

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86/2

334 SCOMM10: LOCAL GOVERNMENT STUDY 1979



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204 N. FRANKLIN ST.
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5/16/79

To: Gene Walsh

From: Ginny Chitwood *G.C.*

Re: Local Government Study

AML Policy Statement: "The League endorses, and strongly supports, legislative action that would create and adequately fund a committee which would be charged with investigating current and future state/local government relations and finance in Alaska and the current and future status of local government structures, specifically including the unorganized borough. The committee membership shall be comprised of a broad representation of state and local government residents. The committee shall prepare a report on its findings, including proposed legislation and constitutional changes, and shall submit the report to the Second Session of the 11th State Legislature".

The basic local government structures in Alaska appear to be adequate to meet the needs of existing municipalities. However, annexation, 3rd class borough, reapportionment, and "instant unification" should be evaluated. I'm assuming that whether or not these structures are suitable for extension into the unorganized borough will be addressed by the study.

Of concern to the League members are the broad questions of what are state services, what are municipal services, and who is going to pay for them? It appears that the state pays 100% of the cost of services in the unorganized borough, while the organized municipalities must foot part or all of the bill for some services within their boundaries.

Directly related to "who pays?" is evaluating the ability to pay. Municipalities are forced to rely on the regressive property or sales taxes, methods of raising revenue that have problems in application to the unorganized borough.

Another issue related to revenue is the state mandating costs to the municipalities without corresponding increases in funding support. Examples include legislation dealing with public employees and requirements for run-off elections.

Page 2

Local Government Study

In addition to the fiscal matters, League members are interested in maximizing self-government and local determination. Should grants of authority to general law municipalities be broadened? Should some limitations to home rule be eliminated and further limitations discouraged?

Looking at these issues plus a broad-brush overview of Title 29 are aspects that the League believes should be included in a local government study. Please continue to call on us for anything we can do to further this project.

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.

Local Government Study
An Alternative Approach

There are numerous approaches to analyzing the question of the unorganized borough. The shortness of time necessitates an organizational design which clearly delineates areas of responsibility and action forcing goals. The present approach to analyzing the Unorganized Borough partially addresses this issue of design. The following modifications to the present design should lead more directly to a comprehensive analysis and the creation of legislation.

First, the Unorganized Borough should be analyzed independently from four categories:

- 1). *Governmental Structure*
- 2). *Facilities and Services*
- 3). *Economy and Fiscal Capacity*
- 4). *Local Control & Participation*

Each of these categories would look at the historical issues leading up to the present status and trends in the Unorganized Borough (REAA's, North Slope Borough, non-profit corporations, Nana Strategy, Coastal Zone Management, Tanana Chiefs proposal, etc.).

Secondly, this historical review from the four categories will lead to an analysis of alternative approaches to managing the Unorganized Borough. These alternatives could be:

- 1). Retain the Status Quo
- 2). Create Regional Unorganized Boroughs
- 3). Create a class of Borough with a planning authority

4). Develop Service Districts

5). Mandate Regional Boroughs

These alternatives will be determined as soon as possible and used by the 4 *categories* for their respective analysis. From this body of information, a comprehensive review of the alternatives can be completed and prioritized. This process will lead to the formation of legislation based upon a comprehensive review of the Unorganized Borough.

Thirdly, the public review of the alternative at the Symposium and the regional forums will provide the added ² perspective of public reaction. An analysis of regional reactions will be an integral part in the final analysis and prioritization of alternative approaches for the Unorganized Borough.

July

August

Sept.

Oct.

Nov.

Issues

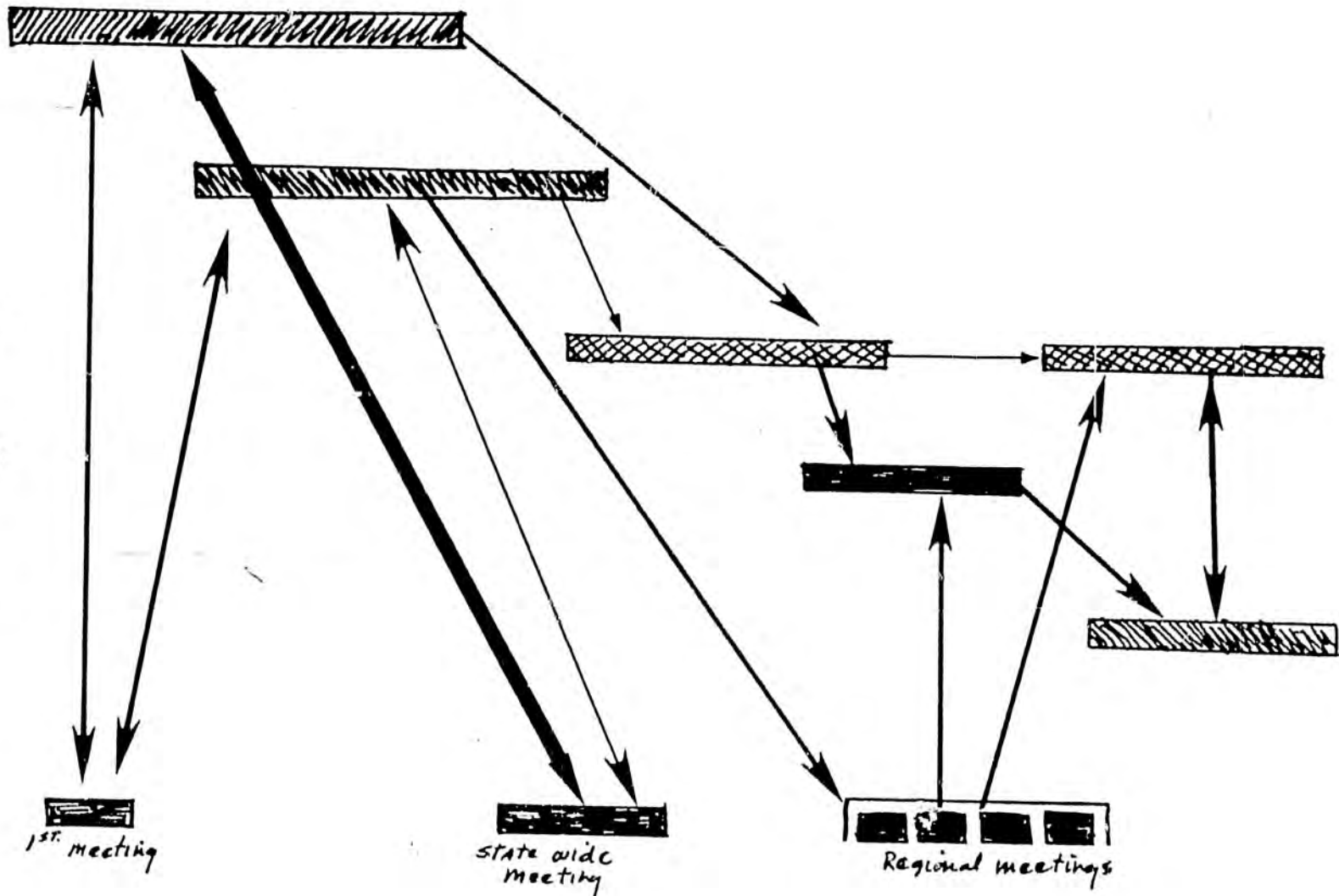
Options

Legislative Report

Draft legislation

Final legislation

Workshops



1st meeting

state wide meeting

Regional meetings

May 24, 1979 MEETING // with Palmer McCarter's Personnel in Local Government
State Dept. of Community & Regional Affairs

Senator Sturgulewski

The reason why we are here is really the need for a local government study. I came up through the League of Women Voters and through local government in Anchorage, and we went through all the problems of the boundary disputes, and I finally ended up on the Charter Commission for unifying the municipality. But, there were a lot of painful, gut-rending struggles over the years. And, we look around us, and we see other communities going through the same thing, whether it is Ketchikan or Fairbanks, the settings are different, the people are different, but the issues have been, time and time again, the same. As a former Planning Commissioner, and also as a local municipal assemblyman, I was active in Municipal League, and the Municipal League has been, of course, encouraging a local government study for some time. Through the Community and Regional Affairs Department, there have been a good number of times where studies have been talked about, and things have been proposed, and policies have been developed; and for a whole host of reasons, issues have not necessarily been clarified or resolved, and we tend to go on. But the League has really pushed, and under the leadership now of Ginny Chitwood, who has an extensive background in local government, I think that, again, there is a very beautiful resource developing here. In the Legislature, it has become very apparent that issues dealing with local government are just really accelerating and it is crucial that someone start to look at some of these problems. I personally have been critical for years of John Rader, who is called the Father of Local Government, and then the Father left home, it seemed to me. But I really think I understand now why no one is taking care of this monstrous thing because, I think we could ask Margie and Gene what they have gone through the last ^{week}, because it

is extraordinarily difficult, because we have the whole problem in both the organized and unorganized. But the big thing seems to be in the whole service delivery area. And we keep finding little bits of solutions, and those little bits of solutions add up to a whole. We have the REAA, which took away one of the major catalysts for forming local government. We have the Coastal Zone Districts coming up. Strange creatures we don't quite know how to handle as far as implementing and ongoing relationship. We have had a request from the Tanana Chief's now for a major planning study, as I'm sure you are aware, going on in the Doyon Area, and they would like to see a service district created that has the powers of planning and zoning; and think of the implications that would have on say, interest of State concerns, and so on. We have the interest in the new borough in the Yukon Flats, which incidentally, is in the Yukon, or in the Doyon area. And there seems to be some conflict between the development of the two studies going on there. We have the major problem of the capital flow. I am absolutely appalled and shocked at the fact that we spent some \$86 million in capital, which we seem to throw out this way, subject to very little public hearing, that doesn't really relate necessarily to what people's needs may be; and yet, we are only giving, I don't know what the latest figure is, 88 percent of the revenue sharing, something like that, so the very low level of local government is not being financed, and yet we are throwing capital needs with their attendant operational costs on to communities. So these things seem to be accelerating. As for regional schools, there is a real interrelationship between them and their use of power supplies, say for the village electrification program. On into organized boroughs we have annexation problems, how the small communities that are organized relate to the unorganized areas outside - it is different in Southeast than in the West. We have the potential, in addition to the Yukon Flats borough, some 3 additional

pipeline boroughs. We had pressures in the last Legislature, and they are sad little Bill 137, which was a municipal bill to straighten out some long-standing problems, with 29 became one that darn near every politician in the place wanted to get ahold of, because one thing they wanted to attach the Permanent Fund bill on it, secondly, wanted to put on the instant unification proposal of the Valdez area, and up North they wanted to get away with the limitations on the amount of tax, per individual, that could be utilized to meet debt and operational costs. So, the pressures are absolutely tremendous. Representative Parker has indicated a real interest in a local government study and, of course, I have felt that way. And it seems that the stars, the time was auspicious to at least make a beginning. It has really been interesting in getting ready for this, and Margery and Gene have been involved from the beginning. We have more or less been told that we will fail, particularly when we get into the unorganized borough. As a matter of fact, we have had some people tell us, don't begin, because it is impossible. Maybe it is, and maybe we will fail; but I think there has to be a try made. How we developed this now, or where we are, we will try not to make this long-winded, and yet the enormity of the task tends to overwhelm me, and perhaps that is a difficulty in making the beginning. But during, or near the end of the Session, it was very frankly was somewhat a difficult session for me, I need to know everything, and I know so little, and the issues have been so great, that there has never been time to sit down and understand what is happening. But toward the end of the Session, we started a series of just informal meetings with different people, trying to get an idea of both resources that might be out there to help, as well as, what do we need to know, what are the problems and start to identify those. I think we met with some 14 people, different people from different kinds of groupings, during that Session. We talked a good deal to people from Community & Regional Affairs, to the Office of Coastal Zone, DPDP, individual people, Revenue, on and on. We have,

and there will be a letter going out very soon, the support of the Governor's Office. I suppose I should say, I think the Dept. should have done far more than they have done on this issue, or the Governor's Office, and I have said as much, and yet if we can get the cooperation of legislative committees and the various departments, I think we can do something. We have tried to identify resources as we've gone along. We have for the joint committee \$74,000 for the interim effort; however, by the time pay salaries and the necessity, we are going to be running it out of my office here, it's really going to chew up a great deal of that money. There are some dollars in DPDP, technical assistants dollars, some \$30,000, we might be able to plug in part of that. Larry Kimball is doing an option of local government in the unorganized borough. I think that's the title. I don't think that has been fleshed out completely. It would be Coastal Zone dollars, and that of course is contingent on the plan being accepted by the Feds and that rather large pool of dollars be available. We do not know at this time, just how much this study will be able to accomplish with those funds and we have a very critical timetable, and I'll go into that. In addition to that, there may be some dollars and possibly some staff time, up to \$50,000 from Coastal Zone Management, and this would be through Murray Walsh. All of these things are very tentative, and we are just at the talking stage. In addition to that we have 2 young men, one with particular experience we feel that will be helpful to us, Jim Sanders and LeMar Cotten. Community & Regional Affairs through Palmer, is going to pick up their salaries for two man months, or the month of June, we will see that they are picked up for July and August. They will be located in Anchorage. They are both working for a Masters in Public Administration and they will be able to handle a discreet portion of this task. And, again, we are going to be looking to you to help in identifying some resources. In addition to that, we have had some indication from Palmer that there can be some help through his shop from Terry, Pat, Herb and a few others. So that is going to be our next step, to really get into - who can do what. The overall thing we would like to accomplish in this study, is a series of statements of incentives and disincentives, something we can measure in legislation and budget-wise. For instance, does this action lead to formation

of local government, in say the unorganized borough, something to measure specific pieces of legislation. One example, we had a permanent fund bill that had a soft loan program in it, that could flow to second class small municipalities, plus the nonprofit corporations. If you meet all your capital needs in one way, will you ever have an incentive to go to local government? What are the things that you need in terms of planning dollars to get started? That is one of the things. Secondly, we want to come out with specific legislation, if there are areas that need correction, we would like to be able to introduce and work towards getting them adopted. Those are the major areas that we are looking at - incentives, disincentives, what are we doing to local government; and are there specific things that need to be done right now. We would like to, and this is the difficult time of it, when this study has been looked at before, it has been looked at as a 2-year project, the difficulties are with a legislative body, we do come and go, although I have 3 years to go, although I quite conceivably will be only 1 more year on Community & Regional Affairs, and this question of continuity gets to be a problem. Something we have to look at, as we go into this, is whether or not it is the kind of thing that will lead to projects that the State can carry by the Department after Representative Parker and myself go on to other things. Although, it may be so interesting that we will stay here forever. We would like very much to use the summer for the basic research gather portion, we want to be able to go out to some of the remote areas in Sept. & Oct. We feel very strongly that we don't want to go out with a package of legislation, but we also don't want to go out with an empty cup. We need to take things there, but not so finalized that we build up walls. Through Representative Rudd, there have been hearings held regarding Charlie Parr's bill calling for the 7 percent tax of property tax in the unorganized borough. I think if we go out with solutions, that you build up those walls. We need to be very careful from the start to involve the bush caucus so that we are not going to fail before we begin. That get's into the whole thing of failure. It's amazing the number of things that are coming back and it would be interesting to hear some of your experiences. The people are saying out there, they

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really are not happy with the way things are. Many times they are given projects that they can't handle in terms of operation dollars. We are not hearing that DOTPF is talking about building facilities, something that I've heard Palmer talked about years ago, of getting all their public facilities in one building instead of having to build a school, having to do all the rest of these things. Then the poor people in the village are stuck with having to provide the electricity, the servicing and all the rest. Plus a whole lot of them would like to go to a more regional type school for certain things. These are the kinds of things happening and building up the interest in what we are doing. If we can keep the doors from being slammed before we can talk about these things, maybe we can find some answers. Now with all that, we are going to throw out to you what we have been doing here and would like to get into in some detail and get your reactions. Gene felt I did not push the time frame completely enough. We would like to use this summer for the basic homework that has to be done, find out where we are, get analysis of the specific kinds of problems and in the fall get into hearing process and developing of legislation, we are talking in terms, and this is not finalized, of setting up a policy group that will involve, of course, Representative Parker, myself, Commissioner McAnenery very likely, hopefully a representative from foundation and also ASN, we haven't fleshed that out to be working on these areas and we will be developing then, of course, both the legislation and policy statements. During this whole time we are going to be working very closely with the Administration, because this is the kind of effort, that if we can't develop legislation that would be successful, so many things can be done on a policy level to implement parts of it, so we don't want to get out of step with people, but it's a little bit like trying to build an elephant when you don't know what the elephant looks like. Working in your field you will have perhaps a different perspective than a person working just for Coastal Zone, so try and look at the broadest point of view, give us your individual critique, but realize this has to satisfy this thread that runs threw so many departments, divisions connected with local government. I think you will find, and it's one perhaps the most important thing we feel we can't do and that's the item listed on the very back page. The whole issue of taxation practices in

State as it relates to the whole kind of "share the wealth" component, and although we have taken parts that deal with taxing and revenue, and so forth, this one is absolutely mind boggling, I think it is going to call for a special project done with far more the financial fiscal type. I am not sure that is going to be where it will be relegated to the backburner of another study, but it's one that seems so overwhelming in scope and takes such a lot of resources that we may not be able to begin. O.K., so how do we begin?

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED
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Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all
correspondence to:

LOCAL GOVERNMENT STUDY

Fourth V
State Capitol
Juneau, Alaska 99811

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, "instant" unification, etc.

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 C&RA Committees laid the groundwork for the Study in a series of meetings involving individuals from the Executive Branch and the Alaska Municipal League. During these meetings, specific concerns were identified and there was a consensus that legislative action in this area could be productive.

WORK PRODUCT

The product will present findings with respect to the sufficiency of available local government structures to meet the need for local government entities at the community and regional level; the services delivered by government and quasi-governmental units; and the impact the economic, social, political and cultural factors prevalent in the unorganized borough have on the formation of local government.

The Study represents a cooperative effort on the part of the Legislative and Executive branches. Governor Hammond has indicated his support of the goals and has elicited the further support of state departments. The House and Senate Community and Regional Affairs Committees will function in a joint capacity in this effort.

The Study will be based on a recognition throughout of existing research and material pertinent to the subject. Previously done work will be reviewed, updated and incorporated if relevant to the objectives of the Study.

Each task, identified with a main objective of the study will be developed independently. However, due to the complex nature of the Study, those tasks which overlap (see Exhibit) will be developed with recognition of these relationships. To this end, an inventory of the resource people involved in the project is attached, (see Exhibit)

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

Public hearings will be held in the Unorganized Borough during the Fall of 1979 and the testimony received at this time will be a major ingredient in the development of a final product. Leaders from both the urban and rural areas of the state will be asked to actively participate in the Study.

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.

SPECIFIC ACTIVITIES

- * Plan for a "mini Brookings" type Conference in Anchorage with leaders from rural and urban areas for a "think tank" session on Local Government.
- * Ask for "White Papers" from key people with local government expertise on the subject of the study.
- * Have state departments prepare a summary statement of activities and written resources available from their departments which have a bearing on the study.
- * Plan a preliminary educational campaign for the rural areas on local government.
- * Develop a presentation for use at the November meeting of the Alaska Municipal League.
- * Plan for members of the House and Senate C&RA Committees to attend public hearings in the Bush during the Fall '79.

LOCAL GOVERNMENT STUDY
PROJECT SCHEDULE

WORK PROGRAM

June July Aug. Sept. Oct. Nov. Dec. Jan.

Development of work program
with emphasis on tasks re-
lated to service areas

*

Development and circulation
of "white papers"

*

Discussion of work product
related to organized munic-
ipalities with Alaska
Municipal League (Valdez)

*

Educational information re
study circulated in Bush

*

White Paper Conference on
Local Government

*

Public Hearings in Unorgan-
ized Borough

*

Completion of all work pro-
gram tasks

*

Meeting with Ak. Municipal
League Legislative Committee
on proposed legislation (11/15/49)

*

Final report with summary
and recommendations developed

*

Drafting of proposed legis-
lation

*

Legislation introduced

*



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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.



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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

RESOURCE

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

RESOURCE

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

RESOURCE --

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 translator 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.

RESOURCE



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OBJECTIVE

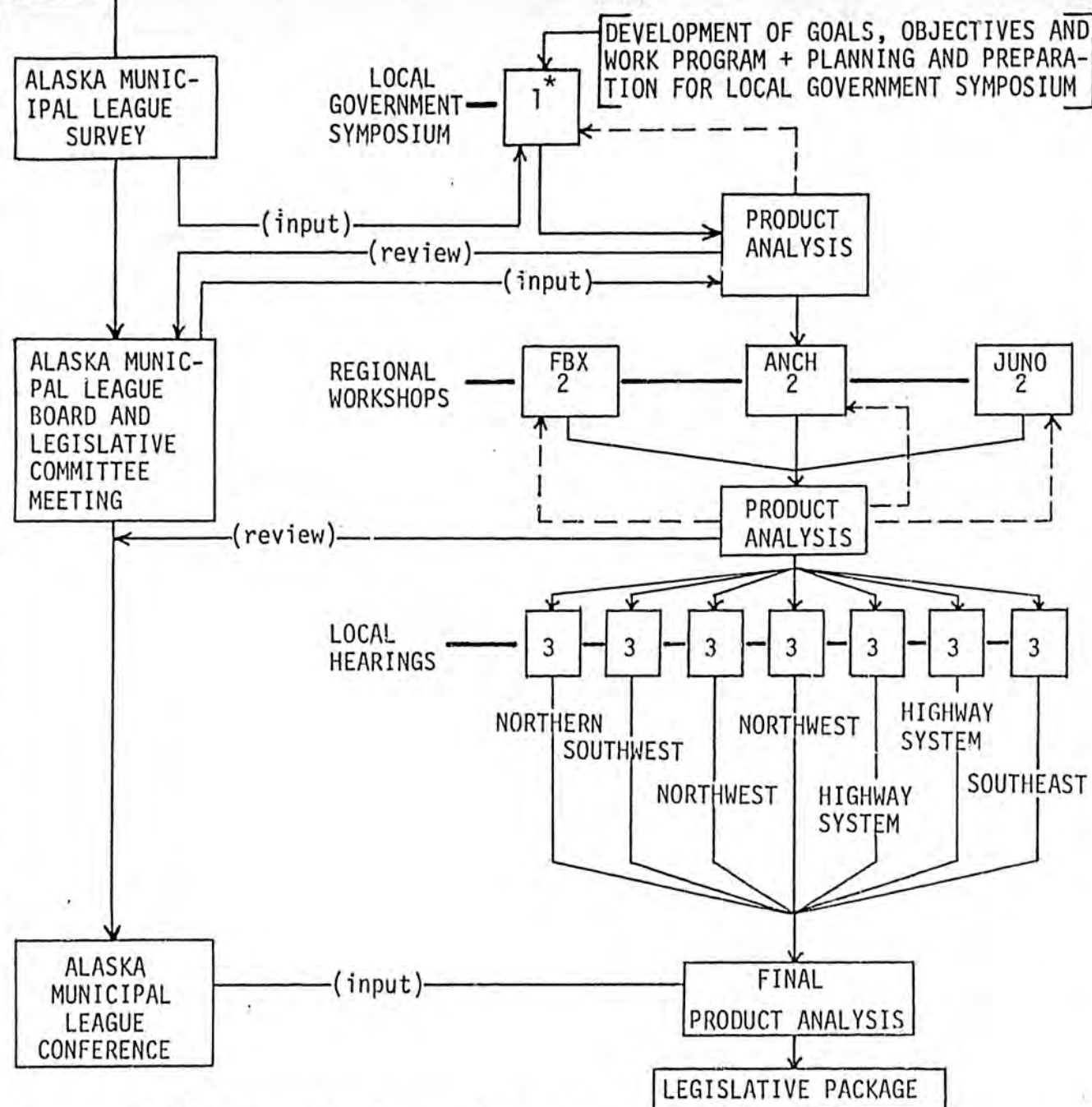
- IV. Study and evaluate the social, political and cultural patterns in the unorganized borough and their relation to local government formation.

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

RESOURCE

Local Government Study



--- --> 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

MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
							
							
		(symposium)					
							
		(analysis)					
			++(Alaska Municipal League Meeting)				
							
			(workshops)				
							
				(analysis)			
							
					(hearings)		
						++++(Alaska Municipal League Meeting)	
							
			(Development and consideration of proposed legislation)			(Final analysis and preparation of study products)	

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY 6/14/79

6/30/79

CATEGORIES	BACKGROUND & HISTORY	CURRENT STATUS & TRENDS	BASIC ALTERNATIVES	RECOMMENDATION & LEGISLATION
GOVERNMENTAL STRUCTURE	- PREVIOUS Borough Attempts - LEGISLATION - SUCCESSFUL - UNSUCCESSFUL - LEGAL ISSUES	- N.S.B. - SERVICE AREA - CEM - REAA - TANONA Chiefs / NEW PORTS - YUKON		PROPOSE GOVERNMENTAL SYSTEM. How it will work How it will be implemented
FACILITIES & SERVICES	EVOLUTION OF PROVIDING SERVICES - FEDERAL - FEDERAL TRUST TO AMERICAN NATIVES - STATE - NON-PROFITS	ADEQUACY & SCOPE OF SERVICE DELIVERY		ALLOCATE AND ESTABLISH PATTERNS OF RESPONSIBILITIES
ECONOMY & FISCAL CAPACITY	TAX BASE IN UNORGAN. Borough - ACTUAL - POTENTIAL			MEANS OF FINANCING PROPOSED APPROACHES
LOCAL CONTROL & PARTICIPATION	- VILLAGE TRADITIONAL BASE - EST. 2ND CLASS cities	- ANCSA - BIA - IRA - CEM - NON-PROFITS		LOCAL INVOLVEMENT IN DECISION AS TO GOVERNMENTAL STATUS AND IN REGIONAL GOVERNANCE

STATE
of ALASKA

MEMORANDUM

TO: [Palmer McCarter, Director
Local Government Assistance
Division

DATE: July 20, 1979

FILE NO:

FROM: Patrick K. Poland, Supervisor
Local Government Assistance
Division

TELEPHONE NO:

SUBJECT:

Erik J. Simpson *EJS*
Local Government Specialist

Local Government Study

TASK OBJECTIVE

Review statutory inducements and disincentives related to borough government incorporation including intergovernmental loan programs and grant procedures (such as revenue sharing).

Organizational Grants. (AS 29.18.180) To defray the cost of transition to borough government status and to provide for its development and interim governmental operations, each newly created borough is entitled to an organizational grant of \$25,000 or \$10 per voter voting in the incorporation election, whichever is greater.

The organizational grants have not been a statutory incentive to encourage borough incorporation because the grant is not adequate and is not intended to pay for the entire cost of borough organization. Although there are no guidelines for the use of the organizational grants, a newly incorporated borough may use the funds to defray the cost of hiring a borough administrator, paying for a local assessment of real and personal property, obtaining office space, etc.

In order to provide an incentive to borough incorporation, an organizational grant would have to be at least \$75,000 to \$100,000 plus the initial cost involved in conducting a feasibility study on borough incorporation, and an amount equal to the cost of conducting the initial assessment and appraisal of real and personal property.

Land Selections. (AS 29.18.203) A newly created borough may select ten percent of the total acreage of vacant, unappropriated, unreserved land within its boundaries on the date of incorporation. In the selection of land under the Statehood Act, it has been the policy of the State to make available to boroughs and cities the maximum land area from which to make selections consistent with the State's best interest.

4/23/79

Memo

TO: Senate: Sen. Arliss Sturgelewski, Gene Walsh
House: Rep. Bill Parker, Marjorie Gorsuch

FROM: Vic Fischer

RE: Interim committee study of unorganized borough.

I hope this is neither too little nor too late. Have rushed out attached notes and will try to get to you today via leg. info office.

Have not gotten into budget matters. A few thoughts on that:

- You should figure on one staff person in Juno, one in Anch. Format directed mostly to research and liason w/DC&RA; latter to help organize external effort, analysis, hearings, etc.
- Travel should include ^{FT. YUKON KOT.} Upper Yukon, NANA, Barrow, Bethel, Dillingham, highway area (Delta, Tok, Glennallen, Valdez). Probably one legislator from each committee at the least; will then supplement with local legislators.
- Consultants: Ralph Darbyshire, Tom Morehouse, Vic Fischer, Byron Mallottt. (I'm interested, of course; 2-3 months possible)

Must go now...Plps excuse missepellings...Good luck and best regards

Methodology and Approach

Committee work would entail the following components:

- A. Research and analysis. Much of the basic work would be done by committee and other legislative staffs in Juneau, work with support from DC&RA and others.
- B. Workshops and public meetings would be conducted to obtain participation by affected groups and persons. Organizations to be included are AFN, RuralCAP, ANF, Alaska Municipal LEague, and the like. Meetings will be held in rural areas to obtain testimony and views on self-governance, administrative capabilities, fiscal conditions, attitudes toward state vs. local performance of functions, etc.
- C. Analyses and formulation of resultant proposals will be carried out with the help of consultants and other specialists.

It is important to take action in the unorganized borough as quickly as possible. The longer nothing is done, the worse the situation will get. A few more areas may organize on an ad hoc basis. But the rest of rural Alaska may be subjected to some type of mandatory borough legislation, especially after reapportionment further shifts the balance toward urban areas particularly Anchorage.

Study Objectives

The principal purpose will be to examine the unorganized borough situation and initiate steps toward resolving problems and promoting maximum self government, as provided in the state constitution.

Specific Objectives are:

1. Review of legislative proposals and previous studies that have been directed toward dealing with the unorganized borough
2. Examination of existing borough statutes and their applicability to rural Alaska.
3. Analysis of existing alternatives under the constitution for dealing with the unorganized areas of the state, including elimination of disincentives and provision of incentives for local governance.
4. Ascertaining of public attitudes and perceptions.
5. Formulation of proposals for legislative and administrative actions, and review of such proposals with representatives of rural organizations and the rural public.
6. Submission of recommendations for legislation and further steps to be taken.

Interim unorganized borough study

General Purpose

The study will examine the needs for self-government, study administrative and financial requirements and constraints, ascertain the wishes and concerns of the people, and evaluate alternative approaches to dealing with the unorganized borough. Appropriate recommendations will be made to the 1980 legislative session.

Background

Alaska's constitution provides that the entire state will be divided into boroughs, organized and unorganized. This idea was based on the concept that all regions of Alaska would have an opportunity to exercise the maximum amount of self-government. Constitution writers believed that the people within each of the more rural areas of Alaska could have their own regional unorganized boroughs, within which they could at least have advisory powers. Under this scheme, there could be a gradual transition to a self-governing, organized borough, the pace in each area depending on the wishes and capabilities of the region.

This approach was not taken when borough legislation was enacted upon statehood. Instead, provision was made for organized boroughs in urban areas, with an option for others to incorporate. The balance of the entire state, that is--the leftovers, was constituted into a single unorganized borough. This creature is, of course, ungovernable, and certainly does not lend itself to any duties of self-governance on the part of the people in diverse regions of Alaska.

The issue of creating organized boroughs from parts of the unorganized borough comes up repeatedly. Various legislative proposals have been made over a ten year period; none were enacted. The Norht Slope Borough was created by local initiative to take advantage of oil wealth in its area. Possible creation of petroleum pipelines has lead to the current borough study in the Yukon Flats area; the study was funded by the legislature last year. Other areas traversed by the oil pipeline have considered borough incorporation but have taken no action.

Discusssions about establishing boroughs in rural Alaska have generally been frustrated by the rigidity of exisitng borough legislaition and by uncertainties about what the new unit would do to and for the people and property owners. Lack of coherent state policy and state initiative has further frustrated previous attempts.

The need for action is not going to go away. Half-way measures, such as creation of REAA's may defuse some of the problems, but only for a while. Massive difficulties will yet come as a result of coastal management program implementation. Other state-sponsored programs will likewise be a difficulty due to lack of regional governmental entities in rural Alaska.

Current legislative dealing with borough formation is not appropriate for most of rural Alaska. It is too rigid, is too specific on organization, and is excessively complex with respect to functions that can and cannot be exercised. Taxation and fiscal burdens often loom oppressively. In fact, current law creates disincentives to organization and self-governance; e.g., school construction financing.

DPPP
Suggestions
Bulky
Pine

INTERIM CRA COMMITTEES LOCAL GOVERNMENT STUDY

GOAL: To provide public services effectively, efficiently and equitably to Alaskan communities

STUDY OBJECTIVE: Study and evaluate the ability of available local government structures to meet the need for local government services at the community and regional level. ~~and~~ Study and evaluate alternatives to and modifications of existing structure. Recommend one or several appropriate alternatives.

TASKS:

1) Review available background information:

- what do we have?
- a) historical and legal evolution of local government structure and formation in Alaska (e.g., city and borough classes; unorganized borough; service areas and other sub-units; Local Boundary Commission; relationships of local and state government, village councils, native corporations, and quasi-governmental groups involved in local government functions; incentives and disincentives to municipal incorporation);
 - b) pertinent major studies and proposals on local government structure (e.g., Tanana Chiefs Conference proposal; Yukon Flats borough study; NANA Regional Strategy; proposed legislation related to organization of unorganized borough; community and regional attitudinal surveys and studies).

how (well) is it working?
evaluation criteria

2) Investigate adequacy and effectiveness of existing local government structures and traditional, native and quasi-governmental groups to provide services and fulfill local government role.

what do we need?

3) Study and evaluate alternatives to and modifications of existing local government structures:

- a) research local government structures and intergovernmental relationships in other states or nations which are relevant to the Alaskan experience and analyze their relevance to both rural and urban situations;

{ b) identify and analyze in detail selected alternatives;

{ c) analyze and evaluate the alternatives with respect to:

- i) potential revenue sources in unorganized borough (e.g., sales tax; real and personal property taxes; income tax; gross business receipts; natural resource development revenues);
- ii) local cost of providing services which are mandatory functions of basic local governmental unit and those administrative costs associated with the establishment of local government;
- iii) ability to provide effective and efficient public services;
- iv) local and regional self-determination;

v) ?

4) Develop executive or legislative mechanisms to achieve goal.

MEMORANDUM

State of Alaska

TO: Senator Sturgulewski

DATE: May 9, 1979

FILE NO:

TELEPHONE NO:

FROM: Murray Walsh, Coordinator
Office of Coastal Management

SUBJECT: Data needs for Unorganized Borough
Service Delivery Survey

As we discussed at our meeting of May 7, a survey of public service delivery options in the UOB will have to begin with the gathering of some facts. What is almost as important is the extent to which everyone involved will agree that the gathered facts are indeed true. The word "fact" implies absolute truthfulness, but after many years of use, even the legal profession now uses the phrase "true facts" in its jargon. ("Yer Honor, we certify that these are the true facts of this case".)

I will suggest a list of facts that we should try to acquire for the survey, but I would also suggest that the facts gathered be circulated to groups in the UOB and others for their review so that we can later use the facts with some degree of safety. The initially gathered facts can be called "tentative findings" or some such, and the reviewed facts can be called "generally agreed-to, and possibly true facts which we will use with some nervousness."

The facts should be gathered by region. The same facts should be gathered and listed by existing borough and REAA. I suggest using the REAAs for regions for the survey because I can't think of any other regions that are small enough, and because the REAAs are based in some part on the boundaries of the Native Corporations. Some of the REAAs should be combined for this listing purpose. For example, the Adak REAA should be combined with the Aleutian Chain/Pribilof REAA. When combined with the existing Boroughs, this will result in about 25 regions for which a list of facts would be produced. Each of the lists, for starters, should have:

1. The year-round population, seasonal populations, and a breakdown of population sectors that typically need extra services from government like welfare, unemployment compensation etc. Also, for UOB areas, we need population figures showing whether people live inside a city or not.
2. The land area involved, with a breakdown of ownership in general categories so that we will be able to see how much is privately-owned now, and how much is likely to be privately-owned in the foreseeable future.
3. Some idea of the value of the privately-owned land and improvements.
4. The amount of money spent by all levels of government in the area, per resident. For the organized boroughs, I think we can assume that the total budgets of the borough government and cities within the borough can be used for this figure. Often, the local government budgets will contain state and federal funds as well, so these should be separated out and put into the state or federal category. For each area, we should have a state, federal, and local figure. For the UOB areas, we should include the figures spent by the cities in the UOB which do tax themselves.

5. We ought to have some type of comparison of actual service delivery for villages that lie in organized areas versus those which do not. For example, English Bay, Tyonek, and Ninilchik are all unincorporated settlements in the Kenai Peninsula Borough. Not too far away are Chenga and Tatitlik in Prince William Sound and in the UOB. What benefits, if any, do the villages in the KPB get that the villages in the UOB do not get? I don't know enough about the villages just mentioned to say whether they would be good examples for a case study or not. But, we should find a half dozen villages in the UOB and a half dozen inside organized boroughs for a comparison. They should be paired up so that we have half a dozen pairs. Each half of the pair should have about the same number of people, the same percentage of Natives, the same degree of remoteness, and if possible, other similarities as well. Each pair would then be examined for differences in services and amounts of public funds expended on their behalf. This item could form a separate study that could be done by a consultant.

While this list of facts is short, I can assure you that it will be difficult to obtain in a short time. So we should think carefully, and quickly before expanding it, and there may be some items we don't need. I do think we need both the comparison study and the state-wide facts. One or the other will not be enough.

As we also discussed, speed is of the essence. If this list, or a revised version of it is seen to be what we need, we must inquire soon if the list can be filled by September of this year, or earlier. If, as we assume, a package of legislation will be needed by this Fall, we will have to try and anticipate the outcome of the data gathering so that some preliminary work can be done. If, of course, the facts prove that our initial thinking was wrong, then we go in a different direction, but I do think that we will have to rely on intuition for this project at the outset, or we simply will not be ready when Fall rolls around. Therefore, I would suggest that DCRA and this office begin to work quietly on a "Borough Organization Stimulation Act" or something of the sort.

A final thought: We talked about holding workshops or public hearings in the Fall. While these are needed for any new legislation of substance, I think we should use hearings as opportunities to gather additional information about the problem. One question that could be asked of hearing attendees is something like: "Of the services you receive from the state or federal government now, what problems are caused by the fact that the service is administered in Juneau or Anchorage?" Or: "If a state or federally provided service is unsatisfactory to you, do you think that it could be improved if there was local control over the service? We should not try to get people to answer this type of question through questionnaires. Complex questions like these must be asked after the respondent has been acquainted with the issues at hand and been part of a discussion of the problems. This could be said to "skew" the results of asking the question, but we are not looking for statistics at this point but rather expressions of feeling. The results would not be presented as numbers of "yeses" and "noes" but as reports from those who conduct the hearings.

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*Alaska
Report
to cover this?*

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PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.



Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all
correspondence to:

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.

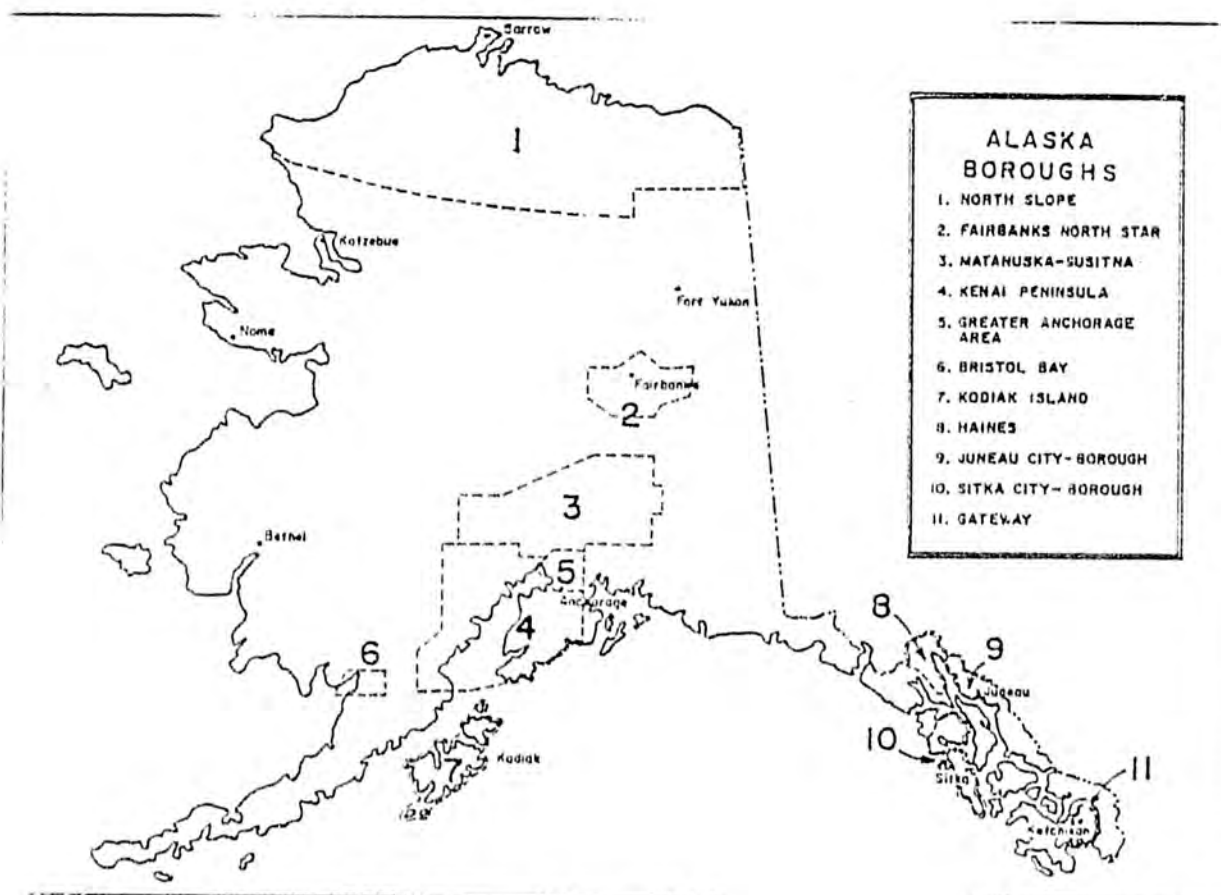
The findings of the Symposium and Workshops will be supported by the production and use of tables, charts, graphs and maps. Such tools support the intent of simplifying the subject matter and making it suitable for public educational use.

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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Third Class City - "Food for Thought"
6/15/76, 3-pages

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6/25/76, 9- pages

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5/23/76, 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 (REAA's, 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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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.



Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all
correspondence to:

LOCAL GOVERNMENT STUDY

Pouch V
State Capitol
Juneau, Alaska 99811

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 organizations. 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

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.

LOCAL GOVERNMENT STUDY

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

RESOURCE

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, regional and municipal levels of government.

TASK

RESOURCE

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

RESOURCE

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

RESOURCE

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).

COMPONENTS RELATED TO LOCAL GOVERNMENT STUDY

OUTSIDE SCOPE OF WORK PROGRAM

1. Investigate disparity and differences among taxation practices of state and local governmental units and laws to provide uniformity, tax fairness, and equity to state residents.
2. Investigate alternatives to methods of generating local taxes in addition to sales and property taxes and provide a more equitable distribution to local governments of state revenues generated by taxation of the state's resources.
3. Research other states' local government laws with reference to "share-the-wealth" taxation concepts to seek out models which could be appropriately used in Alaska.