

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECTS

335 SCOMM10: LOCAL GOVERNMENT STUDY 1979



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

- 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.



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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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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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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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TASK

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

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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



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DATE: June 14, 1979

TO: Senator George Hohman

FROM: Marjorie Gorsuch, A.A. House C&RA
Gene Walsh, A.A., Senate C&RA

RE: Local Government Study

Enclosed you will find the preliminary background material for the Senate & House Joint Community and Regional Affairs Committee Local Government Study as requested. We are pleased to learn that the Legislative Council plans to develop an information bank for this data.

Reviewing the list of interim committees, we note that a number of them may interrelate with the Local Government Study and we would like to coordinate efforts. To this end, we would like to receive the monthly progress reports as well as the projected work program for the following committees:

- House Resources - Subsistence
- House Roads and Highways
- Constitutional Convention
- Senate Election Reform

A major component of our Study will be the public hearings to be held in rural Alaska. It would be helpful in our planning to have the travel schedules of the other interim committees so that we can coordinate itineraries.

Thank you for your assistance.



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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.

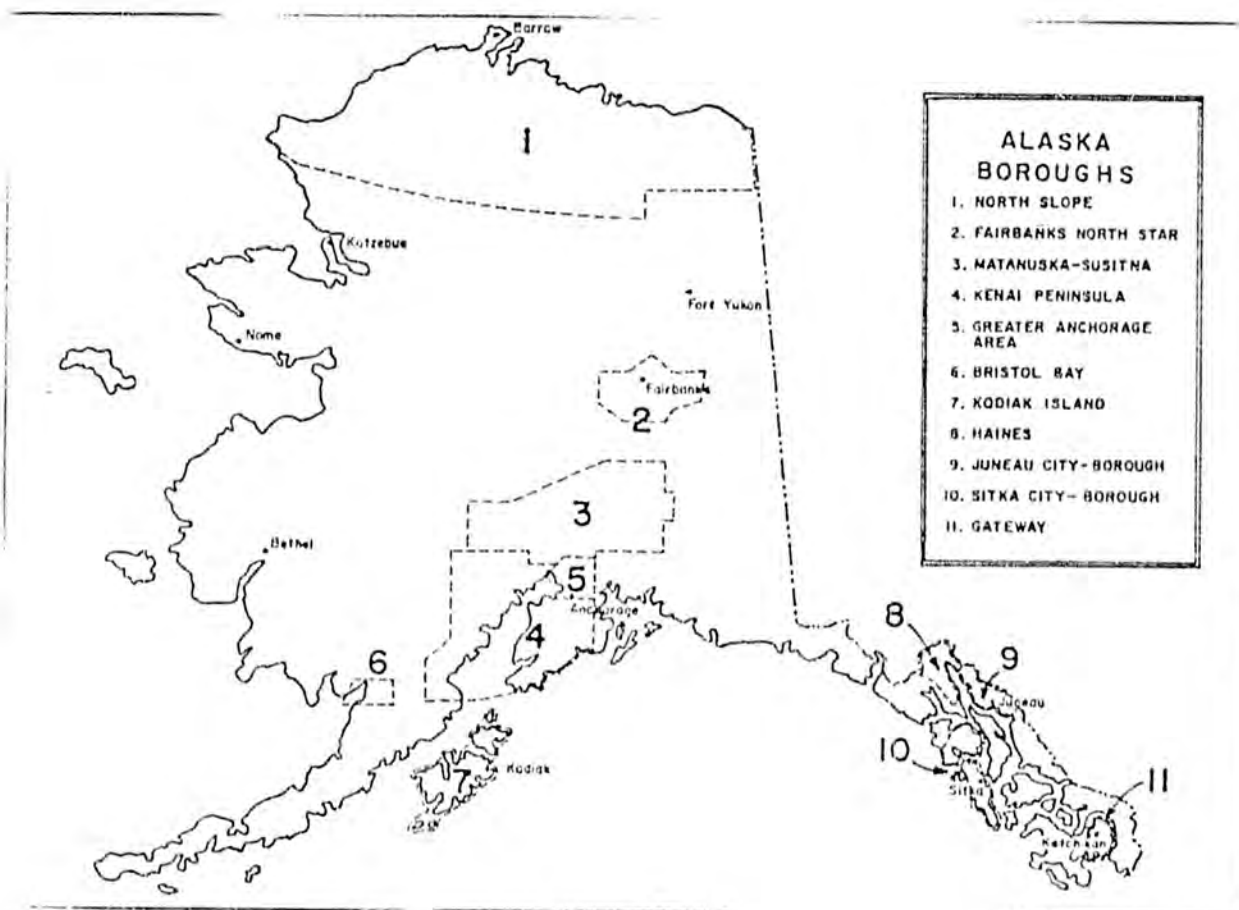
The findings of the Symposium and Workshops will be supported by the production and use of tables, charts, graphs and maps. Such tools support the intent of simplifying the subject matter and making it suitable for public educational use.

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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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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TASKS

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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.
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 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.

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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

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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,)and conveyances, etc.)



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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.
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 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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 - 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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- A. Analyze the methodology used for planning and assessment of need for services.
 - B. Identify the intraregional communications mechanisms used by these organizations.
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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
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 - (a) Indian Reorganization Act Councils
 - (b) Second Class Cities
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 - (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



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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 state, regional and municipal levels of government.
- 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

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.



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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

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

- 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.

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.
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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.
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Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

To: Gene Walsh

From: Ginny Chitwood

Re: Local Government Study

The scope of the study is very broad, but it is difficult to single out one section to the exclusion of the others since they are all inter-related. It should be possible, however, to place the major emphasis on the unorganized borough without ignoring the other areas.

Although the study objectives appear to be very ambitious for accomplishment in a short time frame, you have identified many resources to assist you with the project. Needless to say AML is ready, willing, and able to help wherever we can.

Some specific comments: Study objective II - did you consider adding "federal" to your list of public service providers?

Task 1 of Study Objective I - probably can be accomplished by reviewing existing research documents. AML can assist there and also in Tasks 2 and 3.

AML can also assist with Tasks 2,3,5, and part of 6 of Objective II. Funding of services might be considered in Task 5. The newly enacted provision for salmon enhancement service areas should be studied in Task 6.

Study Objective III, Task 1 - gross business receipts should be changed to corporate income tax. State and federal funding, including revenue sharing, should be studied.

I think the Joint Federal/State Land Use Planning Agency has already done much of Task 2. AML can help with task 4.

AML will also participate in the "Components Related to Local Government Study - Outside Scope of Work Program".

I think it will be helpful to have more than one point of view on each task rather than assign AML to some specific areas, DPDP to others, etc. As part of AML's contribution, I would suggest an extensive questionnaire, polling our members on the various questions posed by the study. In addition, we will research our files in the office.

Sorry I missed you Friday afternoon.



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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 ramification 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 innerent affects 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 commission 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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Representative Bill Parker

Address all
correspondence to:
LOCAL GOVERNMENT STUDY

Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 7/5/79
TO: Pat Poland
FROM: Marjorie Gorsuch
Gene Walsh
RE: Research Project for Local Government Symposium

Pat, we found the preliminary planning meeting for the Local Government Symposium most helpful. This memo is to confirm the research project discussed at the July 2 meeting.

It is our understanding that you will prepare background material to be used at the Local Government Symposium on Aug. 4-5 consisting of a summary of the requests received from boroughs relative to the formation of service areas and those statements of need or interest which have been received by the Dept. of C&RA from the unorganized borough.

It would be most helpful to have this information in a matrix which would include the chronology of such indicated interest as well as the disposition of such requests.

This would include such significant legislative proposals as the request by the Tanana Chiefs for the establishment of planning councils as well as the social services policy councils proposed in SB 12 '79.

Also, Pat, we would appreciate your comments on your concerns relative to Second Class Cities and their relationship with regional government. Your perceptions on what has transpired in the North Slope Borough would be most helpful.



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LOCAL GOVERNMENT STUDY

Pouch V
State Capitol
Juneau, Alaska 99811

DATE: July 6, 1979
TO: Jay Hogan
FROM: Marjorie Gorsuch
Gene Walsh
RE: Research Project for Local Government⁺ Symposium

The Local Government Study Committee has determined that some followup work on the research tasks begun by the Research Division will be necessary. (See W.O. #7277 and W.O. #7276 referred to during telephone conversation)

For your information, the general scope of the Local Government Study is detailed in the attached material. The process has been modified since the work program was developed with the elimination of the Regional Workshops and the inclusion instead of remote rural representation at the public hearings to be held in the bush.

One of the components of the study deals with the need to evaluate the economic base of the unorganized borough and to assess its sufficiency in financing the basic local government functions. The information requested of the Research Division was part of an attempt to develop an economic profile of the unorganized borough.

We are interested in obtaining figures which would give us an overview of the economic base (including potential revenue sources) of the unorganized borough. It would be most helpful if such figures were with regional boundaries which could be associated with the REAAs as we see the educational units as a workable unit when discussing boundaries for delivery of services and possible creation of regional local government units.

In addition, any relevant demographic information would be useful in developing a comprehensive understanding of the unorganized borough. It would also be helpful to have data gaps identified.

As the Local Government Symposium is scheduled for Aug. 4-5 and we are working within a very tight time frame, we would welcome your comments on the possibility of developing such an economic profile prior to the Symposium.



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Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 6/19/79
TO: Palmer McCarter
FROM: Marjorie Gorsuch
Gene Walsh
RE: Local Government Study Research Project

Attached please find a copy of the Local Government Study Work Program and the projected process for implementing this Study.

Based on our telephone conversation of June 18, we understand that the Department of Community and Regional Affairs will function in a cooperative and supportive role in the Local Government Study and will involve itself in the following:

1. Funding of interns Jim Sanders and Lamar Cotton for the month of June in addition to providing facilities and support services for the interns during that period of time.
2. Participation with the Alaska Municipal League in the development, circulation and analysis of a survey of organized municipalities problems and concerns which may be addressed legislatively.
3. Review statutory inducement and disincentives related to municipal government incorporation including inter-governmental loan programs and grant procedures (such as revenue sharing)
4. Rewrite and print handout related to local government structures and powers (original publication of the Committee for Optimum Government - Haines) and make it available for use at the Local Government Symposium Aug. 3-5.
5. Support personnel as needed for Department of Community and Regional Affairs representation at the Symposium, Workshops and public hearings.

We appreciate the Department's consistent and helpful involvement in the development of the Study direction and look forward to continued cooperation.



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Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 6/19/79
TO: Ginny Chitwood
FROM: Marjorie Gorsuch
Gene Walsh
RE: Local Government Study Research Project

Attached please find a copy of the Local Government Study Work Program and the projected process for implementing this Study.

Based on our meeting with you on June 13, we understand that the Municipal League will function in a cooperative and supportive role in the Local Government Study and will involve itself in the following tasks:

1. Develop, circulate and analyze (in conjunction with the Department of Community and Regional Affairs) a survey of organized municipalities to identify municipal problems and concerns which may be addressed legislatively.
2. Participate in the Local Government Symposium and Regional Workshops which are to be held as part of the Study.
3. Address the question of state versus municipal responsibility for the funding and delivery of public services and the construction, maintenance and operation of public facilities.
4. Work with the Joint Senate and House Community and Regional Affairs to develop solutions to the problems identified during the course of the study.

As you will note in Exhibit C, and as we discussed at our meeting with you, the Local Government Symposium is being planned for the first weekend in August. As we would like to circulate information related to your survey findings, we would appreciate sharing any results you may have prior to the Symposium.

We have appreciated the League's consistent and helpful involvement in the development of the Study direction. We welcome your personal thoughts and perceptions on any of the subject matter being considered as well as on the process selected for the Study.

(Enclosed are some materials which may be of interest in your development of the survey)



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Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 6/18/79
TO: Jack Chenoweth
FROM: Marjorie Gorsuch
Gene Walsh
RE: Local Government Study Research Project

Attached please find a copy of the Local Government Study Work Program and the projected process for implementing this Study.

The research material requested will be used for the Local Government Symposium and the Regional Workshops and is intended to give background and an overview of proposed legislative solutions to the questions of regional organization and financial equalization as they relate to the unorganized borough.

The material will be outlined and charted and will be used by those native leaders, legislators, local government specialists, and representatives of the Alaska Municipal League and other pertinent organizations present at these meetings. The principal concern of the discussions at these meetings will be the method for achieving self determination through local government.

As you will note in Exhibit C, the Local Government Symposium is being planned for the first weekend in August. As we will need to compile and circulate the requested information prior to that time, we are asking that this project be completed by Friday, July 13. Realizing the time constraints we are imposing, we would appreciate knowing how feasible completion is within the given schedule.

If you become aware during the course of your research of the obvious omission of any pertinent legislation, we would appreciate your calling it to our attention. We would also like a copy of the original bill being researched for reference as well as any of your personal thoughts and perceptions on the subject matter.

We are interested in an outlining of the main components of the legislative proposals listed below, in particular the process proposed in regard to regional organization (mandatory, optional) and the fiscal implications of the legislation, including but not limited to incentives and taxes.

Borough Act of 1961

Mandatory Borough Act 1963

SB 101 '69

HB 738 '70 RADG (Rural Area Development Group) Bill

HB 161 '71

Governor Egan's Package of 1972

HB 596

HB 597

HB 598

HB 122 '73 Rep. Tom Fink, Sponsor

SB 122 '73 ADE Bill

HB 291 '73 Gardiner Bill

In addition, we are interested in Ch. 1 SLA '73 as it related to the North Slope Borough incorporation. (David H. Getches "The North Slope Borough, Oil, and the Future of Local Government in Alaska", UCLA Ak. Law Review Vol. 3 #1 (Fall, 1973 pp. 55-84 might be a helpful resource).

HB 202 '77 Rep. Charlie Parr, Sponsor

HB 9 '79 " " "



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DATE: 6/19/79
TO: Palmer McCarter
FROM: Marjorie Gorsuch
Gene Walsh
RE: Local Government Study Research Project

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3. Review statutory inducement and disincentives related to municipal government incorporation including inter-governmental loan programs and grant procedures (such as revenue sharing)
4. Rewrite and print handout related to local government structures and powers (original publication of the Committee for Optimum Government - Haines) and make it available for use at the Local Government Symposium Aug. 3-5.
5. Support personnel as needed for Department of Community and Regional Affairs representation at the Symposium, Workshops and public hearings.

We appreciate the Department's consistent and helpful involvement in the development of the Study direction and look forward to continued cooperation.



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Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 7/5/79
TO: Jack Chenoweth
FROM: Marjorie Gorsuch *ML*
Gene Walsh
RE: Local Government Study Research Project

At the preliminary planning meeting for the Local Government Symposium held on July 2, the group identified two additional areas of research for which your skills are being requested. This material, like our previous request, will be used as background for the Local Government Symposium to be held on August 4-5.

1. An examination of the REAAs including:
 - (a) Conceptual as well as legal history of their formation.
 - (b) Functioning in light of constitutional provisions related to unorganized boroughs and service areas (Article X, Sections 5 & 6) as well as the inter-relationship with Article X, Sections 1 & 2.
 - (c) The effect on regional local government formation of the REAAs -- how they serve as incentives or disincentives.
 - (d) The question of a limit of the number of services which could be administered by the state in service areas of the unorganized borough, simulating local government, without the existence of local government. Is there a constitutional issue here? What constitutes fulfillment of the requirement that there be "maximum local participation and responsibility" with the provision of these services? How is this interpreted or defined?

The above research might be part of a broader commentary on the creation of service areas in general in the unorganized borough (including CZM coastal resource service areas and the recently authorized aquaculture service areas).

2. An analysis of the borough incorporation standards and how they have been interpreted. The Committee is also interested in the specific action of the Local Boundary Commission which has added direction to the standards. Perhaps a review of the incorporations which have been denied by the LBC and the basis for such rejection would help to define the breadth and limitations of the statutory standards.

Chenoweth - p. 2

These two tasks lend themselves to a comparison of the incorporation standards for boroughs (Article X Section 3) and the standards for incorporation of REAAs (AS 14.08.031) and the implications for regional local government formation based on the similarities in these standards.



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Senator Arliss Sturgulewski
Representative Bill Parker

Address all
correspondence to:

LOCAL GOVERNMENT STUDY

Pouch V
State Capitol
Juneau, Alaska 99811

DATE: July 10, 1979
TO: Senator Arliss Sturgulewski
Rep. Bill Parker
Vic Fischer
Jane Angvik
Ginny Chitwood
Jack Chenoweth
Palmer McCarter
Pat Poland
Jim Sanders
Lamar Cotton

RE: Research Projects for the Local Government Symposium
FROM: Marjorie Gorsuch and Gene Walsh

A planning meeting for the Symposium was held in Anchorage on July 2 with preliminary arrangements for the Symposium discussed. A major change in the projected work schedule was determined with the elimination of the Regional Workshops and the inclusion instead of remote rural representation at the public hearings to be held in the bush. This modification was made in recognition of the short time frame we are working within.

Below you will find a brief description of the work tasks associated with the Study which are being researched by the indicated individuals. It is important that this material reach us by July 20 so that it can be compiled and distributed to the Symposium participants prior to Aug. 4/5.

GINNY CHITWOOD (Alaska Municipal League)

1. Develop, circulate and analyze (in conjunction with the Department of Community and Regional Affairs) a survey of organized municipalities to identify municipal problems and concerns which may be addressed legislatively.

JACK CHENOWETH

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2. An examination of the REAAs

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PAT POLAND

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LAMAR COTTON

1. 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.



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

TO: Don Argetsinger, Deputy Commissioner (C&RA)
FROM: Marjorie Gorsuch
Gene Walsh
DATE: 8/14/79
RE: Research Projects/Local Government Study

Attached please find a copy of the draft "Recommendations for Action Program" discussed during our meeting of August 9. Based on our conversation at that meeting, we understand that the Department of Community and Regional Affairs will continue to function in its supportive role relative to the Local Government Study project and will specifically undertake research on the following points of the Action Program.

3. LOCAL GOVERNMENT FINANCING AND SERVICE
 - A. REVENUE SHARING
 - B. FOUNDATION PLAN FOR HEALTH, PUBLIC ASSISTANCE, PUBLIC SAFETY, EDUCATION
 - C. INTERGOVERNMENTAL CONTRACTING
 - D. FINANCIAL NEEDS (CETA)
 - E. TRAINING AND TECHNICAL ASSISTANCE
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A. Generally, under "Revenue Sharing", it is our understanding that the Department will review the concepts of redistribution of the state's wealth, as embodied in the current revenue sharing method as well as those proposed in previous legislative proposals. (Attached see copies of HB 738, HB 596, HB 597, HB 598 -- The last three mentioned bills are analyzed in Richard Garnett's "Equalization of Local Government Revenues in Alaska" of which you probably have a copy--). We are interested in an evaluation of these, and the revenue sharing proposal introduced by Rep. Gardiner during the Eleventh Legislature (HB 192), in terms of fiscal equity and also in terms of the incentive for local and regional government formation contained therein.

B. & C. Jack Chenoweth will be giving some consideration to these areas and you might want to consult with him on these issues. Also, the graduate interns, Lamar Cotten and Jim Sanders, are doing research on the contracting procedures currently practiced by the BIA and CETA in regard to service delivery. (Enclosed is a letter by John Havelock pertaining to this general area)

E. It would be helpful to have a statement of what training and technical assistance is currently available for municipal government formation.

In addition to the above discussed subject matter, we have become aware through a meeting with Governor Hammond that it is the Governor's view that the concept of some local effort (i.e., some evidence of local involvement) be an integral part of any financial assistance proposal. Recognizing his interest in this as a component of any financial equalization effort, we would like some information on the subject of local effort. We are particularly interested in knowing if the Department has generally accepted any "in kind" local effort in lieu of financial contributions especially in rural Alaska.

The work being done by the Department for the Study will be considered in the development of legislative proposals to be introduced during the Second Session of the Eleventh Legislature.

During the last week of September and early October, the Committee members will take the concepts embodied in the legislative proposals being considered to rural regional centers and villages in the unorganized borough for public hearings. Therefore, it would be most helpful to receive the information you are preparing by September 7 so that it can be reviewed prior to the hearings.

Again, our thanks for your cooperation and assistance.

(Enclosed also are some publications received from the Advisory Council on Intergovernmental Relations which might be of interest to you)



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LOCAL GOVERNMENT STUDY

Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 6/19/79
TO: Palmer McCarter
FROM: Marjorie Gorsuch
Gene Walsh
RE: Local Government Study Research Project

Attached please find a copy of the Local Government Study Work Program and the projected process for implementing this Study.

Based on our telephone conversation of June 18, we understand that the Department of Community and Regional Affairs will function in a cooperative and supportive role in the Local Government Study and will involve itself in the following:

1. Funding of interns Jim Sanders and Lamar Cotton for the month of June in addition to providing facilities and support services for the interns during that period of time.
2. Participation with the Alaska Municipal League in the development, circulation and analysis of a survey of organized municipalities problems and concerns which may be addressed legislatively.
3. Review statutory inducement and disincentives related to municipal government incorporation including inter-governmental loan programs and grant procedures (such as revenue sharing)
4. Rewrite and print handout related to local government structures and powers (original publication of the Committee for Optimum Government - Haines) and make it available for use at the Local Government Symposium Aug. 3-5.
5. Support personnel as needed for Department of Community and Regional Affairs representation at the Symposium, Workshops and public hearings.

We appreciate the Department's consistent and helpful involvement in the development of the Study direction and look forward to continued cooperation.



Official Business

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JOINT SENATE AND HOUSE
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Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all
correspondence

LOCAL GOVERNMENT

Pouch V
State Capitol
Juneau, Alaska

DATE: July 10, 1979
TO: Senator Arliss Sturgulewski
Rep. Bill Parker
Vic Fischer
Jane Angvik
Ginny Chitwood
Jack Chenoweth
Palmer McCarter
Pat Poiand
Jim Sanders
Lamar Cotton
RE: Research Projects for the Local Government Symposium
FROM: Marjorie Gorsuch and Gene Walsh

A planning meeting for the Symposium was held in Anchorage on July 2 with preliminary arrangements for the Symposium discussed. A major change in the projected work schedule was determined with the elimination of the Regional Workshops and the inclusion instead of remote rural representation at the public hearings to be held in the bush. This modification was made in recognition of the short time frame we are working within.

Below you will find a brief description of the work tasks associated with the Study which are being researched by the indicated individuals. It is important that this material reach us by July 20 so that it can be compiled and distributed to the Symposium participants prior to Aug. 4/5.

GINNY CHITWOOD (Alaska Municipal League)

1. Develop, circulate and analyze (in conjunction with the Department of Community and Regional Affairs) a survey of organized municipalities to identify municipal problems and concerns which may be addressed legislatively.

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Pouch V
State Capitol
Juneau, Alaska 99811

TO: Lamar Cotten/Jim Sanders
FROM: Marjorie Gorsuch *mg*
Gene Walsh
DATE: 8/20/79
RE: Work Tasks

Lamar & Jim

Thank you for the memo detailing your work program. We still can not confirm the Sept. 7 employment date (unless you have already discussed this with Arliss and she has confirmed independently). You might want to think about what you can complete by the end of August in case our additional CZM appropriation does not come through.

I have only some minor additions/comments on your outline.

Under I (1) You will probably want to include the 10% of state land entitlement which accrues to boroughs as of incorporation. This would seem to function as a disincentive in some areas if the state doesn't yet have title to some of its lands in the specific area.

Also, the need for boroughs to perform the taxing and assessing function is obviously a disincentive. This might be explored.

Under II, there was reference made to viewing the existing contracting procedures as they might function as "operational models" for intergovernmental contracting. I think that is probably what you have in mind under II (1) (iii) and II (2) (iii). You might want to check if the Anchorage Municipality does any of this type of contracting with the Cook Inlet Regional Corporation.

Under III, it might be helpful to have Roger Land and Maurie Thompson look at your review of the State Municipal Land Trustee Program after you have defined the trust relationship and have them look at it in terms of problem solving. There have been questions relative to whether or not the problems in this area are real or imagined. I think we need a definitive statement of why it is not satisfactory to have the state function as the trustee.

You might also find some of the Federal Land Use Planning Commission's work helpful in this area.

Do you see that you will actually have the results of the survey in time to tabulate and analyze them? What deadline are you planning to put on them? That might be something that we will need to finish up on.

We are still doing some of the initial set-up work for the rural regional hearings and village visits..will let you know when we can use any assistance.

Thanks.

P.S. See attached memo re I (2) (ii)

*see nm - federally assisted program
see A CMP*

August 28, 1979

THE MUNICIPALITY OF ANCHORAGE A-95 CLEARINGHOUSE PROCESS

INTRODUCTION

In response to the need for coordination and planning development of activities within and among the Federal, State and local levels of government, Congress has passed legislation which would attempt to avoid duplicative and conflicting programs and policies, one of which is referred to as the A-95 Clearinghouse Process. It is derived principally from the Intergovernmental Cooperation Act of 1968 and Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966. Its primary objective is for state and local government, through state and area-wide clearinghouses, an opportunity to assess the relationship of Federal projects or projects with Federal assistance to state, area-wide and local plans and programs. Federal agencies are to consider these assessments in deciding whether to proceed with the proposed project. The manner in which states, regions and local governments conduct this project is generally left up to the discretion of the particular governments. Again, it should be emphasized the Federal government is simply seeking the assessment of the different levels of government on proposed projects and an endorsement of such a project does not insure positive action by the Federal government nor does, on the other hand, will negative comments result in the cancellation of such a project.

THE MUNICIPALITY OF ANCHORAGE (MOA) A-95 CLEARINGHOUSE PROCESS

The procedure used by the MOA would normally commence when a federal agency or an organization with Federal assistance proposes to start a new project or program within the MOA area. The organization will send to the MOA a Notification of Intent (NOI) as early as possible. The MOA Clearinghouse will request review and comment from municipal, state and Federal agencies, along with non-profit service organizations, which they feel would have pertinent input. The MOA encourages a wide variety of input and, as a general policy, will not refuse any group's comments. The MOA allows (generally) 30 days for review and comment except in unusual circumstances. After obtaining the responses from the various agencies and groups, and, if in the view of the MOA, there are no substantive negative comments, the MOA will send the comments to the agency proposing the project (they, in turn, must send these comments to the funding agency or department). However, if the MOA feels that the NOI does not adequately describe what the project or program will entail, it may request additional information before it will allow clearance. Or,

if MOA feels that there are substantive negative comments, it will act as a mediator between the two parties in hopes of alleviating their differences. If this exercise is unsuccessful, and the MOA still feels that the negative comments are justified, it will allow them to go to the Federal Regional Council (FRC)*. The FRC will then require a response from the agency or group seeking clearance concerning the negative comments.

The potential power of this process obviously lies with the MOA. It has the discretion to forward negative comments to the FRC which could conceivably result in the delay or cancellation of a project. Hence, in many cases it may be to the agency or group's advantage to settle what differences the MOA feel are important at an early stage of the process. The effectiveness of the MOA in using this planning and coordinative role depends primarily on the Clearinghouse utilizing municipal resources and its relationship with state and Federal agencies. According to the MOA Clearinghouse Director, this occurs at a satisfactory level.

THE RELATIONSHIP BETWEEN THE STATE OF ALASKA AND THE MOA CONCERNING THE A-95 PROCESS

The State**and MOA are the only two government units in Alaska which have A-95 Clearinghouse systems. They are currently attempting to coordinate their activities where both are involved and may have similar interests, goals and objectives. The two have agreed upon a number of points in operating their Clearinghouses through an informal memorandum of understanding. According to this understanding, MOA will "assume primary responsibility for coordinating state, area-wide, and local government review of proposed federal activities. . . (that) occurs exclusively within MOA boundaries." The state, on the other hand, will "assume primary responsibility for coordinating state, area-wide and local government review of proposed Federal activities. . . (that) do not occur exclusively within the MOA boundaries." Hence, by coordinating their efforts, the two governments avoid duplicative activities. Additionally, the MOA will serve as a mediator to solve differences between parties concerning exclusively within the MOA area, where the state will carry out function concerning a project not exclusively in the MOA. The agreement also states that the body responsible for sending the final response to Federal proposals and which receives an agency or group's responses (to negative comments) to

* the Federal Regional Council is primarily composed of the regional directors of the various federal agencies and departments.

** the Division of Policy Development and Planning is responsible for the State Clearinghouse functions.

provide the other body a copy of such a response if it contains substantive comment by the latter body. This allows the body not primarily responsible to know what comments received by the entity making the proposal and possibly the FRC (this would, as mentioned earlier, be in the case of a Clearinghouse sending negative comments). Additionally, both parties are also obligated to respond to a request of review in a 25 day time frame (after receiving the Notification of Intent).

NON-FEDERAL ASSISTED PROGRAMS WHICH MAY GO THROUGH THE A-95 ✓

REVIEW AND COMMENT PROCESS

The existence of a structurally sound review and comment framework allows the MOA to use it for non-Federal assisted activities which they feel need to pass through a similar process. This often includes, but not limited to, actions and activities such as:

- I. The Alaska Division of Land permits
- II. Corps of Engineers projects
- III. Review of proposed state and Federal regulations

A-95 FUNDING

The MOA does not receive direct Federal funds for their A-95 program, the staff salary is either funded by the MOA or CETA. Funding is available for A-95 activities through the Public Works and Economic Development Amendments of 1974 and the Economic Development Administration and HUD Comprehensive Planning Program (701). Given the numerous requirements for the various funds, however, the MOA has declined to seek them.

A growing problem in Anchorage as well as other cities has been the funding for staff time of the agencies monitoring the different projects. This increasing demand for this activity has posed budgetary and manpower strains on the MOA. In light of the fact that the A-95 program was initiated by the Federal government, many officials have expressed the desire for Federal aid for different aspects of the process. However, to date, no such allocation of funds has occurred.

THE MOA AND STATE RELATIONSHIP WITH THE ALASKA COASTAL MANAGEMENT PROGRAM (ACMP)

In addition to the A-95 agreement between the state and the MOA, the two have an understanding concerning the Alaska Coastal Management Program which has many goals and objectives very similar to that of the A-95 Process. The principle

difference between the two processes is that the state has the final say over the ACMP comments. The MOA is obligated to conduct and coordinate the the area-wide and local government review of proposed Federal activity within the MOA area as to its consistency with the MOA's district Coastal Management plan contained in the ACMP. If the MOA finds a proposed activity to be controversial; it may request the state to hold a public hearing in Anchorage. In the event that the MOA determines that the Federal project is inconsistent with its district coastal management plan, the MOA shall specifically describe the inconsistency and suggest alternatives which would alleviate them. If, in the event the state will send comments that are contrary to the feelings of the MOA, the state will initiate discussions with the MOA in order to resolve any disagreements. The state, however, will have the final word concerning impact by Federal proposed activities on the Coastal Management Program. Not surprisingly, the MOA is seeking more say in the process.

LC:jjd

August 14, 1979

Marjorie and Gene:

The following outline describes the work schedule for the duration of our summer employment. We feel that these tasks can be completed by September 7, 1979.

I A Discussion of:

Disincentives of Organizing Regional Government in the Unorganized Borough.

1. Statutory Requirements
2. Consequences of Government Policy/or lack thereof
 - i) REAA's
 - ii) CETA
 - iii) CZM
 - iv) Funding and Training
 - v) Local Government and Quasi-Government Structure
 - a) IRA
 - b) Non-Profit Corporations
 - c) Profit Corporations
 - vi) Special relationship between the Federal Government and the Alaska Natives

II An Analysis of:

Federal and State Contracting in Rural Alaska.

1. Review of BIA Contracting Procedures
 - i) Limitations/Restrictions
 - ii) Scope of Services
 - iii) Applicability to state contracting for Borough Functions
2. Review of State CETA Contracting Procedures
 - i) Limitations/Restrictions
 - ii) Scope of Services
 - iii) Applicability to state contracting for Borough Functions

III A brief memorandum outlining the State Municipal Land Trustee Program which would include:

1. Goals and Objectives of program
2. Review of its strengths/weaknesses
3. Current status of program

IV Rural Second Class City Survey:

1. Completion of Questionnaire
2. Distribution of Questionnaire
3. Tabulation and Analysis of Survey

V Assistance with Regional Legislative Hearings:

Jim

Sam Carter

To: AML Board & Legislative Committee

From: Ginny Chitwood

Re: Local Government Symposium - August 4 & 5, 1979 - Anchorage

Representing AML, I participated in the Local Government Symposium sponsored by the Joint Senate and House Community and Regional Affairs Committees as part of their interim local government study.

Major emphasis of the two day session was on rural areas, but with some correlation to incorporated areas. Among the participants were a wide variety of people: legislators, representatives of many geographic areas of the state, leaders of various native associations, planning consultants, university researchers, Department of Community and Regional Affairs personnel, and municipal attorneys, including Jim Nordale and Lee Sharp who are members of the AML Legislative Committee.

The meetings, which were held in the Pioneer School House in Anchorage, started with introductions of participants, an overview of the study, and a brief history of local government in Alaska. With Roger Lang, President of the Alaska Federation of Natives, moderating, the group then proceeded to an informal discussion of "problem and issue identification" and of "alternate strategies and solutions for addressing problems and issues".

Armed with marking pens and large banner sheets of paper, Jane Angvik of Alaska Public Forum, displayed the comments. The next day the moderator was Marlene Johnson, Sealaska Board Member; recorder, Tom Morehouse of the University Institute of Social and Economic Research.

Some of the topics discussed were the lack of regional entities to coordinate planning (not platting and zoning), boundaries for such regions, need to maximize local self-determination, and to recognize or "legalize" existing village organizations, and decentralization of state government.

The area of funding was explored on a limited basis. The lack of financing for organization of regional governments was listed as a deterrent, with the \$25,000 currently allowed being only a drop in the bucket compared to actual costs. The need to find methods of funding local government other than, or in addition to, property tax was expressed, both for areas contemplating organization and for existing incorporated municipalities.

An attempt was made to itemize services to which individuals have a fundamental right: education, public safety, health, and public assistance. It was noted that the state should guarantee provision of these services to its citizens and should guarantee at least a minimal level of funding if services are provided on a local level. Roads and other transportation, communications, resource management, employment, and housing were identified as secondary governmental services.

Joint committee staff are preparing summaries of the symposium which will be available at the Valdez meetings. At that time Senator Sturgulewski and Representative Parker will report on the committee's activities and plans for the fall. Summaries of the AML questionnaires will also be available.



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Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 7/5/79
TO: Jack Chenoweth
FROM: Marjorie Gorsuch *MJ*
Gene Walsh
RE: Local Government Study Research Project

At the preliminary planning meeting for the Local Government Symposium held on July 2, the group identified two additional areas of research for which your skills are being requested. This material, like our previous request, will be used as background for the Local Government Symposium to be held on August 4-5.

1. An examination of the REAAs including:
 - (a) Conceptual as well as legal history of their formation.
 - (b) Functioning in light of constitutional provisions related to unorganized boroughs and service areas (Article X, Sections 5 & 6) as well as the inter-relationship with Article X, Sections 1 & 2.
 - (c) The effect on regional local government formation of the REAAs -- how they serve as incentives or disincentives.
 - (d) The question of a limit of the number of services which could be administered by the state in service areas of the unorganized borough, simulating local government, without the existence of local government. Is there a constitutional issue here? What constitutes fulfillment of the requirement that there be "maximum local participation and responsibility" with the provision of these services? How is this interpreted or defined?

The above research might be part of a broader commentary on the creation of service areas in general in the unorganized borough (including CZM coastal resource service areas and the recently authorized aquaculture service areas).

An analysis of the borough incorporation standards and how they have been interpreted. The Committee is also interested in the specific action of the Local Boundary Commission which has added direction to the standards. Perhaps a review of the incorporations which have been denied by the LBC and the basis for such rejection would help to define the breadth and limitations of the statutory standards.

*Benin
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+ concluding?*

major research

*factual &
concluding
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can be provided*

*Not back
Bob Peters
Arvid R. By
Jim LaMarr*

*Now REAA's yet in
constitution*

*7/17/79 stand matter
background in zoning
Sack will do
work on this*

Chenoweth - p. 2

These two tasks lend themselves to a comparison of the incorporation standards for boroughs (Article X Section 3) and the standards for incorporation of REAAs (AS 14.08.031) and the implications for regional local government formation based on the similarities in these standards.

SCOMM

10:18

Meeting -- 5/17/79

Elke Kallab, Research Analyst, Division of Research Services
Legislative Affairs Agency

Reviewed work on assigned work project of analyzing distribution of state and federal money statewide in terms of geographic distribution. Used census figures used by federal government and state election districts for areas of review.

Restrictions and gaps in accuracy. Federal fiscal year is different from state's. Her review is only for a one year period of time and major capital projects some times throw the figures off.

There will be a change in the census districting during the 1980 census from 29 to 23 districts.

Community Services Division has a good tracking system for federal funding so the figures are readily available.

John Holterman is trying to get \$ to do comprehensive study similar to this effort.

Jack and Alexander Hock are doing a review of the gross business receipts and other tax related revenue in the unorganized borough.

HUD block grants don't go through A-95 process.

- * Kallab suggests that there be a formal memo related to the goals of the interim study. Everyone who is involved should receive a copy. The broad picture of what is being done should be conveyed. Keep the legislative leadership informed of what the group is doing.

Time frame is necessary.

Confidentiality of information from legislative research needs to be respected.

- * Suggests that a committee be created to function as the Assembly for the Unorganized Borough. A legislative groups could do this. This would be an extension of the legislature's mandate to serve as the Assembly for the Unorganized Borough.

5/18/79

Sally Rue DPDP (Land Use, Natural Resources)
Dona Lehr ..Div. of Policy Development and Planning (Economist)

Structure for Regional Planning needed.
HUD Grant requested for identification of delivery systems

(attached)

During FY 79, the division will continue its involvement, begun this year, in state telecommunications issues. There are a variety of important activities presently underway in the telecommunications arena, including expansion of telephone and television service in rural Alaska, FCC proceedings which are addressing the issue of adequate revenue recovery by the state's telephone companies in order to insure fair and reasonable rates for Alaskans, and Congressional efforts to rewrite the Communications Act of 1934.

The division expects to be involved in analyzing the state's position vis a vis these initiatives and recommending actions designed to achieve the goal of universal service in the state.

100.2 Telecommunications Planning

<u>Source of Funds (\$000)</u>	<u>FY 1979</u>	<u>FY 1980</u>	<u>FY 1981</u>
Non-Federal	3.0	4.0	4.0
701 Federal	6.2	8.2	8.2
Other Federal			
Total	9.2	12.2	12.2

<u>First Year Personnel/Cost Requirements</u>	<u>Months</u>	<u>Cost(\$000)</u>
In-House Staff	2.0	5.9
Other Public Agency		
Consultant/Contractual		
Other Expenses		3.3
Total	2.0	9.2

Program Subcategory 100.3 Regional Planning in the Unorganized Borough *

Objective:

- 1) Establish a uniform regional planning structure in the unorganized borough.

Recently, the state has received a proposal sponsored by the Tanana Chief's Conference to establish six sub-regional planning commissions within what are the boundaries of the Deyon 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).

While the state in conjunction with HUD has undertaken a similar planning effort in the NANA region, that initiative is somewhat different in that the NANA area is within the coastal zone and as such, an existing statutory structure for regional planning exists.

In conjunction with its request to the Administration, the Tanana Chiefs has also sought to have legislation submitted to establish the proposed regional planning commissions, vested with substantial local government powers.

how does this differ from what DEC/ACM is doing?

While this local initiative is laudable, it poses 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.

The division proposes to work jointly with legislative committees 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.

100.3 Regional Planning in the Unorganized Borough

Source of Funds (\$000)	FY 1979	FY 1980	FY 1981
Non-Federal	3.9	4.9	4.9
701 Federal	8.0	10.0	10.0
Other Federal			
Total	11.9	14.9	14.9

First Year Personnel/Cost Requirements	Months	Cost(\$000)
In-House Staff	3.0	6.8
Other Public Agency	DEA?	
Consultant/Contractual	1.0	2.0
Other Expenses		3.1
Total	4.0	11.9

PROGRAM CATEGORY 200.0 Budget Process Development

Objectives:

- 1) to provide goals, objectives, and policies for the coordination of state financial resources and state administered federal resources;
- 2) to produce information about the state's budget that will be of use to Alaska's citizens in evaluating the services provided by state agencies;
- 3) to modify the current budget process, making it more directly responsive to the needs of Alaska's citizens.

Problem Statement

The current state budget process is viewed as cumbersome with several steps being superfluous as a result of arbitrary decisions made by the executive and legislative branches. While modifications have been implemented over the past several years, the process has not yet successfully dealt with the problem of establishing agencies'

work w/ DEAs or their regional planning study

PROGRAM CATEGORY

400.0

Service Delivery
Patterns in AlaskaObjectives:

- 1) develop an information base on service delivery patterns in Alaska.

but what is goal? to assure quality of service delivery? to regionalize
 Information on where services are delivered, where they are lacking, and how they can be delivered more effectively and efficiently is needed. *identifying*
 There is a wide variation in the services offered in rural and urban Alaska, and often some of the most basic services or facilities which most Americans take for granted are non-existent in rural villages. Most of the villages are not connected to urban, or even rural centers by road or even water. This makes air transportation the only link to necessary goods and services. It also often makes them prohibitively expensive. Information on individual types of services, such as health care or education, is often available, but there has been no comprehensive evaluation of the entire range of services and relative levels of distress created because of inequitable service delivery.

There are many uses for such a comprehensive data base, including state budgeting, capital improvements programming, economic development planning, regional planning (health, transportation, education, economic development, resource management, communications, energy development), impact analyses and decisions on allocation of state and federal assistance resources. The conclusions drawn from this study should assist the state in directing services to communities where they are most needed and in identifying regional centers where services may be grouped to provide more cost-efficient and effective service.

The proposed program for FY 79 will consist of the following elements, to be accomplished generally in the following order:

- 1) Literature Survey

This element will entail a search of current literature on regional planning and analysis, specifically including central place theory in order to assure use of state-of-the-art methods.

- 2) Inventory of Services and Facilities

This information will be gathered where possible from existing inventories of various categories of services and facilities. Where it does not exist, it will be necessary to collect it directly. The following services and facilities will be inventoried:

- a) transportation services and facilities, accessibility; DOT
- b) communication services and facilities; DOT
- c) health, education services and facilities; HHS, DOE
- d) commercial services and facilities; CFP
- e) general government services and facilities; DOP, DOT, Admin
- f) energy and power services and facilities; EOP
- g) water, sewer, and other public services and facilities; and DFL, CKA
- h) population distribution and projections. DOL

3) Evaluation and Analysis

Once the inventory information is collected, it must be evaluated and analyzed to be useful to decisionmakers. For instance, a hierarchy of regional and subregional centers may become apparent which will enable consolidation of state facilities and services. If a multitude of inconsistent service areas is identified, the information will enable the state to make a rational decision on whether to maintain them or to redesign them if it will provide more effective services at more efficient costs.

4) Mapping

Inventory information will be mapped so that it can be easily used by state and federal agencies, local communities and others to whom it will be of use.

5) Periodic Update

A system of periodically updating the inventory will be devised so that it will be of continuing use rather than a one-time effort.

6) Decisionmaking

Existing decisionmaking processes will be analyzed to determine how they may best incorporate service delivery pattern information.

400.0 Study of Service Delivery Patterns

<u>Source of Funds (\$000)</u>	<u>FY 1979</u>	<u>FY 1980</u>	<u>FY 1981</u>
Non-Federal	9.3	10.3	10.3
Fed Federal	18.5	20.5	20.5
Other Federal			
Total	<u>27.8</u>	<u>30.8</u>	<u>30.8</u>

<u>First Year Personnel/Cost Requirements</u>	<u>Months</u>	<u>Cost(4000)</u>
In-House Staff	6.0	17.7
Other Public Agency		
Consultant/Contractual	1.0	3.1
Other Expenses		<u>7.0</u>
Total	<u>7.0</u>	<u>27.8</u>

PROGRAM CATEGORY

500.0

Index on the Status of AlaskaObjective:

- 1) analyze and make recommendations on the feasibility of establishing a periodic index on the status of Alaska,

5/24/79

MEETING WITH

Pat Poland, Dept. of C&RA
Terry Early, State Assessor
Frank Rue, DPDP
Chip Dennerlein, Ass't to Commissioner DNR

Group reviewed proposed Study objectives and tasks.

Dennerlein informed the group of the computer modeling being done by township which had been used in the land selection process (includes mineral, agricultural, and soil analysis as well as oil and gas potential).

ALARS is the land analysis by computer. Analyzes land, soil limitations and capabilities. Weighs the resources and rates these in relation to each other. (Township is approx. 6 miles by 6 miles, 23,000 acres) A systems analyst has been hired for ALARS.

In Glenallan and Tok a land analysis has been done as a spinoff of the land search. Status and availability of land has been pinpointed. A land ownership breakdown is also available in these areas.

BLM is a good resource. BLM has EFNH (Estimated Final Native Holdings). The state is close to knowing what lands the natives will get.

The density of privately owned land could be targeted. Private corporate owned or individually owned could be identified.

Mo Matthews administers ALARS.
Doug Mutter is the key contact person.

The Alaska Railbelt area has been analyzed relative to private property ownership information.

((Gregg Erickson should be at meeting with DNR, CRA, Assessor, etc. re including identification of privately owned land as a component in the ALARS system))

Trust program mapping will be done with DNR appropriation provided this year.

14 C (3) lands will get transferred to the municipalities when there is an incorporation. Villages may convey to municipality or reconvey to the State in trust.

Review Easement policy as it relates to Native Land Claims settlement.

The Regional Corporations are real resources. Doyon has a lot of information.

Fischer's Proposal includes two levels of planning.
1. Broadbrush approach. Deals with general resource priorities.

Identifies needs for a more complex review.

2. Actually gets into area resource planning.

Fischer's basic ideas will be laid out by July 1.

BLM has a high softwares budget. Good capabilities.

HB 66 called for an identification of all public interest lands which won't go into municipal hands by Sept. 1. '79 (in the organized areas).

FISH & GAME as a resource. The Bethal area is getting into dog salmon as part of its commercial fishery.

Followup on meeting re ALARS.

5/31/79

TELEPHONE CONVERSATION with Murray Walsh

Office of CZM would have year end money available only for a piece of equipment as they are changing Grant procedures and this precludes the use of that money in any other way.

Suggestions re draft of Study Objectives and Task

1. Develop a time line
2. Evaluate the results of each task to see if a local government structure is available to meet need
3. Develop a schedule for completion

Walsh would like to see legislation which would stimulate the formation of local government. Good planning is done by the smallest unit of government. There is a need for planning groups. Coastal programs could be developed and implemented locally.

4. Visit with AFN, Rurla Cap, ANF

in regard to request for proposal
In regard to CZM doing contracting:

Normally the Agency puts out bid to all possible providers for a service. If the RFP is for "sole source contractors", there must be a well defined reason why it is necessary. Usually it takes as long to go the normal contractual route as to go for a sole source.

Walsh sees himself

1. Working with Larry Kimball to see that the two objectives (of the Local Gov't Study and the Dept. C&RA) do not duplicate efforts.
2. May be able to find some travel money for the committees to go to the bush for public hearings.

5/24/79

MEETING WITH COMMUNITY AND REGIONAL AFFAIRS DEPARTMENT STAFF
Butrovich Room

see Artie's background statement
Reviewed background relative to the formation of the Local
Government Study.

C&RA Staff reviewed and commented on the proposed Study
objectives and tasks.

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 ^{few} 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 gut 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 resourch 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