

Discussion / Direction / Decision on Secure Rural Schools Election Percentages.

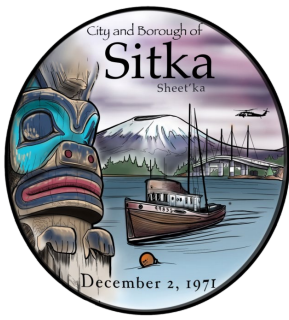
Step 1

Discussion

Step 2

Possible Motion

I MOVE TO direct the Municipal Administrator to elect the allocation of 85% Title I funding and 15% Title II funding for all Secure Rural Schools payments until such time that a new allocation election is required.



CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

Thru: John Leach, Municipal Administrator

A handwritten signature in black ink, appearing to be 'J. Leach', is written over the 'Thru:' line.

From: Melissa Haley, Finance Director

Date: August 12, 2022

Subject: Secure Rural Schools Allocation

Background

On August 8th, 2022, a letter was received from the State of Alaska informing the Mayor and staff that, for the first time since 2013, the City and Borough of Sitka (CBS) would be required to elect an allocation for its FY23 Secure Rural Schools (SRS) payment, as current allocations have expired. Currently 85% (the maximum) goes to Title I, which is the annual payment that we have historically shared with the Sitka School District, with what isn't given to the schools supporting roads. The CBS must allocate a maximum of 20% and a minimum of 15% to either Title II or Title III program categories, or we can choose to return the funding to the federal government.

Title II funding is given to the US Forest Service and projects are recommended by a local Resource Advisory Committee. State representatives have confirmed that the Resource Advisory Committee (RAC) charged with recommending Title II projects in our area is no longer local, but is a regional RAC that includes Sitka, Yakutat, Lynn Canal-Icy Straits, and Juneau. The 15-member committee seeks balanced representation of 3-4 members from each area.

Title III funds are restricted to a handful of uses including wildfire protection programs, some telecommunications services at schools, or emergency services on federal lands. All Title III spending must be proposed to local Resource Advisory Committee and published, and a 45-day public comment period is required. A maximum of 7% may be allocated to Title III funding. Prior to 2013 the municipality received Title III funding, of which \$513,000 remains. This funding is tracked in a reserve account of the General Fund. Previous use was limited to search and rescue operations that took place on federal lands; however, no expenses have been tracked or reimbursed in recent years.

Analysis

SRS Title I funding is an important federal revenue for the General Fund and, other than the requirement that it be used for roads or schools, is fairly unrestricted. It is funding that both CBS street operations and our school district rely on, we therefore recommend that the maximum allowable allocation (85%) go to Title I funding. Due to the limitations on and complexity to actually spend the Title III funds as well as the relatively small eligible expenses that the CBS incurs in these categories, we recommend that the required 15% be allocated fully to Title II funding, to be administered by the USFS on projects recommended by the RAC.

Fiscal Note

The recommended allocation will maintain the status quo and will maximize the valuable Title I funding that supports roads and schools. As SRS is reauthorized by Congress annually, whether the funding will be authorized and what the level of funding will be is unknown at this point. It is important to note that the allocation election made now will be maintained for an undetermined number of years. Municipalities elect an allocation when determined by Congress; the last allocation election was made nearly 10 years ago, when asked, state representatives indicated that it is unlikely that it would be 10 years before a new election is required but couldn't give an estimated timeframe.

Recommendation

Maintain the status quo Secure Rural Schools allocation of 85% Title I funding and 15% Title II funding.

Encl: Letter dated August 8, 2022
Description of SRS Program Categories



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

455 3rd Avenue, Suite 140
Fairbanks, Alaska 99701-4737
Main: 907 451 2731
Fax: 907 451 2742

VIA EMAIL

August 8, 2022

The Honorable Steven Eisenbeisz
Mayor, City and Borough of Sitka
100 Lincoln Street
Sitka, AK 99835

**RE: Secure Rural Schools (SRS) Act
Election Form**

Dear Mayor Eisenbeisz,

To prepare for the fiscal year 2022 (payment year 2023) payments to the states under the Secure Rural Schools and Community Self Determination Act, the Division of Community and Regional Affairs (DCRA) must submit for each borough in which a national forest is situated, the borough's election to receive a share of the Secure Rural Schools Act payment or a share of the State's 25-percent payment. The borough's current election percentages values of 85% Title I and 15% Title II are now expired. 2022 will be the first year since 2013 that counties have had an option to change their election percentages.

The borough resides in a county that receives a share of the state payment that is \$350,000 or greater (a major distribution). The borough must elect one of the following:

- Allocate 15-percent to 20-percent of its share to Title II, Title III, or a combination of both, except that the allocation for Title III projects may not exceed 7-percent. The total percentage allocated to Title II and Title III combined must be no less than 15-percent and no greater than 20-percent.
- Opt to return its allocation, in whole or part, to the Federal Government.

Please complete the attached form and email to the address below no later than **August 30, 2022**.

Email to: caa@alaska.gov

Subject line **"Entity Name, FY22 SRS Election Form"**

For more information regarding SRS go to: <https://www.fs.usda.gov/working-with-us/secure-rural-schools>. If you have any questions regarding the program or your election options, please contact me at judy.haymaker@alaska.gov or call (907)451-2731.

Sincerely,

A handwritten signature in blue ink, appearing to read "Judy Haymaker".

Judy Haymaker
Grants Administrator 2

Enclosure – FY22 Title I/Title II/Title III SRS Election Form

Secure Rural Schools Program Categories

<https://www.fs.usda.gov/working-with-us/secure-rural-schools/categories>

Title I - Roads & Schools

Municipalities and Boroughs generally receive the majority of Secure Rural Schools funds under Title I, which is designated for the benefit of public schools and public roads. In years when the Secure Rural Schools Act is reauthorized by Congress, Title I payments are made from the USDA Forest Service to states. States then distribute the payment to all eligible municipalities/boroughs. The funds must be passed through to local governmental entities for use at the county level (but not necessarily to county governments themselves). Each state must spend the funds on road and school programs, and state law sets forth how the payments are to be allocated between road and school projects. The state laws differ widely, generally ranging from 30% to 100% for school programs.

Title II - Special Projects on Federal Lands

Counties typically receive 20% or less of Secure Rural Schools funds under Title II, which are used by willing Federal agencies, State and local governments, private and nonprofit entities, and landowners for protection, restoration and enhancement of fish and wildlife habitat, and other natural resource objectives on Federal land and on non-Federal land where projects would benefit these resources on Federal land.

Rather than being distributed to the State, Title II funds are retained by the Forest Service and are allocated to specific projects that have been reviewed and recommended by a local Resource Advisory Committee.

[Resource Advisory Committees](#) must initiate (recommend) Title II projects by September 30, 2025. Project funds must be obligated by Sept. 30, 2026

Special Projects:

- Road, trail, and infrastructure maintenance or obliteration;
- Soil productivity improvement
- Improvements in forest ecosystem health
- Watershed restoration and maintenance
- The restoration, maintenance, and improvement of wildlife and fish habitat
- The control of noxious and exotic weeds
- The re-establishment of native species

Title III – Municipality/Borough Funds

Funds received under [Title III](#) are used to:

- Firewise Communities program
- Reimbursement for emergency services (firefighting and law enforcement patrols) on federal land paid for by the county
- Develop community wildfire protection plans (CWPPs)
- Training costs and equipment purchases related to emergency service
- Title III has been expanded to include (A) broadband telecommunications services at local schools; or (B) the technology and connectivity necessary for students to use a digital learning tool at or outside of a local school campus.

There is a required 45-day public comment period before using Title III funds. Eligible municipalities/boroughs must first publish in a publication of local record a proposal that describes the intended use of the county funds. The municipality/borough also must submit the proposal to any Resource Advisory Committee for the participating municipality/borough. Municipalities/boroughs are required to certify use of Title III funds. Title III payments are made from the Forest Service to states. States then distribute the payment to all eligible municipalities/boroughs.