.0
Perry	0.0	0.0	0.0
Phillips	37.1	36.6	-0.5
Pike	0.0	0.0	0.0
Polk	0.0	0.0	0.0
Pope	360.6	316.0	-44.6
Saline	0.0	0.0	0.0
Scott	1,543.0	1,349.9	-193.1
Searcy	0.0	0.0	0.0
Sebastian	67.7	59.7	-8.0
Stone	118.0	103.0	-15.0
Van Buren	61.4	53.7	-7.7
Washington	0.0	0.0	0.0
Yell	862.6	754.1	-108.5
	-----	-----	-----
	5,299.3	4,647.7	-651.6

<b>Florida</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Baker	255.2	252.8	-2.4
Columbia	225.7	223.6	-2.1
Franklin	25.8	25.0	-0.8
Lake	266.4	264.1	-2.3
Leon	121.5	118.4	-3.1
Liberty	310.7	301.6	-9.1
Marion	872.3	864.8	-7.5
Okaloosa	0.0	0.0	0.0
Putman	74.8	74.2	-0.6
Santa Rosa	0.1	0.1	0.0
Wakulla	196.8	191.1	-5.7
Walton	0.0	0.0	0.0
	-----	-----	-----
	2,349.3	2,315.7	-33.6

<b>Illinois</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Alexander	15.9	16.4	0.5
Gallatin	7.0	7.2	0.2
Hardin	16.1	16.7	0.6
Jackson	28.4	29.4	1.0
Johnson	11.6	12.0	0.4
Massac	1.7	1.8	0.1
Pope	55.4	57.3	1.9
Saline	8.5	8.8	0.3
Union	22.0	22.7	0.7
Will	114.6	108.8	-5.8
Williamson	0.2	0.2	0.0
	-----	-----	-----
	281.4	281.4	0.0

<b>Kentucky</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Bath	18.0	17.4	-0.6
Clay	0.0	0.0	0.0
Estill	4.6	4.4	-0.2
Harlan	0.0	0.0	0.0
Jackson	55.2	53.1	-2.1
Knox	0.0	0.0	0.0
Laurel	57.9	55.8	-2.1
Lee	7.6	7.4	-0.2
Leslie	0.0	0.0	0.0
Letcher	0.0	0.0	0.0
McCreary	136.2	131.1	-5.1
Menifee	0.0	0.0	0.0
Morgan	12.5	12.0	-0.5
Owsley	0.0	0.0	0.0
Perry	0.0	0.0	0.0
Pike	0.0	0.0	0.0
Powell	13.8	13.3	-0.5
Pulaski	0.0	0.0	0.0
Rockcastle	12.7	12.2	-0.5
Rowan	59.9	57.7	-2.2
Wayne	0.6	0.6	0.0
Whitley	0.0	0.0	0.0
Wolfe	0.0	0.0	0.0
	-----	-----	-----
	379.0	365.0	-14.0

<b>Louisiana</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Claiborne	119.1	114.0	-5.1
Grant	851.7	815.8	-35.9
Natchitoches	773.1	740.5	-32.6
Rapides	608.4	582.7	-25.7
Vernon	509.1	487.6	-21.5
Webster	73.2	70.1	-3.1
Winn	662.4	634.4	-28.0
	-----	-----	-----
	3,596.9	3,445.1	-151.8

<b>Michigan</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Alcona	138.7	113.8	-24.9
Alger	0.0	0.0	0.0
Baraga	0.0	0.0	0.0
Barry	0.0	0.0	0.0
Cheboygan	0.0	0.0	0.0
Chippewa	225.2	238.0	12.8
Crawford	0.0	0.0	0.0
Delta	0.0	0.0	0.0
G. Traverse	0.0	0.0	0.0
Genesee	0.0	0.0	0.0
Gogebic	0.0	0.0	0.0
Houghton	0.0	0.0	0.0
Iosco	0.0	0.0	0.0
Iron	0.0	0.0	0.0
Lake	0.0	0.0	0.0
Mackinac	0.0	0.0	0.0
Manistee	0.0	0.0	0.0
Marquette	0.0	0.0	0.0
Mason	0.0	0.0	0.0
Mecosta	0.0	0.0	0.0
Montcalm	0.0	0.0	0.0
Muskegon	0.0	0.0	0.0
Newaygo	0.0	0.0	0.0
Oceana	0.0	0.0	0.0
Ogemaw	24.5	20.1	-4.4
Ontonagon	0.0	0.0	0.0
Oscoda	183.8	150.8	-33.0
Otsego	0.0	0.0	0.0
Roscommon	0.0	0.0	0.0
Schoolcraft	0.0	0.0	0.0
Wexford	0.0	0.0	0.0
	-----	-----	-----
	572.2	522.7	-49.5

<b>Minnesota</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Beltrami	0.0	0.0	0.0
Cass	0.0	0.0	0.0
Cook	0.0	0.0	0.0
Itasca	543.6	544.3	0.7
Koochiching	0.0	0.0	0.0
Lake	301.0	305.0	4.0
St. Louis	0.0	0.0	0.0
	-----	-----	-----
	844.6	849.3	4.7

<b>Mississippi</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Adams	184.0	178.6	-5.4
Amite	459.9	446.3	-13.6
Benton	197.3	206.0	8.7
Chickasaw	147.4	150.9	3.5
Choctaw	65.7	67.2	1.5
Copiah	94.3	91.5	-2.8
Forrest	287.1	289.1	2.0
Franklin	1,225.0	1,188.8	-36.2
George	50.5	50.9	0.4
Greene	191.5	192.8	1.3
Harrison	357.9	360.4	2.5
Jackson	108.2	108.9	0.7
Jasper	145.5	147.1	1.6
Jefferson	101.7	98.9	-2.8
Jones	189.6	190.9	1.3
Lafayette	141.2	147.5	6.3
Lincoln	101.9	98.9	-3.0
Marshall	76.2	79.6	3.4
Newton	28.2	28.5	0.3
Oktibbeha	0.7	0.7	0.0
Pearl River	22.8	23.0	0.2
Perry	933.9	940.1	6.2
Pontotoc	3.0	3.1	0.1
Scott	725.6	733.3	7.7
Sharkey	96.3	98.7	2.4
Smith	617.0	623.6	6.5
Stone	241.1	242.7	1.6
Tippah	33.7	35.2	1.5
Union	29.1	30.3	1.2
Wayne	0.0	0.0	0.0
Wilkinson	287.9	280.1	-7.8
Winston	159.9	164.1	4.2
Yalobusha	74.4	77.7	3.3
	-----	-----	-----
	7,378.7	7,375.3	-3.4

<b>Missouri</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Barry	0.0	0.0	0.0
Bollinger	0.0	0.0	0.0
Boone	0.0	0.0	0.0
Butler	80.1	83.6	3.5
Callaway	9.0	12.1	3.1
Carter	150.8	157.4	6.6
Christian	85.7	89.5	3.8
Crawford	82.5	86.2	3.7
Dent	116.2	122.1	5.9
Douglas	68.2	71.1	2.9
Howell	81.6	85.1	3.5
Iron	159.2	165.7	6.5
Laclede	0.0	0.0	0.0
Madison	83.4	87.2	3.8
Oregon	167.7	176.8	9.1
Ozark	64.4	67.1	2.7
Phelps	106.5	111.4	4.9
Pulaski	78.6	82.2	3.6
Reynolds	148.4	155.0	6.6
Ripley	159.0	166.2	7.2
Shannon	138.8	144.7	5.9
St. Francois	0.0	0.0	0.0
St. Genevieve	17.1	17.8	0.7
Stone	26.0	26.8	0.8
Taney	106.4	111.1	4.7
Texas	80.6	84.2	3.6
Washington	136.8	142.7	5.9
Wayne	145.0	151.6	6.6
Wright	11.8	12.3	0.5
	-----	-----	-----
	2,303.8	2,409.9	106.1

<b>New Mexico</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Bernalillo	12.4	12.3	-0.1
Catron	682.4	679.5	-2.9
Chaves	7.1	7.0	-0.1
Cibola	52.2	51.6	-0.6
Colfax	19.7	19.6	-0.1
Eddy	23.6	23.5	-0.1
Grant	0.0	0.0	0.0
Hidalgo	13.1	13.0	-0.1
Lincoln	69.4	68.9	-0.5
Los Alamos	9.8	9.7	-0.1
McKinley	31.1	30.8	-0.3
Mora	32.1	31.8	-0.3
Otero	0.0	0.0	0.0
Rio Arriba	421.0	418.5	-2.5
San Miguel	110.6	109.9	-0.7
Sandoval	117.6	116.7	-0.9
Santa Fe	79.7	79.2	-0.5
Sierra	49.2	48.8	-0.4
Socorro	101.6	100.5	-1.1
Taos	0.0	0.0	0.0
Torrance	25.3	25.0	-0.3
Valencia	2.6	2.6	0.0
	-----	-----	-----
	1,860.5	1,848.9	-11.6

<b>Ohio</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Athens	0.0	0.0	0.0
Gallia	11.1	10.4	-0.7
Hocking	0.0	0.0	0.0
Jackson	0.0	0.0	0.0
Lawrence	0.0	0.0	0.0
Monroe	0.0	0.0	0.0
Morgan	0.0	0.0	0.0
Noble	0.2	0.2	0.0
Perry	0.0	0.0	0.0
Scioto	0.0	0.0	0.0
Vinton	0.0	0.0	0.0
Washington	28.6	26.6	-2.0
	-----	-----	-----
	39.9	37.2	-2.7

<b>Oklahoma</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Le Flore	984.2	900.7	-83.5
Mc Curtain	301.6	288.0	-13.6
	-----	-----	-----
	1,285.8	1,188.7	-97.1

<b>Texas</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Angelina	267.2	276.1	8.9
Houston	925.7	914.4	-11.3
Jasper	95.9	99.1	3.2
Montgomery	231.8	239.7	7.9
Nacogdoches	42.8	44.3	1.5
Netwon	16.5	15.9	-0.6
Sabine	883.5	854.1	-29.4
San Augustine	337.0	345.5	8.5
San Jacinto	292.4	302.2	9.8
Shelby	549.9	531.4	-18.5
Trinity	664.4	656.3	-8.1
Walker	263.2	272.1	8.9
	-----	-----	-----
	4,570.4	4,551.1	-19.3

<b>Virginia</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Allegheny	0.0	0.0	0.0
Amherst	31.2	31.5	0.3
Augusta	106.1	106.9	0.8
Bath	94.8	95.5	0.7
Bedford	9.7	9.7	0.0
Bland	37.5	37.5	0.0
Botetourt	41.6	41.6	0.0
Carroll	3.5	3.5	0.0
Craig	59.8	59.7	-0.1
Dickenson	4.3	4.3	0.0
Frederick	2.7	2.7	0.0
Giles	0.0	0.0	0.0
Grayson	0.0	0.0	0.0
Highland	31.6	31.8	0.2
Lee	5.9	5.8	-0.1
Montgomery	0.0	0.0	0.0
Nelson	10.2	10.3	0.1
Page	14.7	14.9	0.2
Pulaski	0.0	0.0	0.0
Roanoke	1.6	1.6	0.0
Rockbridge	0.0	0.0	0.0
Rockingham	76.1	76.6	0.5
Scott	0.0	0.0	0.0
Shenandoah	0.0	0.0	0.0
Smyth	38.1	38.1	0.0
Tazewell	0.0	0.0	0.0
Warren	0.0	0.0	0.0
Washington	11.5	11.5	0.0
Wise	0.0	0.0	0.0
Wythe	29.8	29.7	-0.1
	-----	-----	-----
	610.7	613.2	2.5

<b>West Virginia</b>	<b>ORIGINAL</b>	<b>REVISED</b>	<b>CHANGE</b>
	State	State	
	Full Pmt	Full Pmt	
	X Percent=	X Percent=	
	Potential	Potential	
County	County Share	County Share	
-----	-----	-----	-----
Barbour	0.0	0.0	0.0
Grant	0.0	0.0	0.0
Greenbrier	204.4	203.9	-0.5
Hampshire	2.0	2.1	0.1
Hardy	31.9	33.3	1.4
Monroe	0.0	0.0	0.0
Nicholas	0.0	0.0	0.0
Pendleton	195.3	196.2	0.9
Pocahontas	622.7	621.4	-1.3
Preston	7.9	7.9	0.0
Randolph	406.2	405.7	-0.5
Tucker	200.2	200.4	0.2
Webster	132.9	132.5	-0.4
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	1,803.5	1,803.4	-0.1

**Attachment D: Revised Payments Table**

42 Page Table Follows