


HB

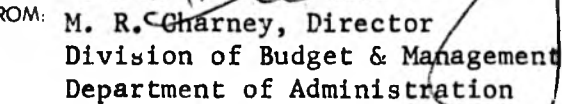
112

STATE  
of ALASKA

## MEMORANDUM

TO:  Mike Miller, Chairman  
Local Government Committee  
House of Representatives  
Alaska State Legislature

DATE : February 24, 1972

FROM:  M. R. Charney, Director  
Division of Budget & Management  
Department of Administration

SUBJECT: House Bill 112 - Department of  
Community Affairs

Shown below is the funding breakdown for the Department of Community Affairs contained in House Bill No. 112.

## Proposed Department of Community Affairs (HB-112)

1. Costs proposed in the FY 73 budget that would be transferred into the new Department

Planning & Research Division	\$ 1,031.2	(326.1 GF)
Local Affairs/Rural Development Agencies	1,381.2	(556.7 GF)
Rural Affairs Commission	29.9	(29.9 GF)
Local Boundary Commission	36.9	(36.9 GF)
Shared National Forest Receipts	354.3	(364.3 GF)
Municipal Services Revenue Sharing	7,100.0	(7,100.0 GF)
Shared Taxes	4,458.6	(4,458.6 GF)
Neighborhood Youth Corps	<u>1,838.9</u>	<u>(-0- GF)</u>
Sub Total	<u>\$16,241.0</u>	<u>\$12,872.5</u>

2. Additional Costs

Office of the Commissioner	226.2	(226.2 GF)
Administrative Services Section	105.7	(105.7 GF)
Advisory Council	<u>5.0</u>	<u>(5.0 GF)</u>
Sub Total	<u>\$ 336.9</u>	<u>\$ 336.9</u>
Department of Community Affairs Total	<u>\$16,577.9</u>	<u>\$13,209.4</u>

cc: R. F. Schroeder

Pouch V,  
State Capitol Bldg.  
Juneau, Alaska 99801  
April 22, 1971

The Honorable William A. Egan  
Governor of Alaska  
Pouch A,  
State Capitol Bldg.  
Juneau, Alaska 99801

Dear Governor Egan:

As you are undoubtedly aware, the Legislative Council proposed legislation (House Bill 112) this year, which would have the effect of creating a Department of Community Affairs. The purpose of this letter is to advise you that the House Local Government Committee is very much inclined to favor legislation along these lines.

In your State of the State speech, we noted your own statements of intent for such a Department.

With this common goal in mind, the House Local Government Committee respectfully requests that your office submit proposed legislation to the Legislature at the beginning of the second session.

The Committee, of course, would be delighted to cooperate with you, Byron Mallot or other members of your office in formulating a legislative proposal and I hope you will feel free to call on us for any assistance we can offer.

Sincerely,

Mike Miller, Chairman  
House Local Government Committee

HB 112

TO: Representative Mike Miller, Chairman  
House Local Government Committee

April 13, 1971

FROM: James B. Rhode  
AA House Local Government Committee

SUBJECT: Comparison of the Provisions of HB 112 and HB 81 Relating to Creation  
of a Department of Community Affairs

HB 112, introduced by request of the Legislative Council, and HB 81, introduced by Whittaker, would create a "Department of Community Affairs" and a "Department of Regional and Community Affairs", respectively. The Council bill was drafted after study of the statutes used by eight states to create such departments. The major differences between the Council and Whittaker bills is that the Council bill places the Alaska State Housing Authority in a different relationship to the new department, provides more of the mechanics of creating the department (based on the act setting up the Department of Economic Development), and gives the department more powers and states them in more detail. Finally, the Council bill alone sets up an advisory council for the department.

Both bills establish a department by combining the Planning and Research Division and the Local Affairs Agency of the Governor's Office with the Rural Development Agency of the Department of Economic Development. Both bills also assign the housekeeping for the Rural Affairs Commission and the Local Boundary Commission to the depart. The bills differ, however, on the place of the Alaska State Housing Authority in the department. The Council bill assigns ASHA to it while the Whittaker bill transfers the "planning assistance authority" of ASHA to it. In view of the planning role which the Council bill has for the department, it appears to be inconsistent when it fails to transfer the ASHA planning authority to the new department. On the other hand, the Committee may choose to have ASHA and the department responsible for different types of planning.

The Council bill provides for all legal aspects of forming the department and gives its commissioner the same power to organize the department that other commissioners enjoy, apart from requiring three specific divisions be set up. The Whittaker bill omits a number of legal matters: power to issue regulations; the status of suits, petitions, and hearings pending at the time the department is created; references to the laws modified by the creation of the department. Further, the Whittaker bill directs the commissioner to "...preserve the identity and staff of agencies transferred to the department" in so far as that is "...consistent with sound administrative practice..." This might not allow the commissioner the organizational freedom he has under the Council bill.

In regard to powers, Whittaker's department is to provide technical and financial assistance to all local governments, to assist the governor in coordinating all state and federal programs available to local governments, "...to encourage..." the solution of problems at the lowest practical level, and to study and voice the needs of local governments and their residents. The Council bill goes further and has the department "supervise" all state financial aid to local governments (shared revenues, federal aid to localities via the state) except for the Public School Foundation Program and disaster relief. The department would "supervise" and "...co-operate with..." other state agencies in preparing "...statewide plans relating to housing, redevelopment and renewal, human resources development, public works..." and others (page 2, line 29 and page 3, lines 1-4). It also is to coordinate state and local planning in other matters. Actually, the language on page 3, lines 22-23

might be changed to clarify the intent of the Council to have the department coordinate, not dictate, local planning outside the scope of statewide planning. Further, the department would also assist the governor in administering disaster aid, "...provide direct consultative services to local governments upon request..." (extraordinary costs to be reimbursed), and offer planning assistance on any matter to localities and to state and other planning agencies (non-state agencies will bear all costs not covered by federal grants). It should be noted here that planning assistance by the Planning Division in the Governor's Office is presently limited to "...areas in the state not represented by local governments..." and only "...where such planning...is necessary for the receipt of federal, state, or other funds..." (AS 44.19.880 (a)(5), repealed and reenacted in 1970). The Council bill also calls for regular training programs for local officials, including the exchange of personnel between governments. Uniform budget forms and auditing standards will be prepared for local governments. Presumably, the language of this provision would permit special, simplified budget forms for use by the smaller communities. Anyway, we may assume the Committee would choose to provide that fourth class cities may submit a statement of income and expenditures in lieu of an audit, as it did in the proposed revision of the Municipal Code. It is well to note that the purpose of the uniform budget forms and auditing standards is to make it easier for the Legislature, the Administration, bond houses, and the communities involved to evaluate spending patterns and fiscal conditions at the local level. The bill further permits the department, on request, to contract for "...line or staff..." functions in local governments to be performed by other departments or by the Department of Community Affairs. State contracting with localities is today limited and decentralized, e.g. State Troopers, Health & Welfare Sanitary Engineers.

RECOMMENDATION: That HB 112 be the basis of any bill to create a department.

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