

WORK SESSION:

INTERIM

PIANS

(5-15-87)



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5-15-87 W.S.

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Anchorage Daily News

Thursday, May 14, 1987

## Village council restrained

A Native village council has been barred temporarily from taxing the trans-Alaska oil pipeline which crosses village lands.

U.S. District Judge Russel Holland on Wednesday issued a temporary restraining order against Kluti Kaah Native Village of Copper Center, Copper Center Village Council and various village officials.

In what has been called a major test of Alaska village councils' authority to govern themselves, the village council decided to levy a "business tax" against the \$9 billion pipeline.

The village says it wants the money to help deal with a range of social problems

created by the pipeline, including loss of local wildlife for subsistence, increased crime, drug and alcohol abuse and "a relentless assault upon the culture and way of life of the Native people of Copper Center," according to a resolution the council passed last year.

Alyeska Pipeline Service Co., which operates the pipeline, and the eight oil companies that own the pipeline filed suit to challenge the village's right to tax the pipeline.

Court documents filed Tuesday indicate the oil companies and the village council agreed the restraining order be issued until the merits of the case can be argued.

RURAL GOVERNANCE PROJECT  
INTERIM 1987

I. NARRATIVE

A. Introduction

1. Purpose:

- a. Examine the dynamics in rural Alaska and assess whether existing local government structures and authority are adequate to address the needs, expectations, and aspirations of rural residents.
- b. Identification of service delivery and rural governance issues.
- c. identification of options, alternatives, and proposed legislation
- d. Develop basis for comprehensive rural policy

2. Background

- a. Historical
- b. Population and Demographics
- c. Economic Base and Conditions
  - i. infrastructure
  - ii. subsistence economy
  - iii. wage employment
  - iv. government related employment
  - v. economic development potential
- d. Native Community: Subsistence, Corporate Structures, and Traditional Governments
- e. Local Organizations and Service Agreements:
  - i. local governments and organizations
    - (A) governmental organizations
    - (B) economic profit corporations
    - (C) non-profit service and development corporations
    - (D) multi-regional political organizations
  - ii. state service arrangements/regional service areas:
  - iii. federal service arrangements
- f. Funding Mechanisms

3. General Problems

- a. human resources
- b. coordination and management
- c. equity
- d. diversity

4. Problem Specifics

- a. State and federal services
- b. legislatively created service areas
- c. municipal incorporation
  - i. lack of adequate tax base or other financial resources
  - ii. incentives/disincentives to establishing local governmental units
  - iii. inappropriateness of existing state government units for rural regions
    - (A) urban vs. regional borough
    - (B) problems of transition and flexibility

- (C) regional diversity
- (D) loss of native autonomy and special privileges and services
- (E) traditional forms of government
- d. quasi-governmental entities
  - i. problems of authority
  - ii. problem of representation
  - iii. funding problems
- B. Scope of Work: Actions, Projects, Tasks

II. Work Plan

- A. Identify and examine bases for development of state policy re: local control, governance, service delivery and public funding in the unorganized borough
- B. Approach
- C. Participants
  - 1. House CRA committee
  - 2. Senate CRA committee
  - 3. DCRA staff
  - 4. Federal Representatives (Interior, BIA)
  - 5. Governor's "Rural Governance Comm." or Special Assistant, Asst. A.G.
  - 6. Working group of 7 members of rural public at 3 day meeting in Anchorage
    - a. Gene Peltola
    - b. Nels Anderson
    - c. John Schaffer, Chuck Degnan
    - d.
- D. Coordination
 

As much as possible utilize other gatherings of knowledgeable people when conducting hearings:

  - AFN (Anchorage, November)
  - AML (Anchorage, November)
  - SW Municipal Conference-D/ham
  - Y-K Delta Mayors-Bethel
  - NW Mayors-Nome
  - SE Municipal Conf.-

- E. Activities
  - 1. scoping conference: Problems and possibilities for service delivery and governance in the unorganized borough
    - (A) purpose
    - (B) issues
    - (C) participants (interior, rosita worl, dcra, house and senate committees, citizens
    - (D) Prepare informational package for distribution throughout State via:
      - 1. LIO offices
      - 2. governmental organizations
      - 3. quasi-governmental units within the Unorganized Borough
    - (E) end of july
  - 2. conduct hearings (invitational?) in unorganized borough to exchange information with committee
    - (A) September 21 - December 1

- (B) purpose
- (C) participants
- (D) product
- (e) locations

- 3. final conference - Anchorage - Dec. 10  
to review proposed committee legislation
- 4. report findings to legislature - Jan. 15

III. BUDGET: PRINCIPLE PROJECT (JOINT WITH SENATE CRA):  
Rural Governance - Unorganized Borough  
SUPPLEMENTAL PROJECTS:  
Senior Citizen Property Tax Exemptions

RURAL GOVERNANCE PROJECT  
SCOPE OF WORK

Shifts in funding and service delivery: Local governments, particularly small, rural cities and communities are facing a period of transition with the decline of intergovernmental funding assistance. Social, economic and cultural forces are also placing demands on local government that heretofore have not existed

1. Project Scope:

- a. Examine the dynamics in rural Alaska and assess whether existing local government structures and authority are adequate to address the needs, expectations, and aspirations of rural residents.
- b. Identification of service delivery and rural governance issues.
- c. identification of options, alternatives, and proposed legislation
- d. Develop basis for comprehensive rural policy

2. Scope of Work: Actions, Projects

- a. examine and resolve disagreements over the authority and use of state, federal, private or non-profit institutions relative to governance and service delivery.
- b. document service delivery problems (planning, financing and implementation) in rural Ak. for consideration by legislature.
- c. examine applicability and mechanics of alternative structures of governance and service delivery in the unorganized borough, i.e. regional planning councils, multi-purpose service areas, concurrent or joint governments, or rural boroughs.
- d. Administration should assess the course and effects, (both historical and current) of federal disengagement from the state and determine the best ways for the state to respond -- also assess federal commitment to tribal government and services in the state (last year's study by Interior).
- e. examine policy and methods of financing governance in the unorganized borough, whether organized or not.
- f. develop a coherent strategy, guided by a comprehensive rural policy that simultaneously addresses service delivery funding, and governance for the unorganized borough

3. Tasks

- a. devise local government structure which is appropriate for and flexible enough to accomodate conditions characteristics of rural Alaska.

- b. identify and establish incentives to develop such a local governmental structure.
- c. identify and eliminate existing disincentives to development of local governmental structure.
- d. identify alternative ways to finance local services and mutually acceptable delivery systems.
- e. identify possible approaches to fiscal resource equalization among regions.
- f. should distribution of revenue be dependent on organizational status
- g. identify those services which should be recognized as so basic to local well being that their provision should be guaranteed at a minimum level to all residents of the state regardless of governmental status and regional wealth.
- h. develop criteria or standards for projects and facilities in rural Alaska so that federal or urban standards are not automatically applied.
- i. determine the roles and jurisdictions of various entities in the unorganized borough, particularly native non-profit organizations and tribal entities since they appear to be most at odds with state system
- j. determine the criteria for recognizing a representative voice of residents of an area or region in the absence of local and regional government entities.
- k. Balance the need to acknowledge and accommodate existing entities and organizations which presently exist in rural Alaska with the need to find a method of coordinating, organizing, and streamlining the "complex nonsystem" of entities in the unorganized borough
- l. identify ways in which local participation and responsibility for activities and projects in rural Alaska can be enhanced, short of mandating local and regional governments.
- m. evaluate prospects and implications for single-purpose regional entities for service delivery in unorganized borough.
- n. establish criteria and rational distribution "formula" for capital and other projects in rural Alaska
- o. establish an economic development strategy for rural Alaska that would coordinate with resource development and provide guidance for public investment. [red dog}

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EXAMINE THE FOLLOWING AS A BASIS FOR RURAL GOVERNANCE POLICY DEVELOPMENT

1. State policy re: local control, governance, service delivery and public funding in the unorganized borough should:
  - a. provide as much choice as possible in matters of governance, service delivery structure and rate of development.
  - b. not mandate, but facilitate a system of self-government by strengthening local understanding of and capacity for local self-government.
  - c. recognize that the functions of planning, financing, and provision of service delivery are separate but interrelated functions, and can be provided by separate organizations and jurisdictions. Only critical policy planning and development of service is an inherently political function and needs to be provided by a representative public body which is able to accurately reflect the views of all affected individuals and organizations; and
  - d. give high priority to the development of local political capacity.
  - e. recognize that home rule is not an absolute in self-determination, but a means rather than an end in itself.
  - f. increase local voice and participation in state policy making through new governmental structures and representative bodies.
  - g. provide adequate levels of public service throughout the state particularly in fundamentals (health, wellbeing, security and economic opportunity).
  - h. provide for equitable allocation of costs of public services which account for need and ability to pay.