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NEWS RELEASE

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Don't Be Fooled
by Senator Larry Craig

“The more things change, the more they stay the same.” This old saying makes a lot of sense, especially when I look at the people and communities of Idaho.

Don't be fooled. Although our state has grown a lot over the last 20 years, Idaho's rural communities are still a very important part of our state's culture and values. While the state's bigger cities may get most of the attention in the papers or on the evening newscast, Idahoans' character and past can easily be traced to a small town. Having grown up in a small Idaho community, I am determined to make sure that rural Idaho does not fade into memory, but remains vibrant, and that rural Idahoans have every tool they need to be successful.

One of the most important tools to success is a high-quality education. Too often, Idaho's schools suffer from a lack of financial resources, because the economic base of many counties in which these schools are located is severely limited. Limited by what? By a high percentage of federally owned lands. Some counties, like Custer County and several others, are more than 90 percent federally-owned.

This might be nice for recreationists, but Idaho's schools are largely funded by property taxes, and the federal government is exempted from paying those. So in counties like these, the limited supply of private land means economic activity is limited too, and therefore, so are the property tax revenues available to these counties and their school districts.

Recognizing this problem, Congress, in the early part of the 20th Century, reached a solution. The federal government would send 25 percent of the annual federal timber receipts harvested in that county to the coffers of the county government. For generations, this arrangement worked fairly well, until timber harvests began to dwindle on public lands in the 1980s and 1990s. As a consequence, the timber dollars coming into county coffers did too.

So in 2001, I teamed up with Senator Ron Wyden, a Democrat from Oregon, and a number of other colleagues on both sides of the aisle, to craft a temporary fix. What became known as the “Craig-Wyden” bill (the Secure Rural Schools and Community Self-Determination Act) set a floor on the amount of federal funds rural counties would receive. The program was intended to help begin an economic transition for counties who were heavily dependent on timber to a broader-based economy, and it has helped do that in many places. And while it always was intended to be a temporary program, the time has not yet come to end it.

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The difficult question that faces us today is how to pay for the Craig-Wyden program. The Bush Administration suggested selling off parcels of public land to raise the necessary funds, which was soundly rejected by most Westerners, myself included. Others have suggested expanding federal income tax withholdings on private contractors, which I also cannot accept.

At the same time, Congress and President Bush are working hard to eliminate wasteful spending and reduce the federal budget deficit. It pleases me to report that the Office of Management and Budget estimates that by 2008, we will have cut the deficit in half – one year earlier than President Bush's target date of 2009. But the question remains: How do we raise more than half a billion dollars at a time when Congress and the President are aggressively squeezing the budget (an action I strongly endorse)?

We may have to pass a one-year extension of the program to buy a little more time to find a longer-term solution.

I admit, we have not found an answer yet, but let me assure you, we are looking for one. This is turning out to be a tough nut to crack, but I didn't come to the Senate to only solve the easy problems. Don't be fooled – we're not done with this one just yet.