

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECTS 86 / 2

331 SCOM10: LOCAL GOVERNMENT STUDY 1979

April 28, 1979

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LOCAL GOVERNMENT STUDY

Pouch V
State Capitol
Juneau, Alaska 99811

June 15, 1979

SUBJECT OF COMMITTEE WORK

Local Government in Alaska
(Focus on the Unorganized Borough)

HISTORICAL PERSPECTIVE

A. State Constitution

Article X of the State Constitution establishes the purpose and construction of local government and provides for maximum local self-government with a minimum of local government units and seeks to prevent duplication of tax-levying jurisdictions. It directs that the entire State shall be divided into boroughs, organized or unorganized, and that in the unorganized boroughs the legislature shall provide for the performance of services it deems necessary or advisable while allowing for maximum local participation and responsibility.

B. Borough Incorporation

Eight of the eleven existing boroughs were established in 1963 and 1964. The Mandatory Borough Act of 1963 directed incorporation of boroughs in eight urban areas within one year or mandatory incorporation would occur. Ketchikan, Sitka, Juneau and Kodiak incorporated while Anchorage, Kenai, Matanuska-Susitna and Fairbanks boroughs were incorporated directly by the state on January 1, 1964. Bristol Bay Borough was the only one of the original nine boroughs to incorporate voluntarily in 1962. Haines incorporated as a third class borough in 1968 and in 1972 the North Slope Borough voluntarily incorporated prompted by the hundreds of millions of dollars in taxable property values at the Prudhoe Bay oil fields.

C. Significant Legislative Proposals

Although there were numerous city incorporations in the unorganized borough, only the North Slope Borough has chosen to organize a regional government. Motivated by awareness of the need for a vehicle for social and political unity and a mechanism for more efficient and equitable distribution of public revenues, a series of legislative proposals have been introduced during the last decade.

In 1972 a comprehensive legislative program was introduced which included a plan to subdivide the unorganized borough (HB 596), levy a 15 mill tax on property located in the unorganized borough with distribution of revenue among unorganized boroughs (HB 597) and a levy of 20 mill tax on the pipeline with distribution to local governments, organized and unorganized (HB 598). Governor Egan's bills, while bringing before the legislature and the public much useful information and debate, were not passed.

Other significant legislation related to the unorganized borough included Representative Tom Fink's HB 122 introduced in 1973 which would have required the incorporation of organized boroughs in all of unorganized Alaska by 1977. Representative Terry Gardiner of Ketchikan introduced HB 291 (1973) which would have established structures that could either remain unincorporated with elected advisory councils, or choose to incorporate at a future date as boroughs of any class or as home rule boroughs.

Since 1973 there have been piecemeal legislative approaches to the problem of providing services in the unorganized borough. In addition, Representative Charlie Parr of Fairbanks has introduced legislation which would provide for taxation of developed land in the unorganized borough (HB 202 - Tenth Legislative Session and HB 9 - Eleventh Legislative Session). None of the above mentioned legislation became law.

In 1972 a number of municipal concerns were addressed in the drafting of a Municipal Government Code, Title 29 which replaced the repealed Title 7 (Boroughs) and the former Title 29 (Municipal Corporations).

D. Service Delivery to the Unorganized Borough

The State Constitution provides that the legislature shall provide for the performance of services it deems necessary or advisable in unorganized boroughs allowing for maximum local participation and responsibility. It may exercise any power or function in an unorganized borough which the assembly may exercise in an organized borough.

In response to the need for delivery of certain services, the state has established a number of jurisdictional boundaries within the unorganized borough.

1. Regional Educational Attendance Areas (REAA's) were created in 1975 as the mechanism through which the legislature delegates to regional school boards the authority to operate the public schools using the boundaries or sub-boundaries of the regional corporations established under the Alaska Native Settlement Act or a combination of such boundaries.

2. Coastal Resource Service Areas are authorized by the Alaska Coastal Management Act of 1977 to plan for the coastal areas. Each regional educational attendance area containing a part of the coastal area may be organized for this purpose or two or more REAAs may be consolidated as a single coastal resource service area. Implementation of the plans which are developed is the responsibility of the state.
3. Salmon Enhancement Service Areas were authorized by 59 SLA 1979. A qualified regional association, when it becomes a nonprofit corporation under AS 10.20, is established as a service area in the unorganized borough under AS 29.03.020 for the purpose of providing salmon enhancement services.

A study prepared by the Division of Policy Development and Planning in December 1976 entitled "Alaska Regions and Substate Districts" documented the proliferation of district boundaries used by governmental agencies for both administrative and service delivery functions. It depicted these overlapping jurisdictional boundaries as confusing and as roadblocks to the efficient delivery of services to citizens therefore preventing the Federal, State and local governments from fulfilling their responsibilities to Alaskans.

Systems of subdivisions of the State were analyzed, mapped and compared for their capability to serve as vehicles for governmental planning and program delivery. Each one was also evaluated in terms of its long-term usefulness for governmental purposes. Although specific recommendations for the creation of planning regions and substate districts were incorporated into the study, no action was taken.

CURRENT STATUS

Current efforts which have a bearing on the subject matter of the Local Government Study include:

A. Alaska Coastal Management Program First Year 306 Grant

The Office of Coastal Management, Division of Policy Development and Planning, Office of the Governor has applied for a 306 Grant and has identified as one of its special studies within the grant proposal a study of unorganized borough management alternatives.

The grant proposal states that structures or mechanisms for local planning in the unorganized borough raise questions and have implications for the Alaska Coastal Management Program as well as every other state program in the unorganized borough. The state needs to carefully identify and analyze alternative approaches and structures for planning in the unorganized borough. The Legislature is sufficiently concerned about the problems of local government and the discrepancies between the organized and unorganized areas, that a special legislative committee has been organized to study alternatives for the provision of all services to all local areas (both organized and unorganized) during the next interim.

The issues which cause this item to be a priority for special study by the coastal management program are several. The new lease sale schedule, proposed bottomfish expansion, and suggested new port development all affect the unorganized borough which at the present time has no satisfactory regulatory mechanisms by state or local governments.

B. Housing and Urban Development Grant Application by Division of Policy Development and Planning for FY 80-81

The application by DPDP includes a program subcategory, Regional Planning in the Unorganized Borough, with the objective of establishing a uniform regional planning structure in the unorganized borough. The Division proposes to work jointly with the Local Government Study on this issue and to develop an official policy in regard to regional planning in the unorganized borough and the structure through which sustained local involvement can be obtained.

C. Yukon Flats Regional Government Study

The Alaska State Legislature, acting on a request from the people of the Yukon Flats region, directed that a study be carried out to explore the feasibility of establishing a regional government in that area. The Department of Community and Regional Affairs, in concert with an Advisory Committee from the region, designed the general contract which has been implemented by Ralph R. Darbyshire and Associates. The Yukon Flats Regional Government Study is in the final stages of development with the final summary report scheduled for completion in June, 1979.

The product will present findings with respect to alternatives available in borough incorporation; advantages and disadvantages of borough incorporation; and the legal, political, social and financial ramifications of borough incorporation.

D. Northwest Alaska Native Association Regional Strategies

In 1978 NANA requested state assistance in order to begin a process to establish an overall regional strategy plan. The Division of Policy Development and Planning has developed a HUD grant proposal to help accomplish this goal. The issues seen by regional officials as central to the regional strategy concern the environmental carrying capacity of the NANA region and its inner effects on the patterns of development, the necessity for identifying and analyzing alternatives to transportation systems and public facilities and an accurate assessment of the present socio-economic characteristics of the region's population.

E. Tanana Chiefs Conference Proposal

During the First Session of the Eleventh Legislature the Tanana Chiefs Conference brought to the attention of the legislators a proposal to establish six sub-regional planning commissions within the boundaries of the Doyon Regional Corporation. While it is the intention of TCC to proceed with this effort, they have requested the Governor designate these commissions as planning advisory councils pursuant to AS 44.19.880 (c). Legislation which would have established these regional planning commissions vested with substantial local government powers was drafted.

As this proposal posed questions with significant ramifications, including the relationship of these planning commissions to the activities of federal and state agencies in the region and the relationship of these new entities to existing local governments organized under state law, no legislative action was taken.

Relevant to the historical perspective and current status of local government in Alaska is the bibliography developed for use in the Local Government Study. (See Exhibit A)



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LOCAL GOVERNMENT STUDY BACKGROUND

The Joint Senate and House Community and Regional Affairs Committee Local Government Study was initiated as the legislative response to long-perceived problems related to local government in Alaska. The Department of Community and Regional Affairs, as well as the Municipal League, have supported such a study to clarify and resolve questions dealing with municipal relationships and the broader questions related to municipal/state relationships.

The need for such a study became evident to the chairmen of the Community and Regional Affairs Committees during the First Session of the Eleventh Legislature with consideration of legislation dealing with annexation, revenue sharing, delegation of borough powers, and "instant" unification.

Overlapping jurisdictional boundaries in the unorganized borough became an issue again when a proposal by the Tanana Chiefs Conference to create regional and subregional planning commissions was brought to the attention of the legislature. This proposal raised the question of the effectiveness of the present service delivery systems. There was renewed concern that there was no state rural policy against which to weigh this proposal and other legislative action.

The Chairmen of the Community and Regional Affairs Committees laid the groundwork for the Study in a series of meetings involving individuals from the legislature, the executive branch and the Alaska Municipal League. During these meetings, specific concerns were identified and there was consensus that legislative action in this area could be productive.



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WORK PROGRAM

The Local Government Study has been designed with recognition of the abundant amount of existing research and material which has documented the problems in the unorganized borough. Problem areas which have been identified deal with:

1. Sufficiency of available local government structures to meet the need for local government entities at the community and regional level.
2. Sufficiency of the economic base in the unorganized borough in financing the basic local government functions.
3. Continually developing jurisdictional boundaries within the unorganized borough used for both administrative and service delivery purposes.
4. The ability of the state to deliver services effectively to the unorganized borough through the creation of service areas.
5. The role of the quasi-governmental organizations as service deliverers and the functioning of such organizations as substitutes for local government.
6. The question of state vs. municipal responsibility for funding and delivery of public services and the construction, maintenance and operation of public facilities.

The approach of the Local Government Study will be solution oriented. Specific problems will be articulated and solutions proposed. The process for accomplishing this will be a series of meetings as described below.

Preliminary organizational work will consist of development of study goals, objectives and work program design as well as planning and preparation for a Local Government Symposium. Background material related to the objectives will be made available to the participants of the Symposium. (See preliminary draft of these objectives - Exhibit B)

PROCESS - The process is outlined in Exhibit C with a project schedule.

1. LOCAL GOVERNMENT SYMPOSIUM

The Symposium will bring together native leaders, local government specialists, representatives of the Alaska Municipal League and other pertinent organizations for a weekend meeting. This knowledgeable group of individuals representing diverse interests will address the problem areas and develop solutions.

An intensive product analysis will follow the Symposium and the results of this analysis will be circulated for comment by the Symposium participants.

2. REGIONAL WORKSHOPS

A series of regional workshops (Fairbanks, Anchorage, Juneau) will be held to broaden participation in the Study and include those individuals with local and regional perspective. Proposed solutions will be further discussed and refined.

3. PUBLIC HEARINGS

The last level of meetings would take the Senate and House Community and Regional Affairs Committee members to the rural areas of the state to discuss the findings of the Symposium and Regional Workshops.

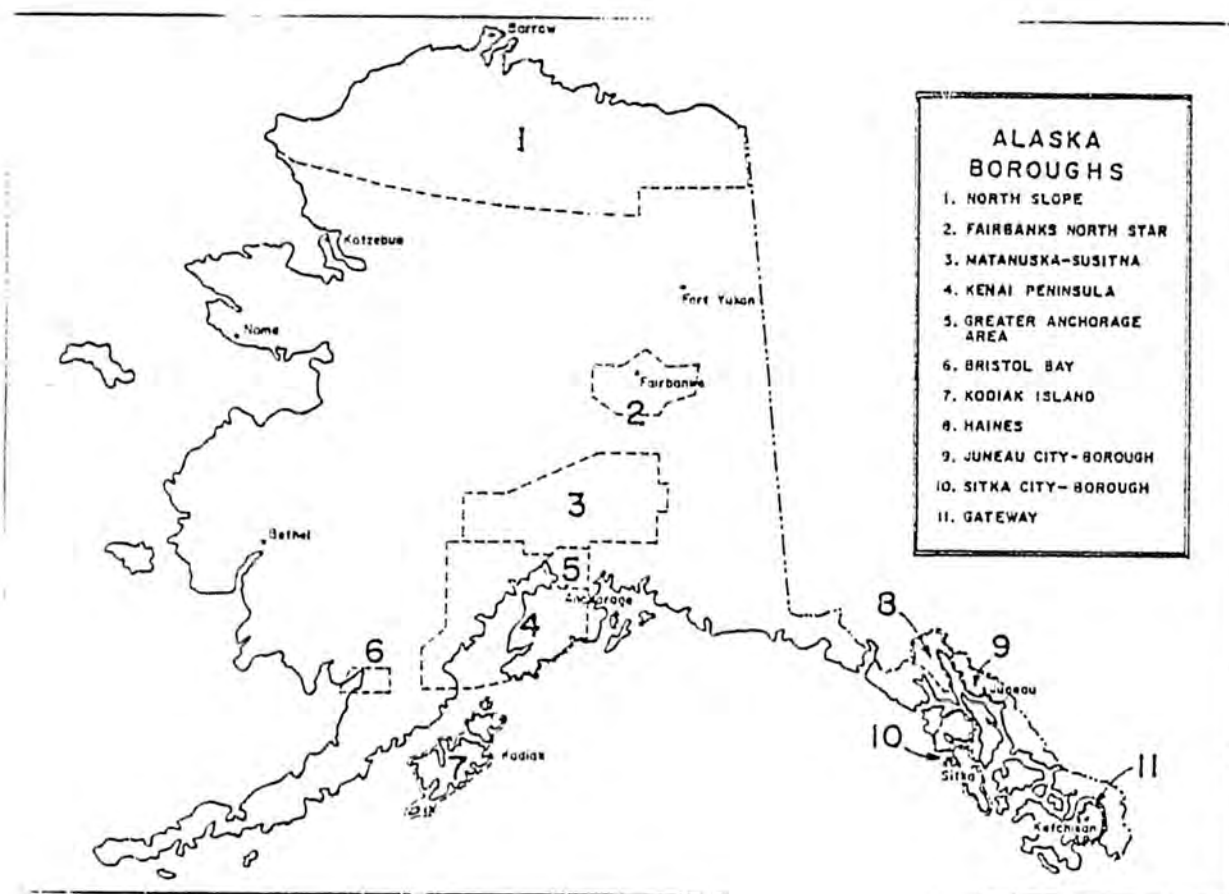
The findings of the Symposium and Workshops will be supported by the production and use of tables, charts, graphs and maps. Such tools support the intent of simplifying the subject matter and making it suitable for public educational use.

Testimony received at this time will be a major ingredient in the development of a final product. Throughout the process there will be development and consideration of proposed legislation. Specific legislative goals include addressing problem areas of Title 29 specifically service area formation as well as the broad question of achieving self determination through local government in the unorganized borough. In addition, the information developed will serve as a framework for evaluating future legislation in terms of its effect as an incentive or disincentive to local government formation.

ORGANIZED MUNICIPALITIES

Concurrent with the activities described above, and in conjunction with the Local Government Study, the Alaska Municipal League will concentrate on defining municipal problems which could have legislative solutions. This effort will be accomplished in close cooperation with the Department of Community and Regional Affairs.

A survey will be developed and circulated by the Municipal League and the survey analysis will become part of the subject matter for discussion and consideration at the Local Government Symposium and Regional Workshops.



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7/21/76, 9- pages plus 3 pages of budget information

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6/15/76, 3-pages

Pat Poland to Palmer McCarter
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levy and collection of tax in the unorganized borough together with redistribution
to individual boroughs based upon an equalization formula.
8/23/76, 5-pages

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9/3/76, 2-pages

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6/25/76, 9- pages

From Pat Poland to Palmer McCarter
Regional Government Study- A laundry list of items that have yet to be accomplished
in our pursuit of completing the regional government study
9/10/76

From: Palmer McCarter to Mar Winegar (Alaska Municipal League Legislative Committee)
Dept. of C&RA's Local Government Study/State Taxation Policy
6/23/76, 2- pages



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DRAFT - May, 1979

LOCAL GOVERNMENT STUDY OBJECTIVES

- I. Study and evaluate the sufficiency of available local government structures to meet the need for local government entities at the community and regional level. Study and evaluate alternatives.
- II. Study and identify present public services provided by federal, state, and municipal levels of government and assess their relationship to local government formation.
- III. Study and evaluate the economic base of the unorganized Borough and its sufficiency in financing the basic local government functions.
- IV. Study and evaluate the social, political and cultural patterns in the unorganized borough and their relation to local government formation.

STUDY OBJECTIVE

1. Study and evaluate the sufficiency of available local government structures to meet the need for local government entities at the community and regional level. Study and evaluate alternatives.

TASK

1. Research the historical and legal evolution of local government structure. Review proposed legislation related to organization of the unorganized borough and assess the viability of these proposals. Analyze the relationships between municipalities at the community and regional level and their relationship with state government.
2. Investigate adequacy of existing local government structures, (i.e. three classes of boroughs, two classes of cities plus development cities), and their legally authorized sub-units (i.e., differential tax zones, service areas, and assessment districts), and modify existing or devise alternative forms of local government which could better provide the services.
3. Research the local government structures and intergovernmental relationships of other states and areas which may be pertinent to the Alaska experience. Evaluate relevancy in both rural and urban situations.
4. Review pertinent major studies (Tanana Chiefs Conference Proposal, Yukon Flats Borough Study, NANA Regional Strategies, etc.) and ascertain trends and implications related to local government formation.
5. Review the role of the Local Boundary Commission. Analyze statutory provisions for alteration of local government boundaries. Study and evaluate alternative mechanisms for affecting local government boundary changes.

STUDY OBJECTIVE

- II. Study and identify present public services provided by state, federal and municipal levels of government.

TASK

1. Update previous studies relating to state and federal jurisdictional boundaries. Delineate boundaries, authority and functions.
2. Prepare an inventory of programs and services being provided by federal, state and municipal entities within the municipalities and unorganized area of the state.
3. Identify the allocation and level of service provided by federal, state and municipal entities within the municipalities and unorganized area of the state.
4. Review existing intergovernmental loan programs and grant procedures as they function as incentives or disincentives to the formation of local government.
5. Review the question of state vs. municipal responsibility for delivery of public services and the construction, maintenance and operation of public facilities.
6. Review the service area concept as it relates to service delivery, specifically in the unorganized borough (REAs, Coastal Resource Service Districts, etc.). Delineate the boundaries, authority, and function of these rural service areas and their relationship to state government.

STUDY OBJECTIVE

- III. Study and evaluate the economic base of the unorganized borough and its sufficiency in financing the basic local government functions.

TASK

1. Review potential revenue sources in the unorganized borough including, but not limited to sales, real and personal property tax, income tax, and gross business receipts in addition to revenue associated with natural resource development.
2. Prepare a land status analysis including, but not limited to, a general identification of private, public and Native-owned land. Such analysis would include estimates of acreage by category of existing and anticipated real property.
3. Review statutory inducements and disincentives related to municipal government incorporation. Determine workable approaches for studying the feasibility of and funding new municipal incorporations.
4. Identify the local cost of providing the services which are mandatory functions of the basic local governmental unit and those administrative costs associated with the establishment of local government.

STUDY OBJECTIVE

- IV. Study and evaluate the social, political and cultural patterns in the unorganized borough and their relation to local government formation.

TASK

1. Identify and analyze selected jurisdictional boundary schemes to determine how well these substate districts or regional boundaries conform to standards for borough incorporation.
2. Identify and analyze community and regional attitudinal surveys and studies to determine thoughts and perceptions on various levels of government (federal, state, local, quasi-governmental)
Determine the need for further investigation of public attitudes, perceptions and ideas on the need for local and regional government structure.
3. Prepare an inventory of public services and programs provided by non-governmental organizations within the unorganized borough.
Analyze the nature and level of services being provided.
4. Analyze historical and non-traditional methods of organization for local and regional self determination in the state (i.e., IRA Villages, Native regional profit and Native non-profit corporations).



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JOINT SENATE AND HOUSE
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LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all
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State Capitol
Juneau, Alaska 99811

OBJECTIVE

- II. Study and identify present public services provided by federal, state and municipal levels of government and assess their relationship to local government formation.

TASKS

1. Review and update previous studies relating to state and federal jurisdictional boundaries. Delineate boundaries, authority and functions.
2. Prepare an inventory of programs and services provided by federal, state and municipal entities within the municipalities and unorganized area of the state. Identify the allocation and level of these services.
3. Review existing intergovernmental loan programs, grant procedures and the state's contractual practices as they function as incentives or disincentives to the formation of local government.
4. Review the question of state versus municipal responsibility for funding and delivery of public services and the construction, maintenance and operation of public facilities.
5. Review the service area concept as it relates to service delivery in the unorganized borough and the relationship of the service areas to state government.

OBJECTIVE

- II. Study and identify present public services provided by federal, state and municipal levels of government and assess their relationship to local government formation.

TASK

1. Review and update previous studies relating to state and federal jurisdictional boundaries. Delineate boundaries, authority and functions.
 - A. Substate Districts/Regions
Collect maps that delineate the existing regions and districts utilized by federal and state agencies to operate programs or deliver services. Special emphasis should be given to reviewing and updating the recommendations and analysis in the report entitled Alaska Regions and Substate Districts, prepared by the Division of Policy Development and Planning in 1976.
 - B. Authority
The review of the enabling authority for the existing jurisdictional units should include:
 1. Citation of the specific enabling authority
 2. Length of time operative/date instituted
 3. Basis for choice of boundaries. Mandatory borough incorporation standards should also be reviewed.
 - C. Function
This review should include a statement of the purpose for which the unit was created. The units should be categorized as administrative units or service areas.

OBJECTIVE

- II. Study and identify present public services provided by federal, state and municipal levels of government and assess their relationship to local government formation.

TASK

3. Review existing intergovernmental loan programs, grant procedures and the state's contractual practices as they function as incentives or disincentives to the formation of local government.

OBJECTIVE

- II. Study and identify present public services provided by state, regional and municipal levels of government and assess their relationship to local government formation.

TASK

4. Review existing intergovernmental loan and grant programs and contractual practices as they function as incentives or disincentives to the formation of local government.
 - A. Identify state and federal loan and grant programs with municipalities. Analyze state and federal procedures and practices re municipalities as they relate to local government formation.
 - B. Analyze the state's contractual policies for delivery of services to municipalities and unorganized areas (i.e. with the non-profit corporations)
 - C. Document state financial assistance and non-financial inducements for organization ("organizational grants, land conveyances, etc.)



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OBJECTIVE

- IV. Study and evaluate the social political and cultural patterns in the unorganized borough and their relation to local government formation.

TASKS

1. Identify and analyze selected jurisdictional boundary schemes to determine how well these substate districts or regional boundaries conform to standards for borough incorporation.
2. Identify and analyze community and regional attitudinal surveys and studies to determine recognition and perception of governmental structure and function on the federal, state, local, and quasi-governmental levels.
3. Prepare an inventory of public services and programs provided by non-governmental and quasi-governmental organization. Analyze the nature and level of services provided.
4. Analyze the historical development of traditional, non-traditional, and quasi-governmental native methods of organization for local and regional self government. Assess the implications local and/or regional government formation would have on those structures now operative in the unorganized borough.



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OBJECTIVE

- IV. Study and evaluate the social, political and cultural patterns in the unorganized borough and their relation to local government formation.

TASK

1. Identify and analyze selected jurisdictional boundary schemes to determine how well these substate districts or regional boundaries conform to standards for borough incorporation.
 - A. Using the standards stated in the Constitution (Article X) and Title 29 (Municipal Government, Section 29.18.030, Organized Boroughs)
 - B. Selected jurisdictional boundaries shall include the following:
 1. Native Regional Corporation Boundaries
 2. Rural Educational Attendance Areas
 3. Boroughs and suggested unorganized borough divisions as defined in Alaska Regions and Substate Districts (prepared by the Division of Policy Development and Planning, Dec. '76)
 4. Boundaries as discussed in Issues of Regional Government in Alaska

METHODOLOGY

1. Identify information gaps which make this Task difficult to accomplish.
2. Understand the petition procedures and standards related to incorporation as they relate to the role of the Dept. of Community and Regional Affairs and to the Local Boundary Commission.
3. Review the revised Local Boundary Commission regulations re any regulations that pertain to "standards".
4. Consideration should be given to expanding existing borough boundaries or reduction of borough areas.
5. Review Yukon Flats Borough Study as it relates to this Task.
6. Analyze Mobil Oil V. North Slope Borough (State Supreme Court Decision sustaining incorporation of North Slope Borough.



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OBJECTIVE

- IV. Study and evaluate the social, political and cultural patterns in the unorganized borough and their relation to local government formation.

TASK

2. Identify and analyze community and regional attitudinal surveys and studies to determine recognition and perception of governmental structure and function on the federal, state, local, and quasi-governmental levels.
 - A. Review existing surveying work such as the NANA profiles, Public Forum reports, Yukon Flats Borough Study, Congressional questionnaires, etc.
 - B. Determine the need for further investigation of public attitudes and educational needs in relation to local and regional government structure.

METHODOLOGY

1. Review techniques being developed by the Department of Transportation and Public Facilities for implementation of Ch. 168 (Public Facilities Surveying). Investigate possibility of integrating Local Government Study component in DOTPF public participation process.
2. Identify need for translators in accomplishing Task #2.

RESOURCE



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OBJECTIVE

- IV. Study and evaluate the social, political and cultural patterns in the unorganized borough and their relation to local government functions.

TASK

3. Prepare an inventory of public services and programs provided by non-governmental and quasi-governmental organization. Analyze the nature and level of services provided.
- A. Analyze the methodology used for planning and assessment of need for services.
 - B. Identify the intraregional communications mechanisms used by these organizations.
 - C. Address the question of the impact of local government formation on the existence and services of these non-governmental and quasi-governmental organizations.



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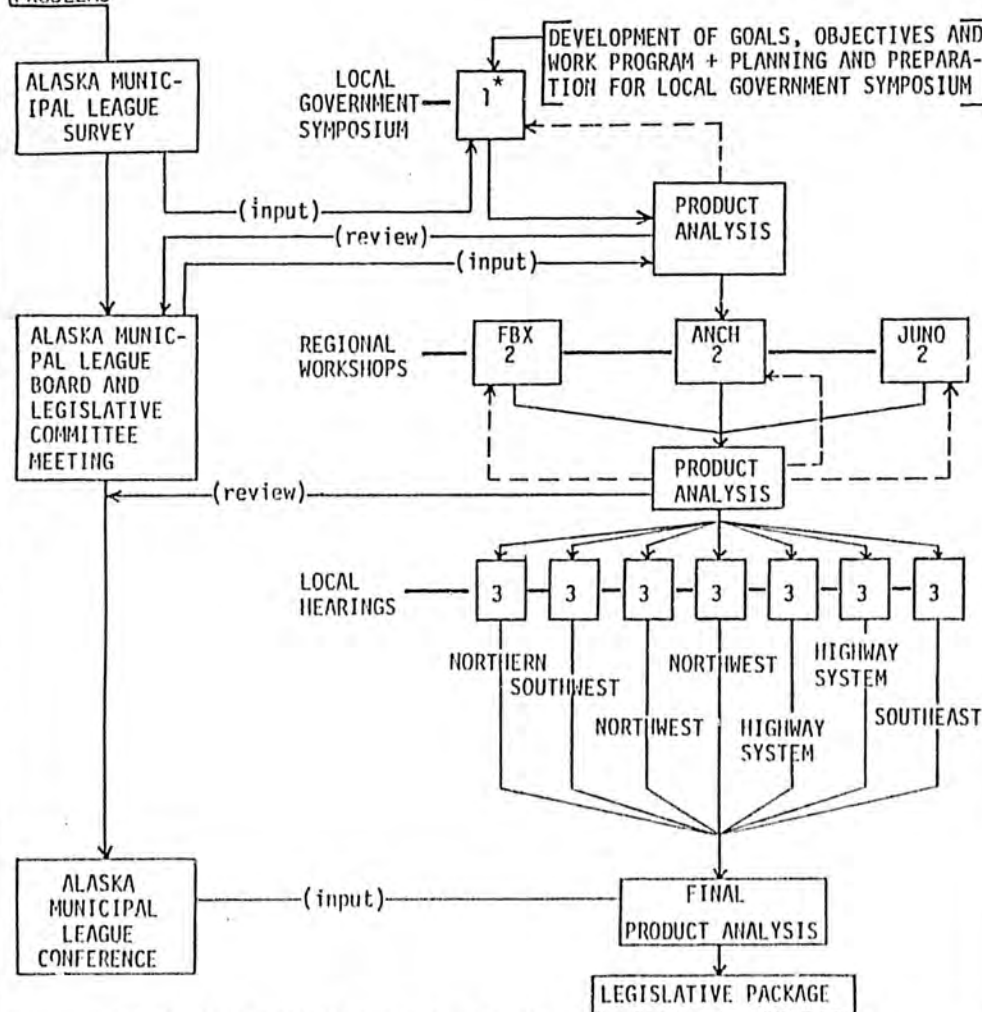
OBJECTIVE

- IV. Study and evaluate the social, political and cultural patterns in the unorganized borough and their relation to local government formation.

TASK

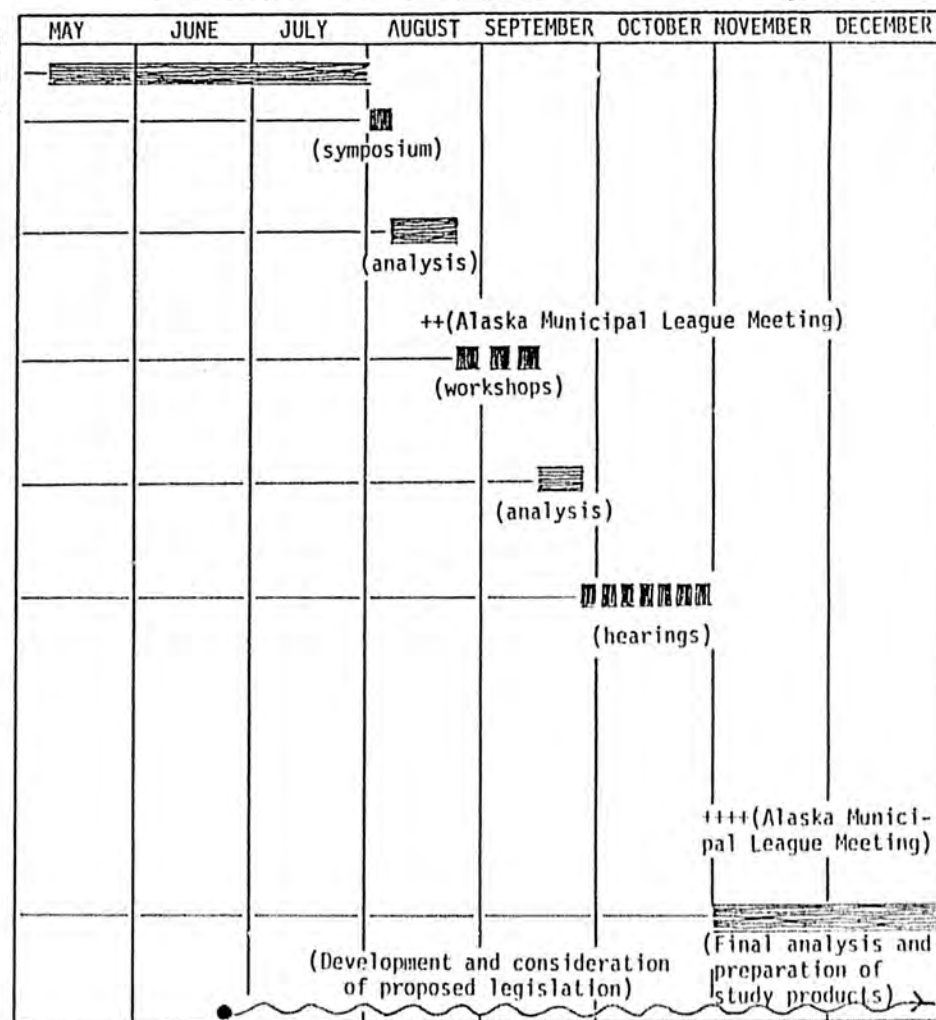
4. Analyze the historical development of traditional, non-traditional, and quasi-governmental native methods of organization for local and regional self government. Assess the implications local and/or regional government formation would have on those structures now operative in the unorganized borough.
- A. Develop a chronology including, but not limited to:
1. Traditional organizations
 - (a) Tribal councils
 2. Non-Traditional organizations
 - (a) Indian Reorganization Act Councils
 - (b) Second Class Cities
 - (c) Boroughs
 3. Quasi-Governmental organizations
 - (a) Regional Native Corporations (profit and non-profit)
 - (b) Village Corporations (profit and non-profit)
- B. Information compiled should include:
1. Identification of local or regional jurisdiction
 2. Intended purpose and enabling authority
 3. Administering agency
 4. Funding Source
 5. Governing structure and process
 6. Analysis of intergovernmental relationships

DEVELOPMENT AND ARTICULATION OF MUNICIPAL GOVERNMENT ISSUES AND PROBLEMS



Local Government Study

EXHIBIT C



-----> Indicates optional secondary review process

* Levels of participation are indicated by numbers, 1) people knowledgeable of local government, 2) local and regional leaders, 3) legislative committees and general public

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Juneau, Alaska 99811

TO: Senator George Homan
FROM: Marjorie Gorsuch *ml*
Gene Walsh
DATE: 9/10/79
RE: Monthly Report (August/September)

The Local Government Symposium was held in Anchorage on August 4/5 with forty-four individuals in attendance. (See attached list of participants) The group was highly successful in identifying legislative approaches to be considered by the Joint Committee in the development of local/regional government in Alaska. Several distinct avenues for dealing with local government problems were discussed with priority given to the need for regional government units in the unorganized borough.

After the Symposium, the staff worked on developing a comprehensive Report of the Symposium which could be used as an educational tool at the public hearings. The Report (attached) includes the issues and problems identified by the Local Government Symposium participants; ideas and directions supported by Local Government participants; and the action program being considered by the Committee.

A public hearing schedule has been developed with staff work on the organizational details and planning for the hearings to be held in rural regional centers and in associated villages. The hearings have been designed with a two-fold goal: to discuss the concepts being considered by the Committee for legislative actions and to educate the urban members of the Committee on the realities of village life in rural Alaska. Therefore, the legislators will overnight in each community visited enabling them to spend a full day with the residents of each area. The staff has provided statistical and general informational information as background material for each community the Committee members will visit.

The public hearing schedule is as follows:

Bethel	Friday, September 28
Hooper Bay	Saturday, September 29
Dillingham	Sunday, September 30
New Stuyahok	Monday, October 1
Kotzebue	Thursday, October 11
Noorvik	Friday, October 12
Fort Yukon	Thursday, October 18
Venetie	Friday, October 19
Glenallen	Saturday, October 27



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The Local Government Study Committee will hold a PUBLIC HEARING on the subject of creation of regional governmental units in the unorganized borough in

NOORVIK
Friday, October 12
COMMUNITY BUILDING 7:00 P.M.

The Committee will be discussing proposed legislation which would:

- (1) Divide the single unorganized borough into unorganized boroughs generally following Regional Educational Attendance Area boundaries, or combinations of two or more REAAs, but not extending beyond the boundaries of more than one Native regional corporation established under the Alaska Native Claims Settlement Act;
- (2) Authorize the election of not more than eleven (11) member unorganized borough assemblies, defining the powers and duties of these assemblies; review, comment and recommendations in a clearinghouse approach to proposed state projects and services under the state's fiscal procedures and facilities procurement acts;
- (3) Authorize assemblies of unorganized boroughs to initiate a process by which a charter for a home rule borough may be prepared;
- (4) Name the Department of Community and Regional Affairs as the state agency responsible for lending assistance to unorganized borough assemblies;
- (5) Retain intact the powers and responsibilities of existing REAA school boards for management of school functions, of coastal service area boards in the preparation of plans for the resources of the state's coastal zone, and of existing cities of the unorganized borough.

Members of the Committee are:

Senator Arliss Sturgulewski, Co-Chairman
Representative Bill Parker, Co-Chairman
Senator Tim Kelly
Senator Bob Mulcahy
Senator Pat Rodey
Senator Terry Stimson

Representative Pat Carney
Representative Margaret Branson
Representative Ray Metcalfe
Representative Pat O'Connell
Representative Charlie Parr
Representative Fred Zharoff

LOCAL GOVERNMENT SYMPOSIUM

August 4-5, 1979

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10:16



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A FINAL REPORT PREPARED BY THE
JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Submitted to the
LEGISLATIVE COUNCIL
JANUARY, 1980



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LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

January 14, 1980

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LOCAL GOVERNMENT STUDY

Pouch V
State Capitol
Juneau, Alaska 99811

Senator George Hohman, Chairman
Legislative Council
Pouch Y
Juneau, Alaska 99811

Dear Senator Hohman:

We herewith submit to the Legislative Council
the Final Report of the Joint Senate and
House Community and Regional Affairs Committee.
This Final Report, along with the Preliminary
and Interim Reports forwarded to the Council,
embodies the work program and products of
the interim Local Government Study Committee
of 1979.

Yours truly,

Senator Arliss Sturgulewski
Co-Chairman

Representative Bill Parker
Co-Chairman

Bill Parker

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Research and Analyses Papers Sponsored by the Joint Committee	A
Local Government Study Final Report	B

Alaska's Constitution establishes the policy of maximum self-government for the people. This policy has been implemented through creation of boroughs and cities in urban areas and in some rural communities.

However, the vast bulk of Alaska lacks any basis for self-government and the people do not even have the means for planning and participating in the affairs of their own region. It is this problem that provided the principal focus for the interim work of the Joint Committee.

Legislative proposals of the Joint Committee were derived from (1) a series of studies and analyses sponsored by the Committee, (2) a two day symposium designed to define issues and problems and suggest policies and directions, and (3) a series of public hearings held throughout rural parts of the State. In addition, constructive support was provided by the Department of Community and Regional Affairs, Division of Policy Development and Planning, Office of the Governor, the Alaska Municipal League, and staff of the Legislative Affairs Agency.

The Joint Committee found wide consensus in favor of a maximum measure of self-determination and self-rule, and establishment of regional units throughout the State to provide a basis for planning and program coordination. At the same time, the people do not want to rush into formal governmental organization; nor do they want it mandated.

Accordingly, the Joint Committee has developed an evolutionary approach that will provide people in rural areas with the means for self-government without forcing anything upon them prematurely. Choices and initiatives are left with each region. Concurrently, actions are proposed that will provide greater equity in the funding and provision of basic public services and will improve the management of the State's own operations throughout Alaska.

In all, the Joint Committee believes that the proposed action program lays the foundation for further development of Alaska's system of local self-reliance and decentralization of State decision making, of planning, and coordination of services and other activities.

Finally, as the Joint Committee concludes its interim legislative work, it wishes to give deepest thanks to the many citizens and public officials who so greatly contributed to the 1979 Local Government Study and the formulation of the action proposals.

MEMBERS OF THE JOINT COMMITTEE

Senator Arliss Sturgulewski
(Co-Chairman)
Senator Tim Kelly
Senator Bob Mulcahy
Senator Pat Rodey
Senator Terry Stimson

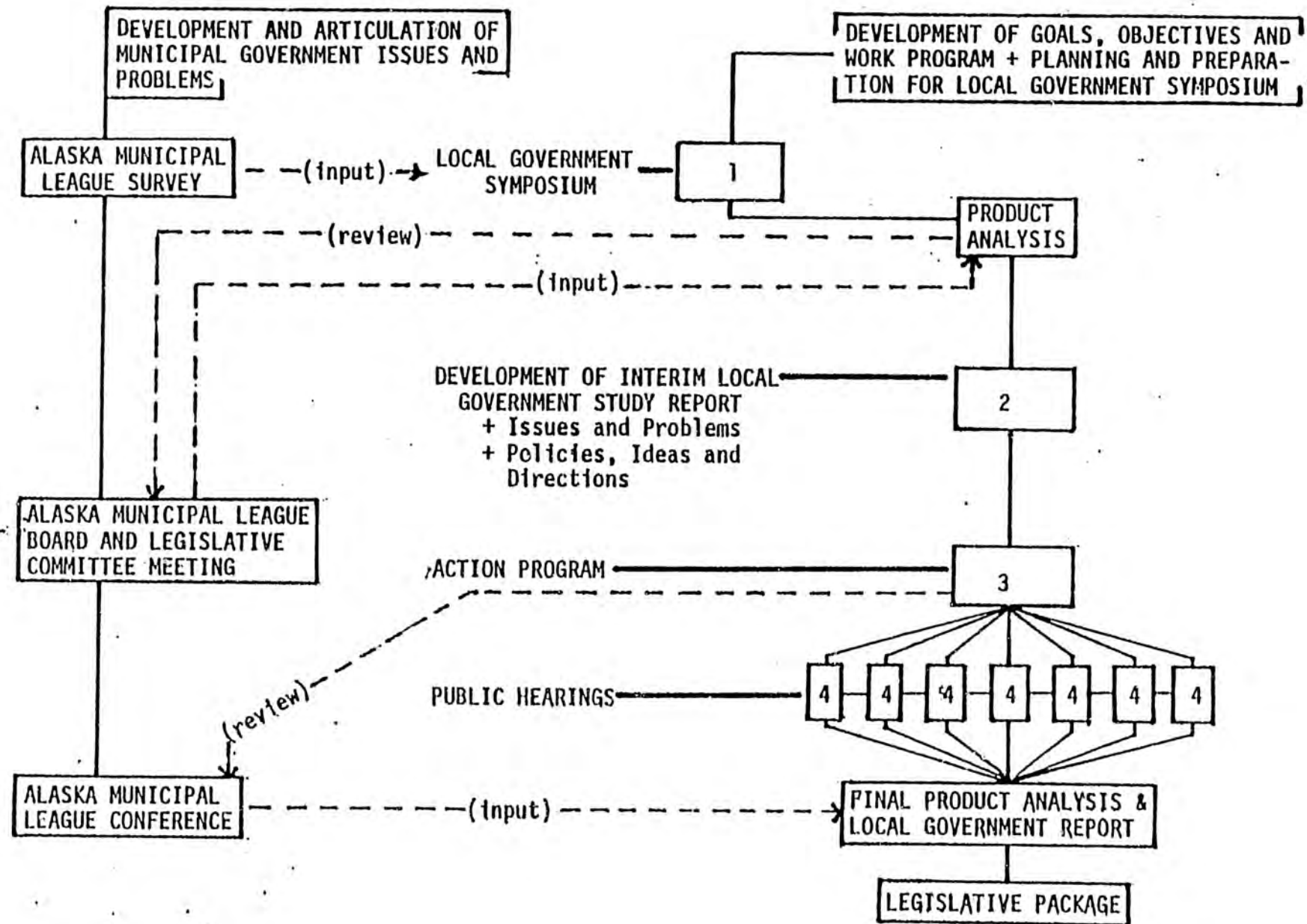
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STUDY PROCESS CHART



PRINCIPAL PROBLEMS AND ISSUES IDENTIFIED BY SYMPOSIUM

- * the single existing unorganized borough is inadequate
- * borough system is not adapted to rural regions
- * constitution provides for regional unorganized boroughs
- * lack of self-government and participation in rural areas
- * coordination absent in delivery of public services
- * lack of regional vehicles to serve general public
- * difficulties of regional planning in rural Alaska
- * absence of regional coordination by state
- * regional differences require use of home rule concept
- * issues of fiscal equity must be addressed
- * equity lacking in state support of functions in organized and unorganized boroughs
- * overcoming racial divisiveness
- * survival of villages
- * lack of a tax base in most of rural Alaska

POLICIES, IDEAS, AND DIRECTIONS SUPPORTED BY SYMPOSIUM
PARTICIPANTS

- * a series of regional boroughs should be established
- * processes should involve people in regions
- * unorganized boroughs should be able to elect assemblies
- * principal unorganized borough functions would be regional planning and advice on state programs in region
- * unorganized boroughs should be able to adopt home rule
- * State should provide technical and financial assistance
- * provision is needed for both regional and local planning
- * disincentives to organized borough status should be eliminated
- * a thorough study of revenue sharing is needed
- * a basic level of service delivery for all Alaskans should be established by the state (as in education) for health and sanitation, public safety and public assistance
- * a foundation approach should be established for these services

RESEARCH AND ANALYSES PAPERS SPONSORED BY JOINT COMMITTEE

Borough Incorporation Standards as Interpreted by Local Boundary Commission
Marjorie Gorsuch, Administrative Assistant, House Community & Regional
Affairs, August, 1979

Bureau of Indian Affairs and Comprehensive Employment and Training Assistance
Contracting Procedures, August, 1979
Jim Sanders, Graduate Student Intern

Distribution of Flow of Funds in Alaska, June, 1979
Elke Kallab, Policy Analyst, Division of Legislative Research Services, Leg-
islative Affairs Agency

Financial Disincentives to Borough Formation, November, 1979
Milt Barker, Fiscal Analyst, Legislative Finance Division

Legislative Proposals related to Organization and Financial Equalization in the
Unorganized Borough, August, 1979
Jack Chenoweth, Legislative Counsel, Legislative Affairs Agency

Local Government Study - Report of Local Government Symposium, 9/20/79

Pipeline Boroughs, January, 1980
Vic Fischer, Consultant

Property Tax Revenues of Pipeline Boroughs, November, 1979
Milt Barker, Fiscal Analyst, Legislative Finance Division

Requests relating to Borough Formation, August, 1979
Pat Poland, Local Government Specialist, Department of Community and
Regional Affairs

Service Delivery to the Unorganized Borough, August, 1979
Majorie Gorsuch, Administrative Assistant, House C&RA

Services and Programs Provided by the Non-Governmental and Quasi-Governmental
Organizations in the Unorganized Borough, August, 1979
Jim Sanders, Graduate Student Intern

State/Federal A95 Review Process, August, 1979
Lamar Cotten, Graduate Student Intern

State Municipal Land Trustee Program, August, 1979
Lamar Cotten, Graduate Student Intern

Statutory Inducements and Disincentives re Municipal Government Incorporation,
August, 1979
Eric Simpson, Director, Division of Community Services, Department of
Community and Regional Affairs

Taxing Capacity of the Unorganized Borough, June, 1979
Alexander Hoke, Jack Kreinheder, Research Analysts Division of Research
Services

Traditional, Non-Traditional and Quasi-Governmental Native Methods of
Organization, August, 1979
Lamar Cotten, Graduate Student Intern

Major issues pursued by the Interim Joint Committee dealt with the problems and needs of rural Alaska. The Committee, therefore, decided to consult with the people who would be most directly affected by the action program that evolved from Committee work and from the Local Government Symposium.

Joint Committee members traveled to regional centers, small communities, and villages in many parts of the state: Aleknagik, Bethel, Delta Junction, Dillingham, Fort Yukon, Glennallen, Hooper Bay, Kotzebue, McGrath, New Stuyavok, Napakiaak, Noorvik, and Venetie. In addition to meetings and discussions in these communities, Joint Committee activities and directions were reviewed at the Alaska Municipal League meetings in Sitka and Valdez and written comments were received from a variety of sources.

Wherever the Committee went, the people were outspoken in their views about local and regional needs and about inadequacies in service delivery by the state and federal agencies. They responded seriously and constructively to the concerns and questions of Committee members. Above all, they were everywhere truly hospitable, and they appreciated the Committee having hearings in their communities and affording them an opportunity to express their views. As a result, Committee members were greatly enriched by the experience and learned much about conditions and attitudes in rural Alaska.

Final recommendations of the Joint Committee have been greatly affected by what the people had to say. Their views, together with those of the highly diverse group of Local Government Symposium participants, are

reflected both in the substance of and approach to individual action proposals. Thus, the concentration is on providing the tools by which people can deal with their needs, if and when they want to utilize these tools. Emphasis is placed on exercising greater state initiative in providing services and financial support in a more equitable and better coordinated fashion. The concept of home rule is pursued to strengthen the state policy of maximum self-government and self-determination.

Highlights of the comments related to the Joint Committee's program are given here.

"FINALLY WE GOT SOMEONE TO LISTEN TO US"

"October 27, six members of the Joint Senate and House Community and Regional Affairs Committee came to Glennallen and held a meeting on a local government study and they made it plain that they were out here to find out what we want in the way of government, not what we are going to get. Now that's not saying we will vote on this committee's recommendations, but they did a good job of listening to every one that wanted to speak and I feel that for once some of our tax money was put to good use and whole heartedly approve of the money it took this committee to go to the rural areas and listen to what people in the bush want."

Marge Brittain, Kenny Lake (from
letter to the editor, Anchorage
Times, November 11, 1979)

"THE MOST IMPORTANT THING IS THAT WE DO CREATE BOROUGHs,
EVEN IF THEY HAVE TO BE IMPOVERISHED BOROUGHs"

"I think we are talking about a political question which has to be answered politically and it has to be done on a local level. I think that the concerns that we have heard here are for money and how things are going to be done. In other words, people are worried about how we are going to do all this, about where the money is going to come from. And in an area like this, if that is the total question, there will never be enough money to have self-government.

I think the most important thing is that we do create boroughs, even if they have to be impoverished boroughs. Otherwise we are going to be ruled by State and federal agencies, and they are their own little governments. Regardless of what the village people want to do, there is no mechanism for them to respond with any amount of power as long as they are dependent on state and federal agencies for money. In other words, money should become the secondary question, not the primary question.

I think that once the fear of being poor is taken away from these village people and they have a little taste of power, of real self-determination, I think they will go for it even if there is no money. First, I think you should make them form a government and then let them worry about where the money is coming from ... I am sure we will find it. If we sit and haggle about little ways of doing things, then we are going no place, and it will take us a hundred years to accomplish what we are trying to do.

It is not a bureaucratic question--not a question of how the Legislature is going to decide for us. The question should be thrown at us and we answer it "Yes" or "No." "Do you want self-government?" If we want self-government, we assume the responsibility of being poor. As long as we depend on someone else for money, we will never have self-government and we will never have self-rule."

Mr. Harold Napoleon, Resident
Bethel, Alaska

"AVCP...IS ON RECORD TO EXPLORE THE POTENTIAL IMPACT...OF BOROUGH GOVERNMENT"

"During my tenure working with Association of Village Council Preisdents during the last three years, I have seen a broad general awakening of the people from this region in addressing constructively a number of external forces that continually impinge upon the people of this region. And also the recognition that the people in this area can not sit idle and do nothing -- that we would in effect be foregoing our responsibilities to our people and letting these external forces control us in the future. That is to say, we are getting people who are showing some real responsibility. We have shown participation in pushing for SB 35 and in creating REAAs and also in pushing for implementation of coastal zone management.

AVCP goes on record, with the Joint Committee, in its sincerity to have the opportunity to speak to you on the question of organizing the unorganized boroughs, on the issue of borough government. AVCP, by convention resolution, is on record to explore the potential impact, whether it is positive or negative, of borough government through the means of doing a feasibility study for the viability of the borough government. The results of the study would be submitted to the people at the convention level, so the people of the area can make a determination whether we are to look into the borough government Let me submit to you that AVCP does not foreclose the establishment of the borough, but will only act only by the result of a feasibility study.

The Committee stated earlier that one of the major areas that you would be working on would be the question of boundaries. I think that the State is probably the most guilty one in creating a lot of confusion to the citizens of this State as depicted by the so called "spaghetti maps".... Therefore, the respective boundaries we suggest to you this Committee strongly consider and adopt are the boundaries that were promulgated under the Alaska Native Claims Settlement Act, as the most external boundaries for the regions. These boundaries may conceivably be subdivided, though it cannot be determined at this time whether this would be along the REAA boundaries or the coastal resource service area boundaries..."

Mr. Carl Jack, President
Association of Village Council Presidents
Bethel, Alaska

"HAVE PATIENCE AND ALLOW THE RURAL AREAS TO JELL THEIR IDEAS"

"We are like an emerging nation out here. The level of sophistication has changed so much in the last 20 years that it is almost unbelievable, and so many people who are new to Alaska and especially in the urban areas do not realize the progress which is happening out here and how rapidly we are changing.

And if I could say one thing to you people, our legislators from the urban areas....one thing you have to do is to have patience and allow the rural areas to jell their ideas. They may be a little slow in doing it. Listen carefully to the bush people, the bush legislators--they are not screaming for nothing. They are screaming because things are happening out here and it requires your constituency to be more patient. Don't knock it, the village high schools. Give them a chance. They are going to work -- even if it is costing, they are going to work. The children have a right to have them.

We may be a little slow in forming boroughs and we may not be quite as sophisticated as you would like to see us, but the rate of change is so tremendous that if you have not seen it for 10 years or more, you do not realize what is happening. We are no different than the emerging nations of the world, and we are emerging into the 20th Century late, but the rate at which we are emerging is tremendous. I think you have to have some patience with us and your constituents need to be told by you people... be patient with them! The money you are putting in, the money the State is putting in, the things that are being done out here are

going to reap dividends in the end. It is going to be a little slow,
and it will seem like it is "down the tube," but it is not. The changes
are stupendous out here."

Mr. David Shewfelt, City Council Member

Fort Yukon, Alaska

"WE DON'T KNOW MUCH ABOUT THE LOCAL GOVERNMENT, BUT WE
HAVE TO BE PREPARED"

"It has not been easy. We tried to move from a completely subsistence way of life and jump into the mainstream of America by studying government, by studying law, by trying to take advantage of acts of Congress and trying to make it work for us. But there are a lot of stumbling blocks along the way. A lot of the things we have started we are still working on because of bureaucratic red tape and other forces which would try to keep us back from obtaining our goal. But nevertheless, we are pushing ahead...

We listen to the people, we get the instructions from the people. We try to keep the old ways of our people and try to live with the modern ways...

We do not know very much about the local government, but we have to be prepared. But I guarantee you this: we are ready to sit down and talk with you and try to figure out something that will mean something to the people, for the long range, for the benefit of the people.

You ask us what we think about local government. This is my idea, this is the people's idea: We are part of the Tanana Chiefs, we are part of the Yukon Flats people, we speak the same language, we have the same culture... We are ready in the future to help our own people.

We are ready to work with Doyon. We are ready to work with the state government. We are working with the Tanana Chiefs. We are ready to work with Gwitcha Gwitch'in Ginkhye Corporation and the rest of the villages in the Yukon Flats. We must all stick together. But we must accomplish one thing at a time, by working together and supporting one another, as one people, as one tribe."

Mr. Edward John, IRA Council Member
Venetie, Alaska

"The biggest problem we have with regional planning is...coming up with the local share"

"There are some areas the Legislature could be very helpful in. The planning area is one. The biggest problem we have with regional planning is not that we cannot do it, but it is coming up with the local share without having a tax base from which to do it. Almost everything has a local share: 30 percent of regional strategy planning and 20 percent for coastal management studies..."

Mr. John Schaeffer, President
Northwest Alaska Native Association
Kotzebue, Alaska

REGIONAL BOUNDARIES: WIDE SUPPORT FOR DIVIDING STATE INTO REGIONAL UNITS, THOUGH SOME CONCERNS: do boundaries around whole state...your proposal to create unorganized boroughs to correspond to REAA boundaries is very sensible. Certainly the people in an REAA have common interests and it makes a very logical boundary...regional corporation boundaries should be considered. Once boundaries are established, everyone should adhere to them--federal government, state administration, agencies... concern about "piece meal" annexation: must keep enough area to have a good borough if ultimately have one...provision for community to vote to change boundaries should be included...establish boundaries around existing boroughs so that organized boroughs don't take over the unorganized areas...concern that the Delta/Greely REAA might be consumed by another area in the formation of local government...also that it's present boundaries are artificial and should have related to natural watersheds...

REGIONAL PLANNING IS SEEN AS A NECESSITY FOR MANAGING REGIONAL AND MAKING DECISIONS ABOUT BOROUGH ORGANIZATION: feasibility study must be done before borough is organized. Legislature should provide help to check feasibility ... inventory of resources needed, premature to create borough without this information. Transportation, land status, and future projections need to be included ... potential of borough government should be explored ... people need to know the consequences of organizing borough, not organizing ... develop fact sheets -- pros and cons of organization ... economic resource planning needs to be done ... planning grants need to be available on an ongoing basis ... in regard to planning legislation, there needs to be teeth in the legislation; mandate that the local people get involved in fiscal planning ... land issues need to be settled before there is any planning and zoning ... need to have planning and zoning under control of local people ... coastal resource service area boards could act as the planning authority for borough assemblies; they should have zoning and platting authority ... you cannot trust the Department of Natural Resources to look out for our interests ... without a coastal zone plan, we will have total disaster ... planning and zoning capability should allow for the enactment of ordinance which would exempt whole areas from development ... under present planning and oil leasing schedules, leasing will occur before plans are finished ... it is absolutely necessary to have planning authority this year ... it does not do you any good to plan if it is too late already ...

ORGANIZED BOROUGH GOVERNMENT

WHILE NOBODY OBJECTS TO DIVIDING THE STATE INTO REGIONAL UNITS, OPINION ON ESTABLISHING REGIONAL GOVERNMENTS VARIES. SOME ARE IN FAVOR, SOME OPPOSED: do not create a half-measure for the unorganized borough -- Mandate a borough... No boroughs should be mandated. The people are not ready for an organized borough... There are vast unorganized areas, and at some point in time they must organize and take the responsibility to govern themselves... Do not want any part of borough idea. Do not want to be bribed into being a borough... It is one way of getting government closer to the people, get regional distribution of money... Government control is unwanted: people moved to area to get away from government... Do not create another level of bureaucracy... BUT MOST ARE UNSURE, NOT READY TO DECIDE. We are being asked to respond to the idea of borough government, when in fact it is a new concept for the people. We have no basis for comparison between the effectiveness of State and borough governments, as we know nothing of the latter. We would need a chance to review the borough idea, explain it to our tribal members, sit down and discuss it in our own language... Do not really know long-term effects of borough formation; what will be the economic base when the pipeline cannot be depended on?... Support idea of organized borough government, but scared of a borough and the taxation that must follow of people who cannot afford it... Whether or not villages will be heard.... AND A LOT OF QUESTIONS: how would villages benefit? How would services be delivered when you are spread out along highway? How would representation work? Can we have elections by districts, not at large? How would organization affect taxes? How much would State support be reduced? Effect of any incorporation on REAA?

Relationship of school board and assembly? What revenues might be available? Would area get less if regional government is created? If area does not organize, can it be absorbed by an existing borough? What positive impacts would borough have? Can borough be voted out once it is voted in? What is the alternative, if you do not have a borough?

AND A FEW GENERAL SUGGESTIONS: remove all mandatory aspects of proposal... Initiative to form an organized borough should come from within an area, not from outside area... Assembly should be given power to provide for referendum to upgrade status.

FINANCE/TAXATION

THERE'S UNIVERSAL CONCERN ABOUT FUNDING LOCAL GOVERNMENTS, SERVICES:...

An adequate funding mechanism must be found to eliminate current inequities in local and State funding sources... Frightened by fear of taxes if organized borough is formed... Source of income needed to have borough... Services needed now.... If we do not organize, pipeline dollars from area might be used for all unorganized boroughs... Maybe sharing of localized resource is necessary... Oil will not last forever, so pipeline will not be worth much if there is no oil going through it... If organized, when oil companies die someday, we will be stuck with having to support established bureaucracy via taxes... Small tax base... Few areas have found alternatives to property-type taxation; need to implement a municipal income tax system... Providing local match money is a very real problem for areas where there is no economic base... Provide a minimum level of State revenue sharing -- \$25,000 -- to all small cities, many small cities received \$6,000 yearly and it takes more than that to apply for and properly monitor expenditures of shared revenues... Taxes on what?... YET: it is vital that the revenues for a local government be furnished at least in part from local sources. Otherwise local governing units tend to think of outside revenues (i.e., state or federal) as "someone else's money" and there is less care in its expenditure than if it is locally generated money. Yes, surprising as it may sound, I am advocating local taxation, but only that which is absolutely necessary as determined by a local assembly...

UNORGANIZED BOROUGH ASSEMBLIES: NO LONGER BEING CONSIDERED BASED ON TESTIMONY RECEIVED. THIS CONCEPT OF ASSEMBLIES HAS BEEN ELIMINATED FROM THE INITIAL PROPOSAL AUTHORIZING UNORGANIZED BOROUGHs TO ELECT ASSEMBLIES, WHICH WOULD HAVE BEEN MOSTLY ADVISORY. RESPONSES WERE LARGELY NEGATIVE: caution against a body which would only be advisory...want more than advisory powers for unorganized borough assemblies...don't want just another advisory board...more teeth in the responsibility of the assembly...should have planning and zoning authority...elected assembly would need its own staff... assemblies should be voluntary.

STATE versus LOCAL GOVERNMENT -- A BASIC ISSUE. STATE HAS AN INTEREST IN LOCAL SELF-GOVERNMENT, PEOPLE WANT A VOICE. If there is no self-government, then the alternative is for state agencies to continue to go out into the rural areas and do what rural people should be doing ... until local governments are established throughout Alaska, the state will have to play an ever increasing role to satisfy residents' demands for services ... state agencies face difficulties in accomplishing goals and objectives of various programs in large unorganized areas ... what is the state's rural policy and who develops it? Ideally, the rural areas should participate in developing this policy and work with the government to implement it ... a state agency cannot be expected to support regional interests ... Community and Regional Affairs Department should be responsible for lending assistance, but they are not adequately funded now to assist communities ... all kinds of direction from state and federal agencies is unwanted ... how best can people get a voice in government? ... sovereignty is the issue ... which level of government should provide municipal type services? The question is self-answering: municipal services should be provided by cities and boroughs ... more municipal control over things that affect citizens' lives ... the rural areas want to make their own choices, take responsibility for their own future; that is, to have an opportunity at last to govern themselves and to manage their coastal zones and resources ... municipalities and boroughs should be able to manage their own area the way they see fit ... the home rule concept is workable ... the question should be put to area residents: "do you want self-rule, or do you want the state to continue to rule you?"

PUBLIC HEARING ITINERARY

Bethel	September 28, 1979
Hooper Bay	September 29, 1979
Dillingham	September 30, 1979
New Stuyahok	October 1, 1979
Fort Yukon	October 18, 1979
Venetie	October 19, 1979
Glennallen	October 27, 1979
Kotzebue	November 16, 1979
Noorvik	November 17, 1979
Delta Junction	December 15, 1979

Following are capsule summaries of the main issues discussed at each of the ten scheduled hearings.

BETHEL

September 28, 1979

35 Participants

INEFFECTIVENESS OF EXISTING PUBLIC SAFETY SYSTEM

Currently there is a lack of individuals who are interested in participating in second-class city organization as the second-class city is seen as limited in its ability to deal with public safety/judicial problems. They are limited in the sentences they can impose and the residents feel they were able to handle problems better under the IRA Council. Under the IRA, there is a certain flexibility in regard to public safety which does not exist under second-class government.

Additional police protection is needed. Training is essential as well. Changes in revenue sharing formula would be helpful. If CETA were defunded, how would training be accomplished? If you upgrade the training of village police, there will be better communication with state troopers.

SPECIFIC COMMENTS ON PROPOSED LEGISLATION

There was a negative reaction to the idea of establishing a body which would be advisory in nature. It was suggested that Coastal Resource Boards should have more power, but the legislative proposal does not address this question of increasing their power. Regional Corporation boundaries should be considered and once boundaries are established, everyone, including state and federal administrative agencies, should adhere to them.

In regard to planning responsibilities, there needs to be "teeth" in the legislation. Mandate that the local people get involved in fiscal planning.

At large election is counterproductive. District representation necessary.

The elected assembly would need its own staff.

This "elaborate creature" is not necessary (unorganized boroughs). Do not create a half measure for the unorganized borough. Mandate a borough. Advisory business is no good. The community has to decide if it wants self-government. There is a desire to control their own destiny.

GENERAL CONCERNS

There was the fear that the Coastal Zone Management planning power/process was arriving too late. The time frame is off in regard to effectively managing OCS development.

There was a feeling that the regional government approach might be an acceptable one. But there were concerns as to whether or not the villages might be heard, that they might get "shafted" in the process of organizing; that Bethel might elect someone from a village who the village did not want representing them. At the present time the villages are recipients of programs rather than the initiators. The program becomes dominant and the local people cannot pick up maintenance of ill-conceived projects.

DELTA JUNCTION
December 15, 1979
26 Participants

GENERAL CONCERNS

Service Delivery

Self-sufficiency of residents living in the surrounding areas of Delta Junction noted. They live in the hinterland by choice, realize their situation and are prepared to provide their own basic services, or are able and willing to do without them.

Expressed concern related to how to resolve the question of service delivery cost equity. Where you have an area with a regional center surrounded by a sparsely populated areas over considerable distances, they felt the quality/quantity of services decreases as the distance increases from the center and there should be a cost equity factor built into the service area concept to recognize these factors.

Land

Getting land into private ownership was seen as a top priority. Control of land is seen as the basis of power and economic survival and the basis of our capitalistic system. Very opposed to government control of land which they feel is contrary to the system. Interested in seeing the 10 percent selection entirely reinstated.

Comments Re Proposed Legislation

Generally opposed to the formation of a borough. The pipeline was seen as only a temporary vehicle for funding local government. There was concern that the oil companies would "die" and they would be responsible for supporting the established bureaucracy. They recognized that while they have an incorporated city in Delta Junction, it is a state supported local government. They impose no sales or property tax upon themselves.

Opposed to elimination of the third-class borough.

There was concern that Delta/Greely REAA could possibly be consumed by another area in the formation of local government. The REAA boundary as presently delineated is artificial and should have related to natural watersheds.

They objected to the Tanana Chiefs planning proposal, but they did not object if it only affected Native interest and their land.

DILLINGHAM

September 30, 1979

16 Participants

Generally, Dillingham was described by the participants as a well knit one with fishing being the unifying ingredient. Subsistence and commercial fishing is the backbone of the outlying village economy.

GENERAL CONCERNS

More tax on fishing boats needed and dock facilities need to be improved. It is anticipated that there will be little direct impact from bottomfish and oil development, but there may be some indirect effects.

Lack of local match money.

Increasing cost of freight being flown in is a problem, and smaller communities are suffering as a result.

Sewer and water is needed for Alemnigik.

An extended health care facility is needed in Dillingham.

Working on development of the herring industry. Cooperative members are being sought.

CONCERNS RELATED TO PROPOSED LEGISLATION

How would Bristol Bay be handled? Perhaps the area would get less grant money with a regional government.

Frightened by fear of taxes if borough is formed.

FORT YUKON
October 18, 1979
44 Participants

COMMENTS RELATED TO BOROUGH FORMATION

The discussion in Fort Yukon focused on the pros and cons of borough formation in light of the Yukon Flats Borough Feasibility Study. It was stated that the Study was not realistic--perhaps was "too slick," and did not deal with all the realities which would have to be faced in the area if a borough was formed. The Study was viewed as a feasibility study only. There were questions related as to how organization would effect taxes. What is the alternative if you do not choose to form a borough? Can borough be voted out, once it is created? Taxes will ultimately come with organization. Oil cannot support forever. When there is no mineral development, where will the money come from? But there was also concern that the pipeline money might be used for all of the unorganized borough unless Fort Yukon was organized. There was also expressed belief that perhaps sharing of a localized resource and the revenues generated by it is necessary.

What would be the effect on the REAA and Assembly of any incorporation? What will support from the state for education drop to? What would be the relationship of the school board and the Assembly?

Land issues need to be settled before there is any planning and zoning. Conveyance needs to be settled. There is currently a land crisis. City has not zoned as there is not any choice. When the land transfer takes place, then they can start to be concerned about zoning.

Annexation to the North Slope Borough was seen as a problem.

Concern was expressed that taxes in a borough go up constantly and that there may be money to support a large government infrastructure.

There was a statement urging patience with the rural areas of Alaska, as they are much like an "emerging nation." They may be slow to form boroughs, but that formation must be at their own pace. The rate of change has been so great and the villages are emerging into the 20th Century late. Allow the rural areas time for things to jell.

The villages understand their dependency on each other. Urban constituency must be made to understand that if rural Alaska falls, Anchorage will feel it.

Have those who support and those who oppose borough government sit down and fight it out together. The issues of borough formation need to be aired.

MISCELLANEOUS COMMENTS

REAA is highly successful in the area.

The board is time consuming, but the results are evident. Programs are better and are superior to those under SOS. There is less frustration and red tape, as well as better maintenance of the school.

Deficiencies of Title 29 were noted. A number of communities being incorporated as small communities find Title 29 burdensome. Form of election contrary to the way things should work. There should not be appointed seats, rather the top vote getters in the area should hold the seats. At large elections should be held rather than "seat" elections.

Forty-five percent of each dollar financing local government comes from the sale of alcohol. The city should not be in the liquor business. \$15 per head is paid for police.

GLENNALLEN

October 27, 1979
75 participants

CONCERNS RELATED TO PROPOSED LEGISLATION

There was strong feeling expressed in opposition to the formation of a borough in the area. The proposal was seen as the introduction of a "low grade" form of a borough. The unorganized assemblies should be given the power to provide for referendum to upgrade status of the unorganized borough. It was pointed out that the proposal does not deal with funding for education and the support given to education in rural Alaska is usually a sore point with the urban areas.

There is opposition to the formation of borough because of the concerns related to taxes and government control. They resent any form of control. Leary of planning as they have seen unsatisfactory results of such planning.

How would villages benefit from the formation of a borough? How would services be delivered when you are spread out along a highway, such as in the Glennallen area? What would happen if Glennallen was incorporated as a second class city?

People choose to live in this area to get away from government. The problems people are talking about are manufactured. Maybe a citizens fund should be established for bringing people to Juneau. The voice of the people in the bush who are opposed to borough government is not being heard.

They have repeatedly been asked what they think in regard to a borough. They want less organization which spends money. The existing tax structures won't work in the area. Why not grant money to the opponents of borough government to do some lobbying?

Boundaries should be drawn around the whole state. Assemblies if established, should be done so voluntarily. Remove all mandatory aspects of legislation. The home rule concept is workable. There should be provision for the community to vote to change boundaries. The REAA boundaries used in the area might need to be modified somewhat.

Sovereignty is the question. Initiation should come from within an area rather than outside of the area. Don't really know long-term economic base potential as perhaps the pipeline can't be depended upon.

If they do not organize, could the area be absorbed by existing boroughs? Concern that "piece meal" annexation might take place by the surrounding areas.

GENERAL CONCERNS

Land

Identify who owns land. Can't get easements for utilities as they don't have land ownership identified. The non-resolution of D2 is a problem. There is no point in studying until you can step on the land.

Fire Protection

Providing adequate fire protection is a problem.

Feasibility Study

An inventory of resources in the area is necessary. Legislature should help inventory to check feasibility of borough formation. It would be premature to develop an unorganized borough assembly without this information. Gathering information is the key. A fact sheet related to the pros and cons of borough formation would be needed.

HOOPER BAY
September 29, 1979
50 Participants

GENERAL CONCERNS

Economic

Lack of an economic base in the community was a dominant issue. In order to have a borough, some source of income would be needed. Services are needed now, not boroughs, as there is no money.

There was discussion of some areas which might provide an economic base if developed: commercial fishing, reindeerling, seal hunting. At the present time there is nothing other than subsistence. Now that they are involved in a cash economy, it is essential that there be a way of earning money. Their children need a place to work.

Revenue sharing does not provide enough money. There are currently four CETA employees. What would happen if CETA funding is reduced or discontinued? The police force needs additional training and money for uniforms. Regional distribution of revenues might be a way of bringing government closer to the people.

Needed Public Services

Water is a problem. An Attorney General's Opinion was involved in the delay and application of the Village Safe Water Act. The problem was complicated by overlapping authorities. Permafrost was cited as a stumbling block in bringing about the construction of the water plant which was built in 1976 but which just became operative in 1979.

Hooper Bay is one of the largest Native villages and yet there is no adequate method of sewer disposal. There is sufficient oil money. So some of the residents made a number of references to the non-delivery by elected representatives of needed services.

The road from the airstrip to town is in need of repair and needs to be rebuilt.

Television sets are in the village, but they do not receive signals.

KOTZEBUE

November 16, 1979

22 Participants

COMMENTS ON PROPOSED LEGISLATION

The Committee should not create another layer of bureaucracy to provide services. A great deal of organization exists in rural Alaska already. No boroughs should be mandated. What should be mandated is financial support as the Kotzebue area has no tax base. The people are not ready for a borough.

Providing services on an areawide basis is important but the communities could get together to do this without the formation of a borough. A regional government might not benefit the villages--they might in fact receive fewer services. In the North Slope borough the regional government has consolidated power and taken it away from the villages.

(The fifteen points made by the City Council of Kotzebue in reviewing the Local Government Study proposal were discussed. See attached statement.)

Regional services can be provided on a service specific basis. State agencies could be authorized to contract for delivery of services.

GENERAL CONCERNS

Economic

At the present time, CETA is providing most of the basic funding for municipal services. A reliable source of money is needed to operate and maintain the services which have been provided by federal money. CETA does not really pay enough to live on and the turnover of employees is great. Some of the employment criteria used by CETA is too restrictive.

Providing local match money is a problem. The NANA Strategies require a 30% local match and CZM requires a 20% match. This is a very real problem for areas where there is no economic base.

Recording System

The lack of a record system for land ownership is a problem. It would be helpful to have a system. The records have been moved from Kotzebue to Fairbanks and these land records should be regionally located so they can be used by the people. Government "red tape" cited as a problem.

Regional Planning

Economic resource planning needs to be done. Planning grants need to be available on an ongoing basis.

In the NANA Regional Strategy, a recommendation is being considered which would make the overseeing group a loose organization of city mayors. These collective regional representatives would meet when necessary to make decisions related to general planning. There is time to develop their Coastal Zone Management Plan and there is a mechanism for local input in the development of the plan.

Energy

Rural energy concerns were discussed. The possibility of oil from the top of the gas cap in Prudhoe Bay was mentioned, as well as wind, hydro, and geothermal power. Congress is looking at cash subsidies to help solve the problem.

CITY OF KOTZEBUE

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LOCAL GOVERNMENT STUDY PUBLIC HEARING

THE CITY COUNCIL OF KOTZEBUE HAS REVIEWED THE LOCAL GOVERNMENT STUDY CHART PREPARED AFTER AUGUST 4-5 SYMPOSIUM AND OFFER THE FOLLOWING FOR YOUR CONSIDERATION;

1. THE PROPOSED LEGISLATION WOULD AUTHORIZE AN ELECTION OF UP TO ELEVEN ASSEMBLY MEMBERS. WE ALL KNOW THAT ELECTED POLITICIANS REQUIRE A STAFF, MEETING AREAS AND VARIOUS SUPPORT FUNCTIONS. THIS COSTS MONEY.
2. OUR BEST GUESS FOR COST IS \$ 250,000 to \$ 300,000 FOR PAID STAFF, TRAVEL MEETINGS AND OTHER EXPENSES FOR THE KOTZEBUE REGION.
3. HOW LONG WILL THE STATE BE ABLE TO FUND THIS TYPE GOVERNMENT? WHAT ABOUT THE OTHER BOROUGHES? SURELY THEY WILL DEMAND AND, RIGHTFULLY SO, TO BE FUNDED AT THE SAME LEVEL.
4. KOTZEBUE NOR THE VILLAGES IN THE REGION HAVE ~~NOT~~ ^{A TAX} BASE TO FUND THIS LEVEL OF GOVERNMENT.
5. IN THE KOTZEBUE REGION WE HAVE A POPULATION OF ABOUT 5000. OF THIS 5000, MAY BE 1500 HAVE STEADY INCOMES FROM WORK. THESE 1500 WILL BE REQUIRED TO SUPPORT THIS LEVEL OF GOVERNMENT AT SOME POINT IN TIME. THE MAJORITY OF THIS WORK FORCE IS IN KOTZEBUE. THEREFORE, KOTZEBUE WOULD BE CONTROLLING THE REGION. SO WHAT HAVE YOU GAINED? ONE MAN ONE VOTE LAW WILL PREVAIL,
6. IT IS PROPOSED TO CREATE A PROCESS FOR CHARTER OF HOME RULE. WE HAVE THAT RIGHT NOW UNDER EXISTING LAWS.

7. COMMUNITY AND REGIONAL AFFAIRS WOULD BE RESPONSIBLE FOR LENDING ASSISTANCE, THEY ARE CHARGED WITH THAT RESPONSIBILITY NOW. COMMUNITY AND REGIONAL AFFAIRS IS. NOT ADEQUATELY FUNDED NOW TO ASSIST COMMUNITIES.
8. HOW CAN YOU PROVIDE LEGISLATION FOR HOME RULE AS CURRENTLY DEFINED AND ALLOW REAA POWERS AND RESPONSIBILITIES TO REMAIN INTACT?
9. WE HAVE THE A-95 REVIEW PROCESS NOW - THERE ARE NOT REQUIREMENTS FOR ANOTHER REVIEWING AGENCY. WE ARE REVIEWED AND STUDIED BY EVERY BUREAUCRAT THAT LANDS AT THE AIRPORT.
10. THE STATE IS PROJECTING A FUNDS SURPLUS. CREATION OF ANOTHER GOVERNMENT IS A POOR WAY TO SPEND THIS PROJECTED SURPLUS.
11. WE WERE CUT 15% ON REVENUE SHARING IN 1978 AND HELD TO THAT AMOUNT THIS YEAR; IN EFFECT, CONSIDERING INFLATION WE HAVE BEEN CUT 25% PLUS. TAKE THIS SURPLUS AND FUND REVENUE SHARING AT 100%.
12. PROVIDE A MINIMUM STATE REVENUE SHARING SAY, \$25,000.00 TO ALL SMALL CITIES SO THEY CAN BE VIABLE - DON'T CREATE ANOTHER LEVEL OF BUREAUCRACY. THE CITY OF KOBUK RECEIVES ABOUT \$6000 YEARLY FOR REVENUE SHARING. IT COST MORE THAN THIS TO APPLY AND PROPERLY MONITOR EXPENDITURES OF REVENUE SHARING.
13. THE STATE SEEMS TO HAVE A PROBLEM RECOGNIZING LOCAL GOVERNMENTS NOW. CREATE ANOTHER LEVEL AND THE GRASS ROOTS GOVERNMENT WILL BE LOST.
14. WE NOW HAVE REAA SCHOOL DISTRICT BOARDS, HEALTH CARE BOARD, MAUNELUK BOARD, NANA BOARD, IRA COUNCIL, COASTAL MANAGEMENT COUNCIL, CITY COUNCILS AND PLANNING COMMISSIONS, JUST TO NAME A FEW THAT OUR PEOPLE DEAL WITH DAILY, ~~REDACTED~~

YOU ARE CONSIDERING ANOTHER. YET ALL THESE VARIOUS BOARDS COMMISSIONS AND COUNCILS POWERS WILL REMAIN INTACT.

15. WHAT WE NEED IS MONEY FOR PROJECTS IN OUR COMMUNITIES TO PROVIDE JOBS FOR OUR UNEMPLOYED, NOT ANOTHER LEVEL OF GOVERNMENT TO TELL US YES, YOU HAVE AN UNEMPLOYMENT PROBLEM.