

SCR

4

# ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS COMMITTEE

SENATOR VIC FISCHER, CHAIRMAN

POUCH V, JUNEAU 99811

(907) 465-4954



*David*

## MEMORANDUM

TO: Senate State Affairs  
Committee Members

FROM: Senator Vic Fischer, Chair  
Senate State Affairs Committee

DATE: March 16, 1983

RE: SCR 4 -- State Comprehensive Development Plan

SCR 4 would ask the Governor to prepare a state comprehensive development plan in accordance with existing statute. Copy of the resolution is attached.

Attached is OMB's response to my inquiry about their position and fiscal note for the resolution.

As a professional planner with great familiarity with state planning around the United States, I concur with Harrison's appraisal of the improbability of meeting the old statutory requirement in a literal sense. Several decades ago, many states adopted city and metropolitan planning concepts to the state level, thinking they could simply prepare a state plan as they did at the local level. Experience, as well as realistic understanding, demonstrated that concepts and issues were quite different at the state level from local circumstances. As a result, most states have abandoned the comprehensive or master development plan approach in favor of fiscal and development management concepts.

Only Hawaii among the states has ever put together a policies plan for state development, and even in that rather small geographic area implementation has been virtually impossible to achieve. Certainly, in Alaska a different approach is needed.

None of this is to say that planning is not required, it's just that approach and methodology have to be adapted to the realities of state government and to the geographic extent of states, particularly in the case of Alaska.

It seems to me that the best thing at this time would be to hold SCR 4 in abeyance and to have OMB report to the committee at the beginning of next session on the proposed approach they would follow to assure

effectively planned and coordinated development in Alaska, its economy and its resources.

Please let me know if you have any objections to following this course or have any other comments on the matter.

Thanks.

cc: Senator Kerttula  
Gordon Harrison, OMB

# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

## OFFICE OF THE GOVERNOR

POUCH AM  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3568

### OFFICE OF MANAGEMENT AND BUDGET

March 14, 1983

The Honorable Vic Fischer  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Senator Fischer:

This letter responds to your request for our position on Senate Concurrent Resolution 4, and for a fiscal note on the preparation of a state comprehensive development plan. We have found it difficult to respond to SCR 4 with a clear and concise statement of our position (and estimate of cost), because we are in the early stages of a definition of the phrase "state comprehensive development plan". Therefore, it may be useful to explore the matter with you by means of this letter which gives our perspective on the comprehensive planning responsibilities of the Division of Strategic Planning.

#### History

As you know, there has long been disagreement over the correct interpretation of the statutory requirement for preparation of a state comprehensive development plan (AS 44.19.145(2)). The requirement first appeared in 1970 SLA 219, when Governor Keith Miller reconstituted the Planning and Research Division as the Planning and Budgeting Division. It eventually became part of the statutory responsibility of the Division of Policy Development and Planning which was created in 1975. To our knowledge, there has never been a single document (THE plan) prepared pursuant to this mandate.

#### Definition

Use of the word "development" in the phrase "state comprehensive development plan" strongly implies to me economic development. That is, one interpretation of the mandate might be to prepare a comprehensive, statewide economic development plan. If this is to be the operational definition of the statutory language, then the task is a large and expensive one. Furthermore, it is one that should involve the Department of Commerce and

Economic Development. A fiscal note could conceivably exceed a million dollars, and consultants from outside government would almost certainly be required to accomplish the project. Without clear legislative direction, and without a specific appropriation for this ambitious undertaking, it is unlikely that the Division of Strategic Planning would prepare a comprehensive, statewide economic development plan.

What type of planning will the Division accomplish, then, if not economic development planning? We read our statutory requirements under AS 44.19.145 together with the statutory requirements of the Executive Budget Act, AS 37.07. That is, we view our planning responsibilities to be those associated with the comprehensive management process presented in the Executive Budget Act. The Act begins with this statement of policy:

"It is the purpose of this chapter to establish a comprehensive system for state program and financial management which furthers the capacity of the governor and legislature to plan and finance the services which they determine the state will provide for its citizens."

The policy statement requires procedures for

". . .(1) the orderly establishment, continuing review and periodic revision of the program and financial goals and policies of the state; (2) the development, coordination and review of long-range program and financial plans that will implement established state goals and policies. . . ."

In view of current revenue forecasts which show an alarming decline (in real terms) of revenue in the 1990s, we believe that long-term financial planning is especially important to the State in the coming years. Although it may appear at first glance to have a rather narrow focus, in fact, financial planning requires a comprehensive view of State goals and policies. It is our opinion that long-term financial and program planning that is tied to the preparation of annual and 6-year State operating and capital budgets, as envisioned in the Executive Budget Act, is both important and fulfills the Division's primary statutory duties.

#### Fiscal Note

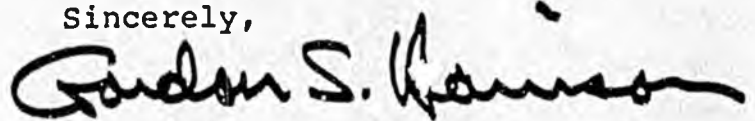
With respect to the matter of a fiscal note on preparing a state comprehensive development plan, we need to know more precisely the purpose of the plan. If the

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management and financial planning process we have referred to meets the intended purpose, the fiscal impact is zero. If the statutory requirement is interpreted to mean a statewide economic development plan, the impact may be substantial. Another working definition would have its own costs. Your guidance on this matter is important for us to proceed.

I am available to discuss further the subject of State planning in general, and SCR 4 in particular, at your convenience.

Sincerely,



Gordon S. Harrison  
Associate Director  
Office of Management and Budget  
Division of Strategic Planning