

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBCOMMITTEE

384 SCOMM10: LOCAL GOVERNMENT STUDY 1979

accurate assumptions can be developed, based on evolving market conditions, regulatory policies, and land status changes. In the NANA Region for example, land status depends on D-2 which should be resolved next year. The Alaska Native Land Claims Settlement Act (ANSCA) land reconveyances and mineral exploration studies will be completed in the next few years. Right now, the world price of copper is holding down the feasibility of mineral extraction operations. The Western Arctic Transportation study findings and rapidly emerging energy policies will affect the feasibility of coal, oil, gas, and construction projects. As these changes occur, the effects on population growth and facility demands can be studied in greater detail in later studies.

The analysis phase includes both data analysis by regional staff and conceptual issues analysis by the task forces. The task forces will be asked to conduct an organized investigation of barriers to development, types, location, and timing of development projects, and economic, physical, and administrative constraints.

The joint review approach will also be used in the following stages: "Identification of Alternatives" and "Evaluation of Alternatives." After alternatives are identified by each task force, they will be evaluated according to criteria developed earlier. Evaluation criteria for policies, programs, and projects will include financial, administrative, and political feasibility. The legality, infrastructure availability, environmental impacts, social impacts, goals achievement, and long-term implications will also be examined.

If the joint review approach does not meet cooperation by the agencies

or communication difficulties are overwhelming, regional staff may have to conduct the work. However, the purpose of putting all this effort into the process is to provide public legitimacy to the findings of the task forces, to maximize the rationality and breadth of alternatives considered, and to include agencies in the project.

Impact analysis for each project will be similar to the "scoping" of survey issues approach used by the Bureau of Land Management (BLM) Outer Continental Shelf (OCS) office.

Evaluation of projects is partially based on the extent to which individual projects contribute to the accomplishment of multiple goals. Each project will be evaluated for goals achievement and other factors before it is selected for inclusion in the strategy. By assessing the degree to which a project achieves the regional goals and the number of multiple goals achieved, all the projects are tied back to this first year's work. The projects proposed in the final package should therefore constitute a group which is well-screened, will have minimum impacts and will have maximum benefits in achieving the various goals. It should be an integrated hierarchy of goals, objectives, policies, programs, and projects.



The package should therefore be internally consistent (without major incompatibilities between projects and goals).

The rationality and understanding achieved by extensive participation by agencies should provide greater support by those agencies at later dates, as each of the previously studied projects is submitted for funding and permitting. Poorly conceived or muddled projects, especially those which are consistent with regional goals, agency regulations, and acceptable impact levels should be screened out early.

This should help to eliminate incompatible projects before they get so far underway that they are carried forward under their own momentum rather than rationality and public value.

Once criteria are set to guide the agency reviews, joint meetings may not be needed very often. The A-95 Clearinghouse will provide distribution of proposals to agencies and communities so that the only times meetings would be required is in the cases of controversial proposals.

The State Clearinghouse Coordinator has agreed to provide distribution of proposals to all agencies, State and Federal, who are participating on the NANA Regional Strategy. This should provide some incentive for Federal agencies, many of whom do not presently receive notice of proposals. Mauneluk will provide a list of agencies participating actively so that they can receive those benefits. Central offices of each agency will be asked to send proposals to their representative participating in the Regional Strategy affecting the NANA Region.

Mauneluk will also assist communities to prepare comments on significant proposals affecting the communities. This should improve

local management capability by developing awareness and skills for formal communications with the Clearinghouse. Eventually, an element of the process will be a regional clearinghouse. In support of this approach, Mauneluk is providing the above-mentioned service to communities, and providing reference and data services to agencies.

After the strategy is completed the Clearinghouse Coordinator should be able to compare a given proposal with the goals, policies, and projects in the final document. Further comments may be warranted but most questions on local preferences should be available.

7. Community Information & Education

Announcement of the Regional Strategy project was made during community meetings conducted by the Alaska Public Forum in each of the eleven (11) villages. However, in Kotzebue, while trying to obtain local match, it was discovered that understanding of the project was severely limited. Subsequently, presentations were made to all the regional boards, commissions, and staff. A total of eighteen (18) presentations were made in the villages and Kotzebue. One presentation was to the assembled city administrators and IRA administrators from every village.

The City of Kotzebue decided after two (2) presentations to contribute to the local match. The City negotiated in return a fixed amount of time to be provided by the Regional Strategy planner to the Planning Commission of the City of Kotzebue. The role of the Regional Strategy planner in these meetings is not to be staff to the City but to be available for advice on workplan development, factors to consider, and resources which can be sought for technical and financial assistance from the State

and Federal governments. The time spent working with the Planning Commission can be justified in that approximately half of the region's residents live in Kotzebue.

Much more time was spent in public education and information than was anticipated at the detriment of the schedule for other activities. However, the time spent is considered by Mauneluk to be important to the public acceptance and cooperation on the project and will have its payoff in long-term implementation.

Some time was also spent on considering the usefulness and feasibility of media coverage by radio, video, and local television interviews with regional leaders. Initial investigations have been made on the possibility of a slide-show or film on the region, its problems, and the alternatives available. The film or slide-show would provide a useful public participation and information tool, as well as a product which could be used outside the region and state for public information on the strategy and the region.

8. Data Collection Agreements

Efforts to commit agencies to participation include the formalization of agreements for data collection and programs. The examples mentioned in the first section on progress results are representative of the results. Soil surveys, forest assessments, gravel resource maps, land ownership maps, and other products useful for implementation will be outputs of the first years efforts. Other projects committed this year include a preliminary census to be conducted by the school district this fall to update population figures and a consultant contract to calculate population projections under various economic development scenarios.

Interagency cooperation has been exemplified by efforts by the State Department of Natural Resources Water Management Section in Anchorage which is formulating water planning guides for the region. Field reconnaissance water sampling was conducted on the Kobuk River and tributaries by an interagency team. During the study design phase of the project, coordination was kept up with the strategy project through offers by the Department of Natural Resources to collect data for other agencies projects. An outline of the water planning project was distributed at a working group meeting and several extensive phone conversations were held with various participants to coordinate efforts. Logistics were coordinated with Mauneluk and a detailed study design was submitted just prior to the field work. The Department of Natural Resources Water Section will base water demand projections on population and economic development projections to be made by the Regional Strategy staff and consultants next winter. Results will be passed out to all strategy participants for whom water planning guides will be helpful.

9. Carrying Capacity as a Regional Management Concept

An additional element of the strategy requiring time during the first year was research on the application of carrying capacity concepts to regional planning. Working with the National Science Foundation resident, a preliminary background paper was written reviewing the literature on carrying capacity, and the application to community situations. A copy of the paper is being rewritten now for distribution to the Steering Committee.

Potential exists for using the concept to determine temporary

limits on the growth rates and magnitudes of communities before substantial public investment is needed to relieve the strain on community resources. The approach may be applied in communities in which limiting factors such as gravel shortages, water shortages, financing ceilings, and lack of public investments are limiting further growth.

The carrying capacity approach may be useful in designing data collection programs. If the program is designed early enough with the appropriate measures, indicators can be collected from the beginning of the project for each village. The amount of surplus housing, unused sewer hookups, excess electrical generating capacity, and buildable land space available, are examples of such measures.

The effort is focused at a comparison of resource supply and demand to provide an early warning system for potential shortfalls. This approach will be of benefit in highlighting the need for early management attention to engineering, administrative, land use, and relocation alternatives.

Regional accounts for each village were started, which summarizes available data for each of the categories, so that managers and agencies will have a display of critical problems and impending shortfalls due to population growth.

STATE PROJECTS PROGRAMMED THROUGH
THE DIVISION OF FACILITY PROCUREMENT & POLICY
DEPARTMENT OF TRANSPORTATION

(Anticipated for construction in the next several years.)

Ambler Elementary School Remodel	\$ 890,000
Kotzebue Voc. Ed. & Gym Facility	4,500,000
Noatak High School	2,410,000
Noorvik Elementary School Remodel	1,135,000
Noorvik High School	945,000
Selawik Elementary School Remodel	875,000
Selawik High School	590,000
Kotzebue A.A.F.A.	2,337,000
Kotzebue Court Addition	298,000

Ambler High School Phase II (85% Complete)	456,125
Kotzebue Hatchery	5,000,000

Health Facilities at:

Shungnak	100,000
Kivalina	100,000
Kobuk	100,000
Buckland	100,000
Ambler	100,000

School Facilities and equipment at Kiana	200,000
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Maintenance Storage Buildings at:

Noorvik	100,000
Kiana	100,000
Shungnak	100,000

COMMUNITY PROJECTS MATRIX - PLEASE PRINT IN BLACK INK OR USE TYPEWRITER

FORM FOR PROJECTS LISTED IN
CURRENT YEAR: 1978

FORM 2

Mauneluk Association/Nana Region
Name of Community

(A) PRIORITY	(B) PROJECT DESCRIPTION AND PURPOSE	(C) TYPE OF PROJECT	(D) FUNDING SOURCES	(E) AMOUNT FROM EACH SOURCE	(F) DATE OF COMPLETION	(G) WHEN WILL YOU APPLY FOR THESE FUNDS? WHAT PROBLEMS, IF ANY, ARE YOU HAVING WITH FUNDING?
1.	Gravel source - Kotzebue, Noorvik	Planning	BIA	\$ 10,000		
2.	Sno-go repair shop - Deering	Const.	EDA	\$ 66,000		February 1979
3.	Boat building/storage facility - Kotzebue	Const.	EDA	\$300,000		February 1979
4.	Heavy equipment - Buckland, Noorvik, Kiana	Const.	?			Contract available to utilize equipment for local project. Private financing to be pursued.
5.	Solid waste disposal - Selawik, Kiana, Kivalina, Shungnak, Noorvik, Buckland OTZ	Const./ Imp.	HUD, CBDO or USDA			April 1979
6.	Airport improvement - Buckland, Shungnak, Kivalina, Deering, Noatak, Noorvik	Const.	Fed. AA			Mid-1979
7.	Warm-up shelters airport - Kiana, Kivalina, Selawik, Ambler, Shungnak, Noatak	Const.	State DOT Private	\$ 10,000 10,000	May '79	
8.	Erosion Control - Noatak	Planning	?			Identification of funding agency.
9.	Firehouse - Noatak, Kivalina	Const.	HUD	\$130,000	Summer 1979	
10.	Bridge - Selawik	Const.	State DOT	\$2.5 Mil.	?	Bonding approved in State general election. Design to commence.

ADDITIONAL INFORMATION - (any CURRENT problems encountered by your community in obtaining funding):

EXPLANATION OF CODES

- (A) PRIORITY: Number 1 is your first priority project for this year, number 2 is second priority, etc.
 (B) PROJECT DESCRIPTION AND PURPOSE: Please name and describe the project and tell briefly how the community will make use of it.
 (C) TYPE OF PROJECT: Service, construction, improvement, personnel, planning. Select one of these which best identifies the project.
 (D) FUNDING SOURCES: What agency(s) or program(s)?
 (E) AMOUNT FROM EACH SOURCE: Please specify.
 (F) DATE OF COMPLETION: Please estimate.
 (G) WHEN WILL YOU APPLY? PROBLEMS?

Bob Knoll

SIGNATURE

EDA Planner

TITLE

Mauneluk Association

ORGANIZATION

January 22, 1979

DATE

FORM FOR PROJECTS LISTED IN
CURRENT YEAR: 1978

Mauneluk Association/Nana Region
Name of Community

FORM 2

(A) PRIOR- ITY	(B) PROJECT DESCRIPTION AND PURPOSE	(C) TYPE OF PROJECT	(D) FUNDING SOURCES	(E) AMOUNT FROM EACH SOURCE	(F) DATE OF COM- PLETION	(G) WHEN WILL YOU APPLY FOR THESE FUNDS? WHAT PROBLEMS, IF ANY, ARE YOU HAVING WITH FUNDING?
11.	Regional forestry industry for local consumption.	Planning				When research finished.
12.	Water & sewer - Selawik	Planning Stage				
13.	New housing - Selawik, Iioorvik, Kotzebue	Const.	HUD Nana Reg.Hse. Authority.	\$2.5 Mil.	?	Bids were too high - project being re-evaluated.

ADDITIONAL INFORMATION - (any CURRENT problems encountered by your community in obtaining funding):

The priority rating is extremely difficult to assign due to the autonomy of each village; so I grouped them by project category. In-
dividual priorities may be extracted from OEDP.

EXPLANATION OF CODES

- (A) PRIORITY: Number 1 is your first priority project for this year, number 2 is second priority, etc.
 (B) PROJECT DESCRIPTION AND PURPOSE: Please name and describe the project and tell briefly how the community will make use of it.
 (C) TYPE OF PROJECT: Service, construction, improvement, personnel, planning. Select one of these which best identifies the project.
 (D) FUNDING SOURCES: What agency(s) or program(s)?
 (E) AMOUNT FROM EACH SOURCE: Please specify.
 (F) DATE OF COMPLETION: Please estimate.
 (G) WHEN WILL YOU APPLY? PROBLEMS?

Bob Knoll
SIGNATURE

EDA Planner

TITLE

Mauneluk Association

ORGANIZATION

January 22, 1979.

DATE

STATE OF ALASKA

JAY S. HAMMOND, Governor

OFFICE OF THE GOVERNOR

DIVISION OF POLICY DEVELOPMENT AND PLANNING

POUCH AD
JUNEAU, ALASKA 99811
PHONE: 465-3512

October 29, 1979

Dear Strategy Participant:

Enclosed is the agenda for the annual update meeting for the NANA Regional Strategy. The meeting will be held from 9:00 a.m. Thursday, November 15, until Friday, November 16, 4:00 p.m. in Kotzebue.

The Governor's Office has assisted in the initiation and support of the NANA Regional Strategy in conjunction with the U.S. Department of Housing and Urban Development and the State Department of Community and Regional Affairs. Last year, over 20 agencies attended the initial meeting to discuss the region's problems, the strategy concept, and each agency's activities in the region. This year we hope to update these reports, and to discuss problems and successes in formulation of the strategy. An important element will be discussion of needs and arrangements for the new fiscal year.

You will soon be receiving a package of materials produced for the NANA Regional Strategy during the first year of operation. The package will include a Progress Report, the Bibliography of Physical and Environmental Resources, and Results of the Village Survey on needs and priorities. We would appreciate your becoming familiar with its contents prior to the meetings.

You will also receive a questionnaire to update the information you may have provided last year. Some agencies did not return the questionnaire last year, or provided incomplete information. Included will be a form on which to outline the schedules for research and construction projects anticipated for this coming fiscal year, including completion of earlier projects. Please fill out all the materials and send them to Mauneluk Association by October 31. Do not wait until the meeting to send them. Mauneluk's address is: Mauneluk Association, P. O. Box 256, Kotzebue, Alaska 99752.

The materials will be redistributed in a compiled package at the meeting so that you will have a summary of all agency activities in the region. There have been earlier attempts at gaining much of this information, but they met with limited cooperation by several agencies. Please make sure you complete these in a timely manner, as thoroughly as possible.

The meeting will include work sessions at which you will have the opportunity to participate in analytical exercises to help identify innovative approaches to solving the complex problems facing the region.

(over)

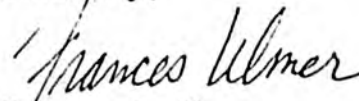
October 29, 1979

Printed materials prepared by regional staff will provide input to the workshop groups. A technical coordinator will be working with each group to ensure that analysis moves forward rapidly, and to ensure that specific management recommendations are produced from each workshop.

We hope you will make every effort to ensure that these working sessions are productive. This is an opportunity for you to demonstrate that agencies can work together. Please come prepared to provide detailed information on your entire agency's activities and projects in the work sessions.

Both Wien and Great Northern serve Kotzebue from Anchorage. Return arrangements on Friday should be made through Fairbanks on the 5:10 p.m. flight, for a connection to Anchorage. You should make your own reservations at the Nul-Luk-Vik Hotel. Please RSVP as soon as possible so Mauneluk, NANA and the School District know how many people to plan for.

Sincerely,



Frances A. Ulmer
Director

Enclosures

AGENDA

ANNUAL UPDATE MEETING NANA REGIONAL STRATEGY KOTZEBUE, ALASKA

Thursday, November 15

9:00 am INTRODUCTION - Dennis J. Tiepelman, President
Mauneluk Association
- Meeting objectives organization and products

BACKGROUND

The National Program for Strategies - John Duffy, Area Office Director
U.S. Department of Housing & Urban Development

State Involvement in the Strategy - John Halterman, Deputy Director
Governor's Division of Policy Development and
Planning

History of NANA Region's Strategy - John Schaeffer, President
NANA Regional Corporation

UPDATE

Planning Process and Products - Matt Conover, Regional Strategy Planner
Mauneluk Association

Economic Development Component: Justifying Projects & Program Proposals
Bob Knoll, Economic Planner
Mauneluk Association

Coordination of Review of Project & Program Proposals from the Strategy
Jerry Madden, State-Federal Coordinator
Governor's Division of Policy Development
and Planning

12:00 pm - L U N C H

(over)

1:00 pm - Task Force Working Sessions 1)Lands 2)Facilities 3)Health, Education
Social Services

- Update on Agency Activities

- Identifying Problem Relationships--(Barriers to Rural Development in the NANA Region)--and Prioritizing

4:00 pm - Reassemble to present results of work sessions

5:00 pm - D I N N E R

7:00 pm - Mixer: Slide show of NANA villages and people.

- Casual gathering to discuss individual opportunities for coordination.

Friday, November 16

9:00 am - General Session--Procedures for Identifying Alternatives

10:00 am - Work Session--Identifying Alternatives to Meet the Needs

12:00 pm - L U N C H

1:00 pm - Work Sessions Continued--Scheduling Multi-Agency Action for FY80

3:00 pm - General Session for Summary and Conclusion

4:00 pm - End

5:10 pm - Plane departs for Fairbanks to connect to Anchorage, Juneau, and Seattle.

LANDS WORKSHOP AGENDA

NANA REGIONAL STRATEGY MEETING
Kotzebue, Alaska
November 15, 16, 1979

Objectives of this workshop

- A. Update on Agency Activities.
- B. Establish priority list for action in region
(eg., caribou management studies, monument facility plans,
etc.)
- C. Define goals and output format for a regional land
use plan. (How do you want to do it?)
- D. Establish schedule for this year for cooperative planning
sessions.

A. Update

- A. Regional activities: Forest assessment due December,
(preliminary findings) SCS village surveys, gravel mapping.
- B. Status of D-2 Monument Regs in NANA Region. Next steps.
- C. Status of Agency Planning.
- D. Status of State DNR planning for Ambler District.
- E. Status of BLM resources (schedule process, staff).
- F. Water planning guides (Report on fieldwork, date of
publication).
- G. Each agency should tell its schedule and draw it on board,
or submit a sheet.

D. Establish Schedule for Preparation of a Regional Land Use

Plan for this year to guide DOT/PF

- List stages, and activities needed.
- Needed frequency of meetings and reports.
- Establish deadlines.

E. Effects of Coastal Management - Discussion of Experience by

whatever agency has done work with a CZM plan

PRODUCTS

- A. Multi-agency schedule of activities for coming year.
- B. Priority list (adjusted alternatives list).
- C. Structure and Schedule for Regional Land Use Plan.

H. Effects of Coastal Management on Agency Land Planning.

B. Priority list for agency actions (Workshop will add items and
develop a priority ranking)

- A. Monument Concept Plans.
- B. Monument Facility Construction Plans.
- C. Caribou Management Plans.
- D. Regional Land Use Plan to send to DOT/PF for Western Arctic Transportation Study.
- E. NANA Lands Management Plan.
- F. Forest Management Plan.
- G. Map indexing and sharing project.
- H. Aerial photo indexing and sharing.
- I. Flood plain identification study.
- J. Archaeological mapping.
- K. Land use plan for Ambler Mining District.
- L. Water use plan for Ambler Mining District.
- M. Same for LIK/Red Dog.
- N. Gravel and water problems for Kotzebue.
- O. Agricultural Studies.

C. Output Format for Cooperative Ecosystem Planning

- How to do it: - Sum of separate agency plans?
 - Work together on team like NPRA?
 - What budget?
 - What staff?

MANAGER
NUL-LUK-VIK HOTEL
BOX 336
KOTZEBUE, AK. 99752

WE WILL BE ATTENDING THE REGIONAL STRATEGY UPDATE MEETING ON
NOVEMBER 15 and 16.

THE NUMBER OF PERSONS ATTENDING THE CONFERENCE FROM OUR GROUP
WILL BE _____.

PLEASE RESERVE _____ SINGLES AND _____ TWINS FOR ROOM RESERVATIONS.

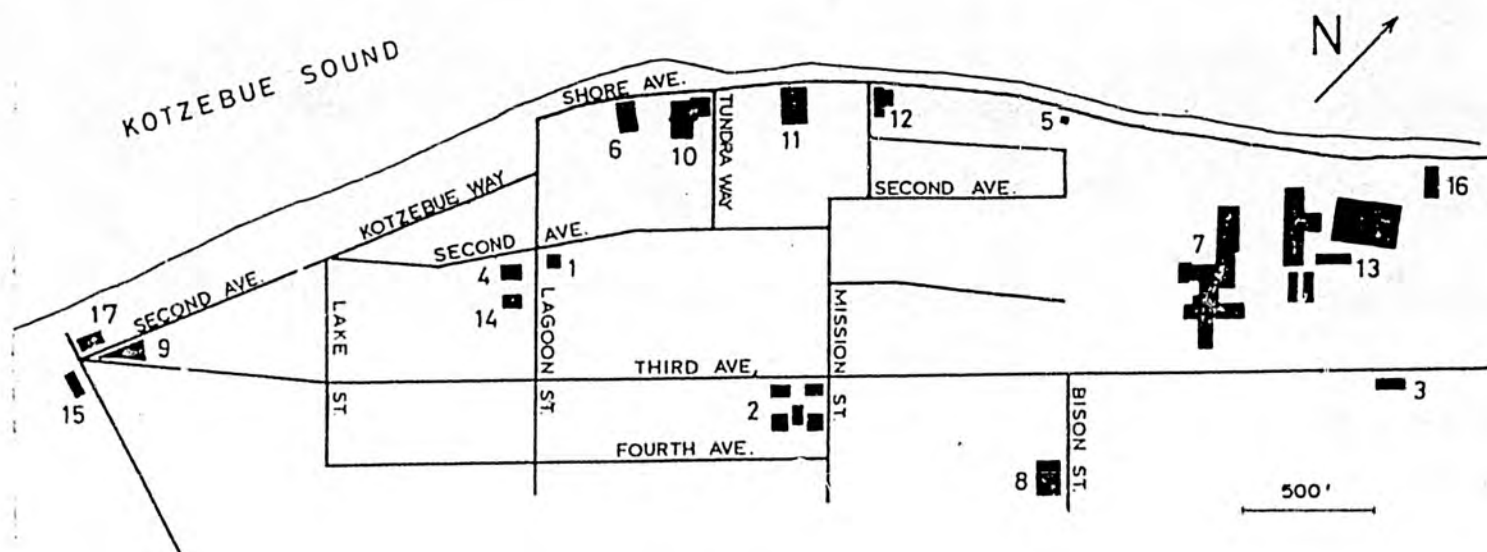
PLEASE RESERVE THE ROOMS UNDER THE NAMES BELOW:

THANK YOU.

Signed _____

Agency _____

Date _____



1. Bank
2. City Buildings
City Hall
Fire Dept.
Police Dept.
3. Community College

4. Dairy Queen
5. Hamburger Hut
6. Hanson Trading Co.
7. Hospital
8. Kotzebue Square
9. N.A.N.A. Museum
10. Nul-luk-vik Hotel

11. Post Office
12. Rotman's Store
13. School
14. Val-U-House
15. Wien Air Alaska
16. Wien Hotel
17. Northwest Arctic
School District Central
Office

The Alaska Public Forum



NANA Survey Summary

March, 1979

INTRODUCTION

In the spring of 1978, NANA requested state assistance in order to begin a process to establish an overall regional strategy plan. In an effort to establish goals and priorities with the villages, a survey was conducted in November/December 1978. It was designed and conducted by the Alaska Public Forum in conjunction with Mauneluk and NANA.

The categories involved included: subsistence; employment; community services; transportation; and community ties.

The following analysis provides a synopsis of the survey results which may be used in policy planning by and for the NANA region.

Public meetings which will be held in April, will serve as a follow-up to the survey to cover any areas villages may feel need to be added or emphasized; and, to provide to the individual communities an overview of the survey results of the region as a whole.

The funding for this project was provided by:
Alaska Public Forum, Office of the Governor;
Alaska Department of Transportation and Public
Facilities; and, the U.S. Department of
Housing and Urban Development.

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SUBSISTENCE

SUMMARY: The leadership of the NANA region has indicated that the maintenance of subsistence activities is of the highest priority. Overall, the survey seems to show that a large portion of the NANA population still depends on subsistence as a major source of food. Two-thirds of the people interviewed indicated that they hunted for at least one-half of their meat. The young are continuing the subsistence lifestyle. Sharing seems to be prevalent among the hunters and gatherers with 91% indicating that they share food. It appears that people who have jobs for pay continue to participate in subsistence activities.

TABLE 1: COMPARISON OF WORK PATTERNS
AND TYPE OF FOOD EATEN

Proportion of Meals where Meat Is Purchased at the Store

	<u>No Meals Purchased</u>	<u>¼ Meals Purchased</u>	<u>½ Meals Purchased</u>	<u>More Than ½ Meals Purchased</u>
Unemployed	19%	58	19	4 = 100
Part-time employed	11	63	24	2 = 100
Full-time employed	0	61	39	0 = 100

Proportion of Meals where Meat Is Hunted or Gathered

	<u>No Meals Gathered</u>	<u>¼ Meals Gathered</u>	<u>½ Meals Gathered</u>	<u>More Than ½ Meals Gathered</u>
Unemployed	4	29	35	32 = 100
Part-time employed	5	37	36	22 = 100
Full-time employed	5	35	30	30 = 100

Looking at different age groups, subsistence activities seem to be maintained by the youth. Roughly, half of each of the five age groups are doing 5-10 activities throughout the year, while only 1-5% don't hunt at all. See Table 2.

TABLE 2: DIFFERENCES IN SUBSISTENCE ACTIVITY
AMONG FIVE AGE GROUPS

<u>Number of Subsistence Activities</u>	<u>Age</u>				
	<u>15-24</u>	<u>25-34</u>	<u>35-44</u>	<u>45-54</u>	<u>Over 54</u>
None	1%	2	4	0	5
1-4	39	27	27	22	29
5-10	42	56	52	61	50
11 or more	18	15	17	17	16
	<u>100%</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
No. of Respondents:	74	89	48	51	56

Longtime residents are a bit more likely to be active in subsistence activities. There was almost no difference between men and women, and the unemployed and employed in subsistence activity. Although the unemployed are slightly more intensely involved in hunting and gathering, it is interesting to note the continued participation of the full-time employed in subsistence activities. See Tables 3 and 4.

TABLE 3: DIFFERENCE IN SUBSISTENCE ACTIVITY
BY YEARS LIVED IN THE COMMUNITY

<u>Number of Subsistence Activities</u>	<u>Years</u>			
	<u>0-5</u>	<u>6-10</u>	<u>11-20</u>	<u>Over 20</u>
None	3%	0	2	3
1-4	34	13	42	25
5-10	48	81	42	54
11 or more	15	6	14	18
	<u>100%</u>	<u>100</u>	<u>100</u>	<u>100</u>
Number of Respondents:	60	16	67	175

TABLE 4: NUMBER OF SUBSISTENCE ACTIVITIES
IN RELATION TO WORK PATTERNS

	<u>No</u> <u>Activities</u>	<u>1-4</u> <u>Activities</u>	<u>5-9</u> <u>Activities</u>	<u>10 or more</u> <u>Activities</u>	
Unemployed	3%	32	45	20	= 100%
Part-time employed	2	31	52	15	= 100
Full-time employed	5	24	57	14	= 100

¹These include: caribou, moose, seal, 5 species of fish, birds, whale, bear, berries, trapping, crafts, eggs and plant gathering.

We know that 91% of NANA residents share food, but only about 15% of those sharing food also trade. Thus, sharing appears to be a significant way that those who do fewer subsistence activities add large amounts of subsistence foods to their diets. From Table 5 it appears that those with higher incomes are more likely to trade for food, but it is generally not done.

Percent of those who share food that also trade for food.

Income	TABLE 5:	Yes, we trade for food	No, don't trade for food		
\$ 5000 or less		14%	86	=	100% 58
\$ 5000-14,999		17	83	=	100 110
\$15000 or more		19	81	=	100 106
			n =		274

The survey results confirm the assertion that NANA residents are heavily engaged in subsistence activities and that the food hunted and gathered accounts for over half of the food consumed by the respondents. Since young people are actively engaged in subsistence activities, it may be projected that continual use can be anticipated as long as the resource base is maintained.

EMPLOYMENT:

SUMMARY: The survey results seem to indicate people are more willing to work inside the NANA region rather than relocating outside the region. Among the untapped skills are fixing machinery and welding which fall into the category of trades and teaching, typing, care of others, which fall into the area of services as well as some regional skills such as skin-sewing and ivory carving.

Preference for working for pay at different times of the year was clearly expressed. One-fourth of the respondents indicated a preference for not working during the summer months when subsistence gathering and hunting are done. With only 8% of the native population employed full-time, the current situation is that the vast majority of the native population is either working part-time (45%) or are unemployed (47%). When asked "how does this household meet their daily needs," multiple answers were given by most respondents. In addition to jobs, almost 42% of the Kotzebue respondents indicated that subsistence hunting and fishing was important, while slightly over 80% of the village respondents said subsistence activities helped meet their families' daily needs. Eighteen point six percent of the Kotzebue respondents said food stamps and other forms of government aid contributed, while 24.8% of the village respondents said they relied on some sort of government assistance.

ANALYSIS: One of the options open to NANA residents is to manage commercial resource development and the corresponding job opportunities. At this time in the NANA region there is a pool of skills and labor available for work.

In Table 6, 18% of the respondents reported that they have skills in the trades and are not working now. Likewise, on support services, 12% of the respondents are skilled people who are not currently working. Half of the respondents said they had not worked in the past year. The availability of jobs is unknown.

TABLE 6: COMPARISON OF TYPES OF SKILLS PEOPLE HAVE
AMONG THREE EMPLOYMENT GROUPS

(figures represent percentage of total number of native respondents)

	<u>Trades</u> ¹	<u>Services</u> ²	<u>Regional Skills</u> ³	<u>Other</u>
Unemployed	18%	12%	14%	8%
Part-time employed	13%	15%	7%	6%
Full-time employed	2%	3%	1%	1%

Number of respondents = 254

¹Trades--fixing machinery, welding

²Services--teaching, helping sick, typing, taking care of children

³Regional skills--ivory carving, basket making, skin sewing, sewing.

Table 7 shows that about one-quarter of NANA residents do not want to work for pay during the summer and would like to be employed in the winter months.

Table 7 shows the proportion of people who expressed a preference for working in certain months in each village. In every case two to three times more people want work during the winter months. In important subsistence months: June; July; and August only 10% of the people report they want to work for pay.

TABLE 7: PERCENT OF PEOPLE STRONGLY WANTING WORK DURING THE MONTHS IN EACH VILLAGE

	<u>Kotzebue</u>	<u>Kivalina</u>	<u>Ambler</u>	<u>Kobuk</u>	<u>Buckland</u>	<u>Deering</u>	<u>Selawik</u>	<u>Noorvik</u>	<u>Kiana</u>	<u>Noatak</u>	<u>Shungnak</u>
January	32%	11%	12%	0%	6%	8%	16%	12%	39%	23%	33%
February	32	11	12	0	6	8	16	15	35	28	33
March	28	11	12	0	6	8	16	15	39	23	33
April	25	16	12	0	0	8	19	9	35	28	22
May	18	5	0	0	6	0	16	15	23	28	11
June	8	11	0	12	6	16	19	12	4	19	11
July	5	11	0	12	6	8	25	12	4	14	0
August	8	22	12	12	0	8	25	18	12	14	0
September	18	11	12	12	6	0	19	15	15	28	0
October	24	16	12	12	6	0	16	15	27	33	11
November	29	11	12	0	6	0	22	18	31	23	33
December	29	11	12	0	6	0	16	18	31	19	33
No. of Respondents:	161	18	17	8	18	12	31	32	26	21	9

Tables 8 and 8a show the relationship between subsistence activities and desired time for work more clearly. These Tables show that those most active in subsistence, especially in the summer, are the ones who do not want to work for pay during the same time.

TABLE 8: MONTHLY COMPARISONS OF ACTIVITY
IN SUBSISTENCE AND DESIRE TIME FOR WORK

	<u>Want Work</u>	<u>No Preference</u>	<u>Don't Want to work</u>	
<u>January</u>				
Not active	28%	61	11	= 100%
Active some of month	21	71	8	= 100
<u>February</u>				
Not active	28	62	10	= 100
Active some of month	21	70	9	= 100
<u>March</u>				
Not active	26	63	11	= 100
Active some of month	20	68	12	= 100
<u>April</u>				
Not active	27	63	10	= 100
Active some of month	14	71	15	= 100
<u>May</u>				
Not active	18	65	17	= 100
Active some of month	16	66	18	= 100
<u>June</u>				
Not active	10	62	27	= 100
Active some of month	11	63	26	= 100
<u>July</u>				
Not active	9	65	26	= 100
Active some of month	9	63	28	= 100
Active most of month	0	83	17	= 100
<u>August</u>				
Not active	10	67	23	= 100
Active some of month	13	63	24	= 100
Active most of month	12	60	28	= 100
<u>September</u>				
Not active	18	67	15	= 100
Active some of month	16	65	19	= 100
Active most of month	37	38	25	= 100
<u>October</u>				
Not active	20	64	16	= 100
Active some of month	23	67	10	= 100
Active most of month	33	67	0	= 100
<u>November</u>				
Not active	25	63	12	= 100
Active some of month	24	68	8	= 100
Active most of month	33	67	0	= 100
<u>December</u>				
Not active	25	62	13	= 100
Active some of month	21	69	10	= 100
Active most of month	50	50	0	= 100

Number of Respondents: 318

Table 8a:

MONTHLY SUBSISTENCE ACTIVITY IN THE VILLAGES											(percentage)
	Kotzebue	Kivalina	Ambler	Kobuk	Buckland	Deering	Selawik	Noorvik	Kiana	Noatak	Shungnak
<u>January</u>											
Not active	80	61	53	75	61	50	84	66	77	67	89
Active part of month	20	39	47	25	39	50	16	34	23	33	11
	100	100	100	100	100	100	100	100	100	100	100
<u>February</u>											
Not active	83	66	53	75	67	50	84	66	73	71	56
Active part of month	17	34	47	25	33	50	16	34	27	29	44
	100	100	100	100	100	100	100	100	100	100	100
<u>March</u>											
Not active	77	61	59	75	61	58	81	59	62	52	44
Active part of month	23	39	41	25	39	42	19	41	38	48	56
	100	100	100	100	100	100	100	100	100	100	100
<u>April</u>											
Not active	70	72	47	75	72	42	77	63	73	43	56
Active part of month	30	28	53	25	28	58	23	37	27	57	44
	100	100	100	100	100	100	100	100	100	100	100
<u>May</u>											
Not active	62	44	29	50	56	33	42	47	58	38	33
Active part of month	38	56	71	50	44	67	58	53	42	62	67
	100	100	100	100	100	100	100	100	100	100	100
<u>June</u>											
Not active	42	11	29	0	6	33	19	34	31	24	33
Active part of month	56	89	71	100	94	67	77	66	69	71	67
Active most of month	2	0	0	0	0	0	4	0	0	5	0
	100	100	100	100	100	100	100	100	100	100	100
<u>July</u>											
Not active	30	17	0	13	17	0	36	34	15	9	33
Active part of month	67	83	100	87	83	100	60	66	81	81	67
Active most of month	3	0	0	0	0	0	4	0	0	10	0
	100	100	100	100	100	100	100	100	100	100	100
<u>August</u>											
Not active	25	6	0	0	6	0	13	13	15	5	11
Active part of month	68	78	59	100	88	58	84	87	73	81	78
Active most of month	8	16	41	0	6	42	3	0	12	14	11
	100	100	100	100	100	100	100	100	100	100	100
<u>September</u>											
Not active	37	17	6	0	17	8	36	13	12	5	11
Active part of month	61	83	94	100	83	92	64	87	88	86	78
Active most of month	2	0	0	0	0	0	0	0	0	9	11
	100	100	100	100	100	100	100	100	100	100	100
<u>October</u>											
Not active	42	17	12	25	17	17	55	44	39	29	22
Active part of month	57	83	88	75	83	83	45	56	61	71	78
Active most of month	1	0	0	0	0	0	0	0	0	0	0
	100	100	100	100	100	100	100	100	100	100	100
<u>November</u>											
Not active	43	56	59	38	50	58	32	41	46	33	22
Active part of month	56	44	41	62	50	42	68	59	54	67	78
Active most of month	1	0	0	0	0	0	0	0	0	0	0
	100	100	100	100	100	100	100	100	100	100	100
<u>December</u>											
Not active	65	61	59	75	83	42	45	50	92	52	67
Active part of month	34	39	41	25	17	58	55	50	8	48	33
Active most of month	1	0	0	0	0	0	0	0	0	0	0
	100	100	100	100	100	100	100	100	100	100	100

Willingness to work and available skills do not complete the employment picture. Resource development may mean relocation of a single individual, household or a village.

Table 9 shows the percent of people in each village who are willing to work in three likely places: Kotzebue, in a city outside NANA, and a camp outside NANA. Preference depends on the village, but there is more desire to relocate in Kotzebue rather than any place outside NANA, and generally a greater preference to remain in the region than to go outside, even if the job was located at a camp.

TABLE 9: WILLINGNESS TO WORK OUTSIDE VILLAGE (percentage)

	Kotzebue	Kivalina	Ambler	Kobuk	Buckland	Deering	Selawik	Hoorvik	Kiana	Noatak	Shungnak	all Villages
Willing to work in Kotzebue	DNA	61	81	63	67	33	86	72	67	81	56	66.7
Willing to work in a city outside NANA	68	56	63	38	67	67	61	75	62	62	44	59.5
Willing to work in a camp or village outside NANA	68	67	80	38	61	58	71	78	77	76	44	65
Number of Respondents:	157	18	16	8	18	12	28	32	24	21	9	186

If we compare what people want with what they actually did, a similar pattern exists. Table 10 shows the different locations where people actually worked in the past year. The vast majority of work sites was in NANA. See Table 10.

TABLE 10: Percent of People Working in 6 Different Locations

Nana village	41%
Other village	2%
Kotzebue	43%
Nome	.5%
Somewhere else in Alaska	0%
Pipeline camp	13%

Employment opportunities would be more useful inside the NANA region, either in a village or in Kotzebue.

Table 11 shows employment patterns in each village, and the number of unemployed in each village. "Unemployed" means those respondents who said they didn't have a job in the last year. As noted earlier, the vast majority of people interviewed were either unemployed or had part time jobs.

TABLE 11: WORKING PATTERNS IN THE VILLAGES

	<u>Kotzebue</u>	<u>Kivalina</u>	<u>Ambler</u>	<u>Kobuk</u>	<u>Buckland</u>	<u>Deering</u>	<u>Selawik</u>	<u>Noorvik</u>	<u>Kiana</u>	<u>Noatak</u>	<u>Shungnak</u>
Unemployed	46%	50	24	50	50	50	48	56	46	71	22
Part-time employed	46	50	52	50	44	50	39	38	46	29	56
Full-time employed	8	0	24	0	6	0	13	6	8	0	22
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Number of Persons											
Unemployed	74	9	4	4	9	6	15	18	12	15	2
Number of Respondents	161	18	17	8	18	12	31	32	26	21	9

If the NANA labor force is to be used and developed, future economic development projects should be directed to locate within the NANA region and encouraged to generate jobs in both the areas of trade and services. If possible, job opportunities should accomodate the seasonal committments of subsistence hunters.

COMMUNITY SERVICES

Summary:

In recent years many new services have been provided in the NANA communities. Items such as water and sewer systems or cross-wind runways. Often times these things are initially paid for by the federal or state government, but the cost of operating and maintaining them is the responsibility of local people. Therefore, participants in the survey were asked how important the service was in light of local responsibility to pay for its maintenance.

Included in the list were services that local communities have supported for a long time, such as search and rescue and volunteer fire fighting.

The highest priorities for the villages appear to be search and rescue and airport maintenance. Kotzebue residents agree with those but add fire fighting equipment to the top two. Villages vary in their priorities which points up the differences in needs from community to community. Responses were measured against those who were employed versus unemployed, and by income levels. Only slight changes were apparent with these variables.

ANALYSIS:

Each of the villages had a choice of services they thought were important and would be willing to pay for. In all but two cases the villages ranked search and rescue as the most important community service. Overall, the highest priority went to: 1) search and rescue, 2) maintaining the airport, 3) fire protection, and 4) community center activities. There were considerable differences among the villages, as displayed in the following table.

TABLE 12:

RANKINGS OF COMMUNITY SERVICES BY EACH VILLAGE IN THE SURVEY

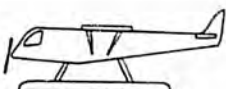
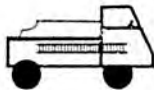
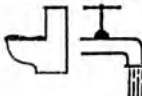
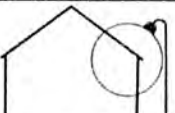
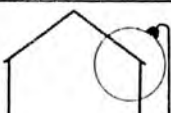
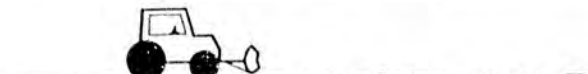
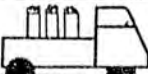
	Kotzebue	Kivalina	Ambler	Kobuk	Buckland	Deerfoot	Selawik	Noorvik	Kiana	Noatak	Shungnak	All Villages
Search and rescue	1	3	1	5	2	1	1	1	1	1	1	1
Fire fighting equipment	2	5	3	1	5	2	7	10	1	2	5	4
Maintain airport	3	1	1	1	1	1	3	2	3	2	2	1
Sewer	4	5	4	3	4	4	4	8	2	4	6	6
Street lights	5	6	2	8	6	2	6	4	2	2	5	5
Community center activities	6	4	3	1	2	3	4	3	2	3	1	2
Maintain roads	7	7	1	3	5	5	10	7	6	5	5	10
Jail	8	2	2	7	3	8	9	5	5	5	4	9
Garbage	9	5	2	2	3	2	8	4	4	8	7	7
Playground	10	6	2	6	4	3	4	9	2	5	5	8
Community shower	11	6	4	2	3	6	5	12	8	6	3	10
Heated shelter	12	5	1	4	6	5	2	6	3	2	1	3
Firemen (paid)	13	7	5	6	7	7	11	11	7	7	8	11

1 means very important and willing to pay a lot

13 means least important and not willing to pay for

Ranking of Community Services - Kotzebue

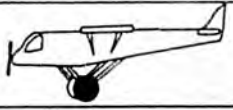
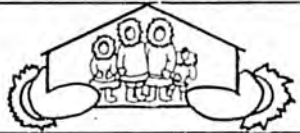
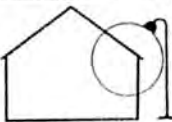
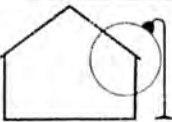
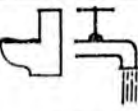
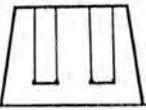
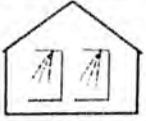
table 12

search and rescue priority 1*	   
firefighting equipment priority 2	  
maintain airport priority 3	 
sewer (and water) priority 4	
street lights priority 5	  
community center activities priority 6	
maintain roads priority 7	
jail priority 8	
garbage priority 9	
playground priority 10	 
community shower priority 11	
heated airport shelter priority 12	 
paid firemen priority 13*	 

* Priority 1: Very Important, community would be willing to pay a lot for maintenance.
Priority 13: Least Important, community not willing to pay for maintenance.

Ranking of Community Services - All Villages

table 12

search and rescue priority 1*	   
maintain airport priority 1*	 
community center activities priority 2	
heated airport shelter priority 3	 
firefighting equipment priority 4	  
street lights priority 5	  
sewer (and water) priority 6	
garbage priority 7	
playground priority 8	 
jail priority 9	
maintain roads priority 10	
community shower priority 10	
paid firemen priority 11*	 

★ Priority 1: Very important, community would be willing to pay a lot for maintenance.
Priority 11: Least important, community not willing to pay for maintenance.

To see if different subgroups rate services differently, three variables were used: income, employment status, and village size. As in the subsistence section, the greatest differences exist between the higher income group (more than \$15,000 a year) and the others.

Higher income people gave more importance to fire protection, airport, sewers, community center activities, and jails. Their interest probably lie more with protection of property and assets, since they are more likely to own property.

TABLE 13: RANKING OF COMMUNITY SERVICES
BY THREE INCOME GROUPS

	<u>Less Than \$5,000</u>	<u>\$5,000- \$14,999</u>	<u>\$15,000 & Up</u>
Search and rescue	1	1	1
Maintain airport	2	2	3
Street lights	3	5	6
Community center activities	4	3	4
Sewer	5	7	4
Garbage	6	10	9
Fire fighting equipment	7	4	2
Heated shelter	8	6	10
Maintain roads	8	8	7
Playground	9	9	8
Jail	10	11	5
Community shower	11	12	11
Paid Firemen	12	13	12

1. most important and willing to pay a lot
13. least important and not willing to pay

There are also differences between the full-time workers and the unemployed. Like the highest income group, the fully employed people are concerned with property related services. This tendency is not a major difference though. Community showers, playgrounds, and paid firemen are considered less important by all groups.

See Table 14.

TABLE 14:

RANKINGS OF COMMUNITY SERVICES
COMPARING THREE EMPLOYMENT GROUPS

	<u>Unemployed</u>	<u>Part-time Employed</u>	<u>Full-time Employed</u>
Search and rescue	1	1	1
Maintain airport	2	2	3
Community center activities	3	4	2
Street lights	3	7	8
Fire fighting equipment	4	3	2
Sewer	5	4	1
Heated shelter	6	8	5
Maintain roads	7	5	4
Jail	8	9	2
Garbage	9	10	2
Playground	10	6	5
Community shower	11	11	6
Paid Firemen	12	12	7

1. most important and willing to pay a lot.
12. least important and not willing to pay for.

From Table 15, the larger city, Kotzebue, differs from the villages in that there is slightly more emphasis on the services of airport maintenance, sewers, and road maintenance than in the villages. These differences probably serve to highlight the variation in conditions between outlying villages and Kotzebue.

TABLE 15: RANKINGS OF COMMUNITY SERVICES
COMPARING KOTZEBUE AND OTHER NANA VILLAGES

	<u>Kotzebue</u>	<u>Other Villages</u>
Search and rescue	1	1
Fire fighting equipment	2	5
Maintain airport	3	2
Sewer	4	6
Street lights	5	7
Community center activities	6	3
Maintain roads	7	10
Jail	8	12
Garbage	9	9
Playground	10	8
Community shower	11	11
Heated shelter	12	4
Firemen	13	13

- 1 = most important and willing to pay a lot
13 = least important and not willing to pay for

All agencies responsible for the provision of capital improvements should be aware of the current preferences of NANA residents. New facilities and services should be planned based on the ability and interest of the community to pay for the maintenance and operation of the structure or service.

TRANSPORTATION

Summary:

Overall the survey indicates that the majority of the travel done by NANA residents is within the region and the most common mode is by air. When transportation facilities were ranked, both Kotzebue and village respondents gave the highest preference to 1st, trail markers, second, trail shelters and third, airport shelters. It appears that most surface and water travel is subsistence related, while air travel is largely for work and to visit. Individual villages varied their rank order.

ANALYSIS:

The transportation needs of a community may depend on what kind of equipment is available.

Table 16 shows a sample of the types of vehicles in each village. In all but Kotzebue, cars and trucks are not used much. Sno-gos and boats appear to supply most of the needs. As expected, the types of vehicles owned is stratified by income and employment: the wealthier owning planes and cars.

TABLE 16: EQUIPMENT IN EACH HOUSEHOLD OF NANA COMMUNITIES
(figure represents number owned)

	<u>Kotzebue</u>	<u>Kivalina</u>	<u>Ambler</u>	<u>Kobuk</u>	<u>Duckland</u>	<u>Deering</u>	<u>Selawik</u>	<u>Noorvik</u>	<u>Kiana</u>	<u>Noatak</u>	<u>Shungnak</u>
Car, truck	52	0	0	2	0	2	0	2	5	0	2
Sno-go	98	12	16	5	12	9	22	24	19	18	7
Cycle	48	1	7	2	2	4	1	5	4	2	0
Boat	76	13	14	5	11	7	24	26	18	18	6
Plane	11	0	1	1	0	0	1	1	2	0	0

Table 17 shows that private airplanes are not as subsistence related as are boats and sno-gos. Those individuals most active in subsistence, though, appear to have access to all modes of transportation.

TABLE 17: EQUIPMENT OWNERSHIP BY INTENSITY OF ACTIVITY IN SUBSISTENCE

<u>Equipment</u>	<u>No Activities</u>	<u>1-4 Activities</u>	<u>5-10 Activities</u>	<u>Over 10 Activities</u>	<u>Number of Respondents</u>
Car-truck	3%	26	59	12 = 100%	65
Sno-go	2	28	56	14 = 100	214
Cycle	5	30	54	11 = 100	67
Boat	2	22	60	16 = 100	193
Plane	0	44	38	18 = 100	16

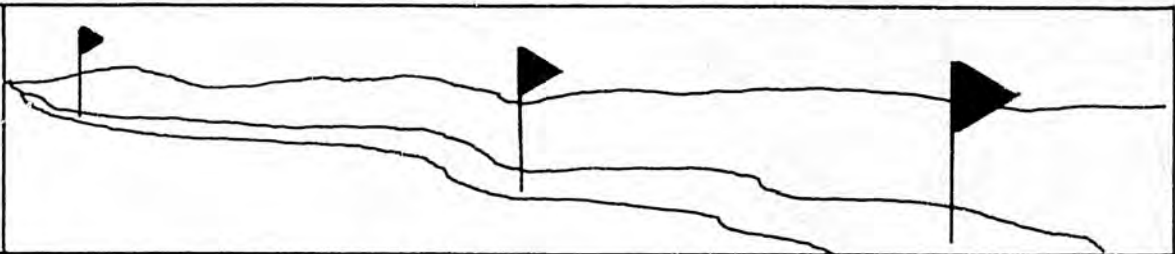
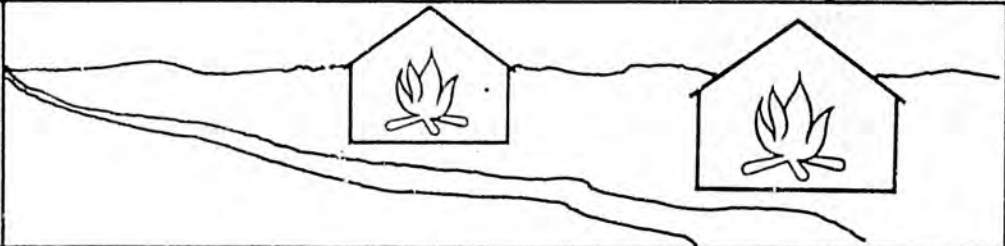
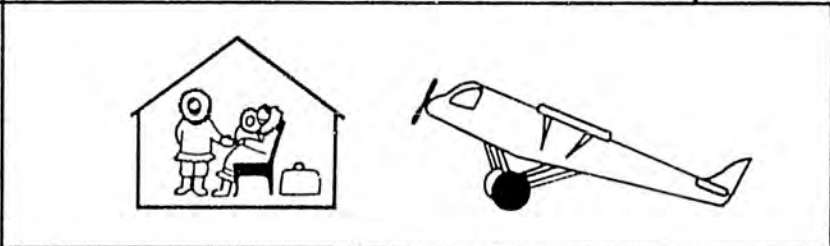
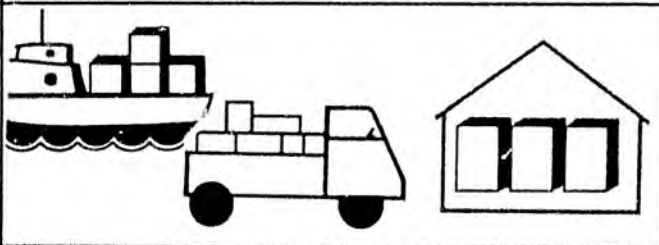
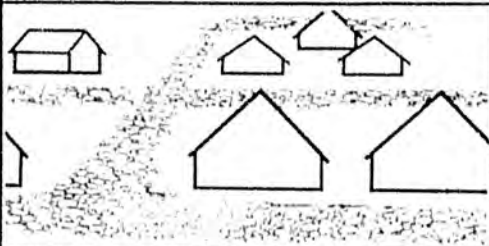
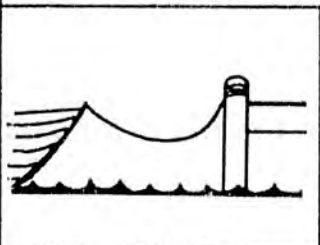
The kind of equipment available then, may determine the kind of transportation services and facilities desired in each community. Table 18 shows that even though more cars and planes are available, trail markers and shelters are still very important. This trend is consistent with the need for search and rescue services also. The development of roads and streets is not overwhelmingly important, and transportation more suited to the arctic environment is valued. There are variations in ranked preference from village to village, however a common trend is evident.

TABLE 18: RANKING OF TRANSPORTATION SERVICES WITHIN EACH VILLAGE

<u>Transportation Services</u>	<u>Kotzebue</u>	<u>Kivalina</u>	<u>Ambler</u>	<u>Kobuk</u>	<u>Buckland</u>	<u>Deering</u>	<u>Selawik</u>	<u>Noorvik</u>	<u>Kiana</u>	<u>Noatak</u>	<u>Shungnak</u>	<u>All villages except Kotzebue</u>
Trail Markers	1	1	1	1	1	1	2	1	1	1	2	1
Trail shelters	2	1	1	4	2	2	1	1	2	2	1	2
Airport shelter	3	1	1	2	3	3	3	2	1	3	1	2
Freight shelters	4	2	2	2	5	4	4	4	3	3	2	3
Streets	5	2	2	3	4	6	5	3	4	5	3	4
Docks	6	3	3	5	6	5	6	6	5	6	4	5
Roads to other villages	7	3	4	3	7	7	7	5	6	4	5	5
Number of Respondents:	161	18	17	8	18	12	30	30	26	21	9	189

Ranking of Transportation Services-Kotzebue

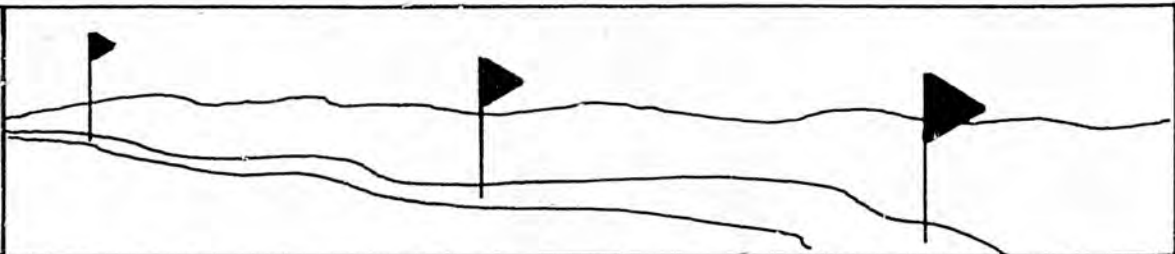
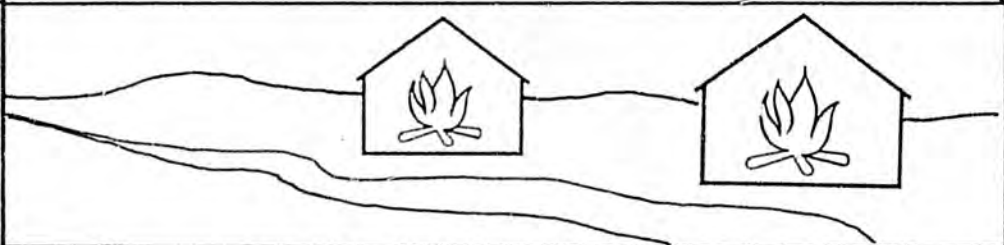
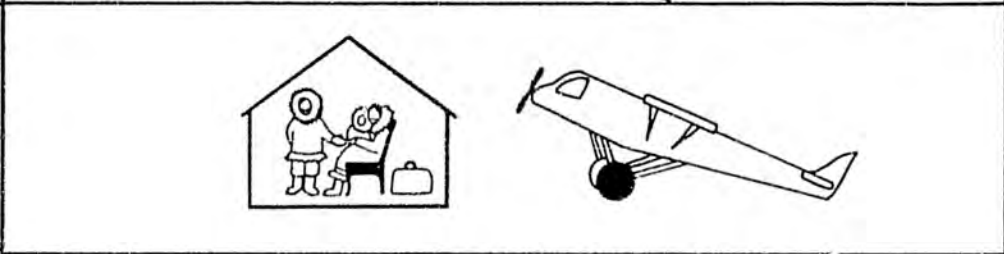
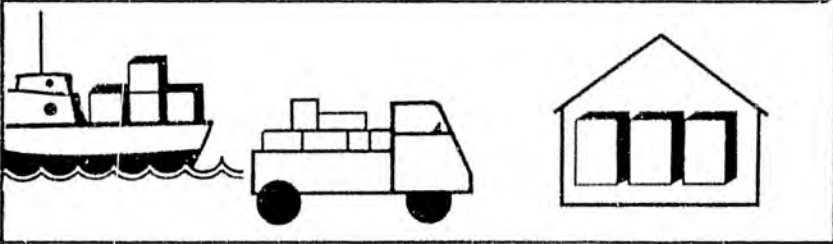
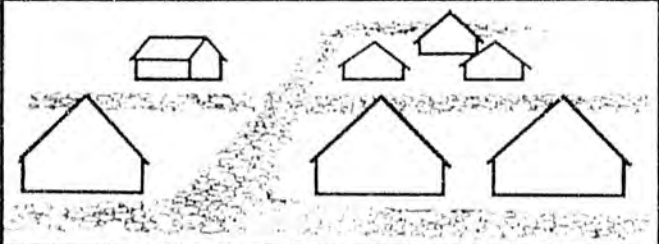
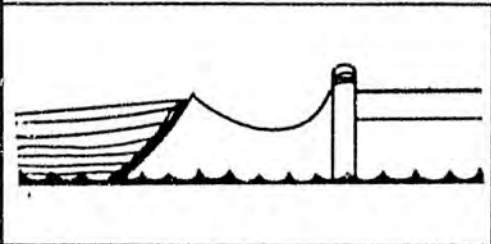
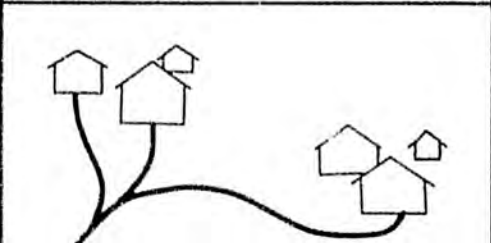
table 18

trail markers priority 1*	
trail shelters priority 2	
airport shelters priority 3	
freight shelter priority 4	
streets priority 5	
docks priority 6	
roads to other villages priority 7*	

* Priority 1: Most Important transportation services
Priority 7: Least Important transportation services

Ranking of Transportation Services- All Villages execept Kotzebue

table 18

<i>trail markers priority 1*</i>	
<i>trail shelters priority 2</i>	
<i>airport shelters priority 2</i>	
<i>freight shelter priority 3</i>	
<i>streets priority 4</i>	
<i>docks priority 5</i>	
<i>roads to other villages priority 5*</i>	

* Priority 1: Most Important transportation services
Priority 5: Least important transportation services

Those who make frequent trips by air want more "conventional" services like roads and streets, freight shelters, and airports. While air travel cannot be substituted for land travel, it appears that mobility in many forms is on the increase.

Nearly half of the respondents traveled within the region, and one-third went outside the region. Table 19 describes all the trips reported by NANA respondents. More than half (65%) of the traveling is done within the region and by air, for either work or visiting. Trips made for purely subsistence reasons don't seem to have shown up here judging from the 10% reported for snowmachine and 8% for hunting. Given this great amount of air travel, and yet the desire for trail markers and shelters, it suggests that air travel and land travel belong in two different spheres of interest: work and social life on one hand, and traditional subsistence life on the other.

TABLE 19: Description of All Trips Taken by NANA Respondents

<u>Where</u>		<u>Why</u>		<u>How</u>	
village in NANA	38%	visit	32%	commercial airline	60%
Kotzebue	20%	work	30%	charter airline	20%
Anchorage	12%	shopping	17%	boat	10%
fish camp	7%	hunting or		snowmachine	10%
village outside		fishing	8%		100%
NANA	7%	illness	5%		
Nome	4%	vacation	5%		
Fairbanks	4%	school	3%		
other	8%		100%		
	100%				

(this table does not show the relationships among where-why-how)

Future projects designed to improve transportation facilities and services should be directed towards upgrading trails and airports. Development of connecting roads does not appear to be of current high priority. Such plans, however, should be developed in conjunction with preferences for the location of employment opportunities.

COMMUNITY TIES

Summary: Forces of change have come to bear on the residents of NANA. Influence such as population growth, increased mobility for such activities as employment and education as well as increased cost of living are perceived as both positive and negative influences by NANA residents. Several variables were combined to indicate the relative strength of the ties individuals have to their communities. These were measured against the variables of age, level of participation in subsistence activities and occupational skills.

In addition, general attitudes about the quality of life in NANA were examined with an emphasis of the effects of new people coming to live in the NANA region. The two major problem areas appear to be increased alcohol abuse and unemployment. Many residents may be looking to education as a solution to these problems, since the majority in all communities believe that a college education is very important.

ANALYSIS: Potential development of resources poses decisions about many facets of village life. One central issue is the degree to which NANA residents are tied to their village--the place where they have grown up. Over half the respondents have lived in their village 21 years or more. Only 20 percent have lived there 5 years or less. From Table 3, it is clear that long time residents become more dependent on the land for their daily needs. The longer a person has lived in a village, the more likely they are to depend on subsistence and exclude a work for pay life style. In addition, Table 2 shows that the youth in the NANA region are continuing the subsistence tradition. So what then are the elements of the ties that hold people to their land?

Age is one element. Table 20 shows that the young are more willing to relocate; they have looser ties to their village, especially for men. Although there is not much difference between income groups, lower income groups have looser ties than the higher income groups. The same pattern applies to the unemployed and full-time employed.

TABLE 20:¹ TIES TO HOME: OLD AND YOUNG COMPARED

	Age		
	15-24	25-44	45+
Looser ties	56%	46	45
Average	32	26	15
Strong ties	12	28	40
	<u>100%</u>	<u>100</u>	<u>100</u>

Table 21 shows that the more loosely tied individuals see changes in the village in a more positive light. The traditional ways of doing things appear to be not quite as important to them. Having an allotment appears to make no difference in how tied people are to their village, nor does owning or renting a house.

TABLE 21: EFFECT OF TIES TO VILLAGE
ON OPINION OF CHANGE

	Things Are Worse Now	Things Are About the Same	Things Are Better Now Than 10 years ago
Looser Ties	49%	36	57
Average	20	39	25
Strong ties	31	25	18
	<u>100%</u>	<u>100</u>	<u>100</u>

Another element of the community ties is participation in subsistence. Table 22 shows that those who are least active in subsistence have stronger ties to the community. This group may include the elderly who are no longer as active as they used to be or these results may be confounded by the difference in men's and women's responses.

TABLE 22: EFFECT OF SUBSISTENCE INTENSITY
ON TIES TO VILLAGE

	Number of Subsistence Activities			
	0	1-4	5-10	11 or More
Looser ties	38%	40	51	54
Average	12	30	23	18
Strong ties	50	30	26	28
	<u>100%</u>	<u>100</u>	<u>100</u>	<u>100</u>

¹ Ties were sum of the times people said they would not move away from the village for work.

Ties to home appear to have little relationship to mobility. Whether or not a person travels has little to do with his desire to remain in the village. This result is easily understood considering many trips are made for visiting. However, occupation does make some difference (see Table 23).

The people with construction-related skills are more willing to move away from their village since they cannot work all year round in one place.

TABLE 23: EFFECT OF OCCUPATION ON TIES TO VILLAGE

	<u>Trades</u>	<u>Services</u>	<u>Native Skills</u>
Loose ties	72%	31	45
Average	14	30	18
Strong ties	14	39	37
	<u>100%</u>	<u>100</u>	<u>100</u>
Respondents:	84	74	47

When it comes to overall quality of life, there is much agreement about the problems and the joys of living in the NANA region. Table 24 shows that even among the three employment groups, everyone feels that the availability of natural resources, human closeness and a sense of freedom make the quality of life worthwhile. Conversely, the major problem was identified as alcohol abuse with unemployment mentioned second. The positive elements appear to be outweighed by the negative forces since overall, the majority of people see things getting worse. Particularly the unemployed believe that things were better ten years ago. (see Table 24)

TABLE 24: COMPARISON OF THREE QUESTIONS ON SATISFACTION WITH VILLAGE LIFE AMONG EMPLOYMENT GROUPS

	<u>Unemployed</u>	<u>Part-time Employed</u>	<u>Full-time Employed</u>
<u>Rank of Things Liked the Best</u>			
Hunting & fishing	1	3	3
Friends & family	2	2	1
Freedom	3	1	2
<u>Rank of Things Disliked the Most</u>			
Alcohol abuse	1	1	1
Unemployment		2	
Cost of living		3	
<u>Percent Thinking Things Were Better 10 Years Ago</u>			
	74%	61%	57%

Those who think life was better ten years ago in their village do see some positive change: when asked about new people coming to live in the community, they like the new ideas and learning, and the added business that a population increase brings. But the new people are believed to be taking jobs from long time residents. NANA residents voiced this concern more strongly than the advantages of new people. See Table 23. Even the 40% who believe that losing jobs to outsiders is a problem, believe that alcoholism has a greater negative impact, and that it affects all areas of village life.

Table 25: OPINIONS OF NANA RESPONDENTS WHO THINK VILLAGE LIFE WAS BETTER TEN YEARS AGO

<u>Good Things About Change</u>		<u>Bad Things About Change</u>	
News ideas & learning	28%	People take jobs	40%
More business	22%	Changes life style	17%
More services	9%	People bring disease	12%
Can't stop people	16%	and alcoholism	
Other	25%	Too crowded	10%
	<u>100%</u>	Take land	9%
		Other	12%
			<u>100%</u>

While population growth has brought changes, most people think that subsistence opportunities have not changed much. See Table 24. Only one quarter see much of a difference and they are evenly divided. Those who are most active in subsistence think game has stayed the same or multiplied, while those least active think available game has decreased.

TABLE 26: VIEWS ON CHANGES AND PERCEPTION OF WILDLIFE ABUNDANCE

<u>Change in Wildlife Abundance</u>	<u>Opinion of Village Life Now</u>		
	<u>Worse Now</u>	<u>Same</u>	<u>Better Now</u>
Less	15%	21%	11%
Same	73	71	75
More	12	8	14
	<u>100%</u>	<u>100%</u>	<u>100%</u>

When asked about the importance of a college education, nearly all respondents believe that a college education is very important. This is particularly true of village residents. Variables of income, and participation in subsistence activities did not change the emphasis on education. The unemployed placed slightly higher emphasis on it than did the employed. The response of NANA residents to the question of importance of a college education can be compared to the responses of a national survey. While 60% of Kotzebue respondents and 74% of village respondents believe that a college education is very important, only 36% of the respondents in the nation felt that it was very important. See Table 25.

TABLE 27: PERCENT OF RESPONDENTS WHO THINK
A COLLEGE EDUCATION IS VERY IMPORTANT

All Villages Except Kotzebue	Kotzebue	Kivalina	Ambler	Kobuk	Buckland	Deering	Selawik	Noorvik	Kiana	Noatak	Shungnak	National ²
74%	60%	72%	75%	75%	83%	67%	58%	72%	69%	81%	89%	36%

As future plans for resource development, the creation of employment opportunities or other economic development projects are developed, decision makers should address the reasons why people choose to live in their communities, as well as the problem areas identified. Social and economic variables of alcoholism, family closeness, subsistence and the emphasis on education should all be included.

2. Tenth Annual Gallup Poll of the Public's Attitudes Toward the Public Schools. September 1978 -- Phi Delta Kappan -- page 39.

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

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10:65

MEMORANDUM

State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO:

Bob LeReshe, Director
Division of Planning and Policy
Development

DATE:

July 21, 1976

FILE NO:

TELEPHONE NO:

FROM:

Lee McAnerney, Commissioner
Community & Regional Affairs

SUBJECT: Regional Government in the
Unorganized Borough

In response to my June 21 memorandum to Governor Hammond, you have asked that I expand upon our ideas relative to the above subject. The following is in response to that request and, basically, presents the alternatives (at least as we view them) together with a brief discussion of each; preliminary conclusions are offered in the final pages.

As noted in my previous memorandum, we feel that any legislation dealing with regional government in the unorganized borough must address three major subject areas: structure, financing and intergovernmental relations. Our presentation of alternatives follows that format.

STRUCTURE

Five alternative forms of government appear to be workable in the unorganized borough; they include:

1. Establishment of organized boroughs;
2. Creation of unorganized boroughs;
3. Creation of service areas in the unorganized borough;
4. Continuation of the Regional Educational Attendance Area (REAA) trend; i.e. delegation of municipal functions to independent boards and councils;
5. The status quo.

In reverse order, the above are discussed.

THE STATUS QUO

We feel strongly that the existing system of government in the unorganized borough is both inequitable and inefficient. Inequitable in the sense that residents are not, generally, afforded the opportunity to participate directly in the decision making process nor do they participate on an equal basis in terms of financing local services; inefficient in that existing service delivery mechanisms (cities and state regional offices) often lack the necessary expertise, be it professional or otherwise, to provide services on an efficient and responsive basis.

Being a department with extensive field contact, we have been made very much aware of many unorganized borough residents' dissatisfaction with existing municipal and state services--not necessarily with programs but with the manner in which those programs are administered. That the legislature, too, is receiving this message is evident from such legislation as HB 665 proposing health districts in the unorganized borough, SB 398 (Ch. 57, SLA 76) allowing for public works planning in the unorganized borough, HB 657 dealing with planning authority in the unorganized borough, SB 614 providing for taxation in the unorganized borough, HB 49 providing for organized boroughs in the unorganized borough and a number of other pieces of legislation dealing with service delivery problems in the unorganized borough.

Too, we hear non-profit regional native corporations talking about or actually providing such services as health, housing, electricity and comprehensive planning. While their efforts are commendable, they do not, in my opinion, fit into the scheme of local government provided for in our constitution. Nor, because of their own charters, may the corporations provide services to all residents of an area; on the contrary they are, by and large, limited to serving natives only and consequently can act as a service delivery mechanism for state and federal programs relating to services for Alaska natives.

Essentially, there are two major problems with the status quo. First, service delivery mechanisms established and those proposed are operated by independent boards or commissions acting totally without coordination. Additionally, this method of service delivery generates a much greater need for human and financial resources from areas that are in short supply of both. Second, it promotes a trend contrary to establishment of borough government in the unorganized borough--a course in direct conflict with the local government article of our constitution.

CONTINUATION OF THE REAA TREND

In our view, continuation of the REAA trend is going to be the status quo of tomorrow.

There is one very positive aspect about the concept of REAA's: it provides for decision making at the local level--one of the main purposes of providing for government in the unorganized borough. However, as presently constituted residents of REAA's literally "have their cake and eat it too"--100% plus funding is provided by the state, yet total local control is allowed. While this may be a desirable situation for residents of REAA's, it is certainly not equitable in comparison to a resident of a municipal school district who must pay local taxes. I would suspect that residents of urban areas--the bulk of the state's population--would not tolerate extension of this particular form of service delivery beyond its existing state.

It should be noted, too, that the two major concerns expressed under the "status quo" section apply equally, if not more so, to the REAA concept. Especially real-

izing that with the REAA concept of 100% plus funding, any incentive for a region to move toward regional government is destroyed.

One thing further should be said about REAA-type boards; they are so exclusively single purpose (usually attracting board membership concerned only with its particular responsibility) that development of a number of boards could actually lessen the level of service being provided; primarily because of lack of interboard coordination and restricted use of financial and, particularly, human resources. Moreover, when boundaries are drawn to define districts and the only criteria used are those relevant to the particular service to be provided overlapping boundaries are likely to result. With overlapping boundaries comes confused residents (who do we go to? where do we go to?) and, consequently, dissatisfaction with the services being provided.

Of concern too, is the lack of flexibility associated with the REAA's. Because they are not units of local government they cannot be given taxing authority nor can they provide "local government" services. While the legality of the current REAA's has not been challenged on the grounds of Article X, Section 2, of the Constitution (proponents of the REAA's argue that they are really service areas authorized under Article X, Section 6), there is good reason to believe that if additional REAA type boundaries are established they will be challenged and may very well end up being declared unconstitutional. Through establishment of REAA-type entities we, at best, guarantee a long court battle, at worst, an entity without legal standing.

CREATION OF SERVICE AREAS:

There are a number of features of the service area concept that make it a fairly attractive alternative. Leading the list is the fact that it is an existing, recognized mechanism for delivery of municipal services. The legislature is given constitutional authority to provide for service areas in the unorganized borough thereby negating any legal challenge. But, probably most important of all is the service area's flexibility. A service area could provide any municipal service and, if the legislature so elected, a tax could be levied within the service area for services provided. Of significant benefit, too, is that one service area board could be responsible for provision of all services within a given area.

Probably the biggest drawback to the service area concept is that service areas would be dependent upon the legislature, sitting as the assembly for the unorganized borough, to add or delete powers, change levels of funding, acquire taxation authority, etc. A lesser drawback of a service area is that the service area board, at least in the legal sense, would be advisory as a dependent agency of the assembly of the unorganized borough (legislature). Depending upon the language in the enabling legislation, the latter might not be a problem.

DIVISION OF THE UNORGANIZED BOROUGH

In many ways establishment of a number of unorganized boroughs would be much the same as establishment of service areas with one overshadowing exception: the unorganized boroughs could have local autonomy. Because of the lack of constitutional constraints placed upon unorganized boroughs, their establishment could yield a tailor made form of regional government. More specifically, the legislature could delegate any municipal power to an unorganized borough, grant it taxing authority, etc.

We feel, too, that the term unorganized borough has significant advantages. First, it implies what is intended to be--an interim step in the long range development of regional government in rural Alaska. Second, it is a recognized and accepted term--most residents of rural Alaska know they live in the unorganized borough. In our opinion, residents would be more receptive to division of a governmental organization that already exists rather than establishment of a new form of government.

As with an organized borough, unorganized boroughs would have specific boundaries, powers, and a governing body responsible for more than one municipal service. All, in our opinion, positive results.

ESTABLISHMENT OF ORGANIZED BOROUGHES:

Because it is a proven form of regional government, organized boroughs offer some obvious advantages (or disadvantages depending upon your view point). Their method of operation is basically understood; they have taxing authority and an ability to acquire additional municipal powers in response to resident requests; they may establish service areas to provide different levels of service and they have a maximum degree of local autonomy. Additionally, organized boroughs could represent a final, rather than an interim, step in regional government. Too, establishment of organized boroughs would provide a sense of equity among all residents of the state with regard to receipt of municipal services.

However, the organized borough is not without its disadvantages. One of the biggest, of course, is a product of the 1964 Mandatory Borough Act which made the term borough a "dirty" word in many an Alaskan's vocabulary.

There are structural disadvantages too: organized boroughs are locked into rigid methods of adding powers, levying a sales tax, changing class or unifying with the cities within them. Also, they must have separate assemblies, planning commissions and school boards. Depending upon the amount of activity of the borough this may or may not be a disadvantage.

FINANCING

At this stage our thoughts are very tentative in terms of generating the funds

needed to pay for regional government in the unorganized borough. The following appear to be workable alternatives:

1. existing mechanisms, i.e. sales and property taxes levied and collected by and within the boundaries of each jurisdiction;
2. increase levels of funding of existing programs to cover all costs;
3. an ad valorem tax on property associated with the development of natural resources with distribution to regional governments, based on an equalization formula;
4. a sales or property tax throughout the unorganized borough with distribution to individual regional governments, based on an equalization formula;
5. levy of an additional income tax on wages earned in the unorganized borough with distribution to individual regional governments, based on an equalization formula.

1. Existing mechanisms: In our view, authority to levy sales and property taxes should continue to be an option available to organized municipalities. Although the constitution permits extension of taxing authority to unorganized boroughs, doing so does, in fact, create another class of organized borough. This is not, in our opinion, a viable, alternative structure.

The advantage, at least from the state's view, of a local property or sales tax is that it would be administered at the local level. However, the disadvantages appear to outweigh any advantage. First, a local sales or property tax reflects only the local economy; advantageous for those located along the pipeline; not so for those located on the lower Kuskokwim. Second, property taxes are, relatively speaking, regressive and expensive to collect. It is entirely possible that it might cost as much to levy and collect a tax in certain areas as the tax itself would generate. While a local sales tax would not be as expensive to levy and collect, an assessment and collection department in each taxing jurisdiction would need to be established.

2. Increase levels of funding: Basically, this approach is an extension of the funding mechanism provided for the REAA's. We oppose this method of funding because of its gross inequity. It is unpalatable for us to ask residents of one region to pay for municipal services while providing those services to another region at no cost to the residents. Additionally, such a method of funding totally discourages the formation of regional government; why pay if services can be received at no cost?

Of course, one means of alleviating the question of equity is to provide the same level of funding to all jurisdictions. However, at that point the costs seem to outweigh any advantage to be realized.

3. A "resources" tax: A fresh approach to funding local government services might be implementation of a resource tax. Essentially, the tax would be an ad valorem tax levied upon all property used for the exploitation of natural resources. The primary advantage of this tax is that administration of it would be relatively simple in that you would be assessing and collecting taxes on a fairly limited amount of property with a high dollar value. As we envision a resource tax, it would be levied and collected by the state throughout the unorganized borough and then redistributed to individual regional governments based on an equalization formula.

Optionally, the tax could be levied upon all resource related property throughout the state and redistributed on an equalization formula to all areas of the state. This would not only provide a source of funding for new regional governments in the unorganized borough but would also provide new revenues for existing regional governments.

The major disadvantages of a resource tax appears to be that it is an unknown quantity and, probably most important, an encroachment upon and placing under state taxing jurisdiction a tax base that, in the past, has been considered the exclusive tax base of local governments. Perhaps the latter problem, at least to some degree, could be relieved by allowing a local taxing jurisdiction having resource related property within its boundaries the right to levy a tax up to a certain limit and then "piggybacking" the state tax on top of the local. The resource tax would be similar to the present oil and gas tax of the state but would additionally apply to all other natural resources.

4. Unorganized borough sales or property tax: The advantages and disadvantages of a property or sales tax have been defined in the preceding discussion of alternatives. The change we are suggesting here is that the tax be levied throughout the unorganized borough and be collected by the state, thereby minimizing administrative costs. Tax proceeds would be redistributed to individual regional governments based on an equalization formula.

While levy of a property tax would undoubtedly yield sufficient revenues to cover the cost of regional government, it would seem that the additional net revenues received from extending the tax to all property, rather than just resource related property, would be so minimal as to hardly justify its levy.

An unorganized borough sales tax would yield sufficient revenues to cover the costs of regional government and would be much more simple and, accordingly, less costly to administer. We estimate a 2% sales tax levied and collected in the unorganized borough would generate in excess of \$10 million annually.

5. An additional income tax: As with the sales tax, the primary advantage of an income tax appears to be ease of administration. Collection could be accomplished by the state at the same time that state income taxes are collected and then redistributed to regional governments, based on an equalization formula.

A product of this tax is that you extend taxing jurisdiction previously restricted to the state to local governments, thereby strengthening the tax base of all local governments. (As a practical matter, if the income tax is established as a system of local government finance in the unorganized borough, it would have to also be extended, at least on an optional basis, to organized boroughs.)

Of the above, we tend to favor either the resource tax or a sales or income tax. The administrative burden imposed by a comprehensive property tax would, in our opinion, create more problems than it would solve. We also favor levy of a tax at the state level with redistribution to individual regional governments based upon an equalization formula. Administration of the tax in this manner would minimize costs and provide for consistent administration throughout the state.

Presently, we estimate that an additional \$7 million will be required to fully fund the program (see attached budget). This figure does not include existing shared revenues that might be made available to new regional governments. Preliminary calculations show that a 1.5% sales tax or a 2 mill (or less) resource property tax could generate this amount of revenue. Data needed to estimate the percentage for an income tax is not yet available.

INTERGOVERNMENTAL RELATIONSHIPS

Without doubt one of the major factors that will determine the success, or lack of it, of a regional government proposal is the relationship between a new regional government and the cities and other service mechanisms located within it. While a detailed discussion of intergovernmental relationships is not possible until the form of regional government to be used is specified, there are certain key elements that should be present regardless of the form of government. Those elements are:

1. promotion of regionalism: any form of government should encourage regional provision of services; that is not to say that services could not be provided at the local level but rather, that policy development and overall control should rest at the regional level;
2. certain services should mandatorily be at a regional level; these services should include at a minimum, planning, health, education and public safety;
3. if any form of regional government less than an organized borough is established, home rule cities should not be forced to relinquish any authority to the region;
4. an alternative to second class city government should be established (see attached memorandum) relieving many villages of the obligation to provide

municipal services;

5. any form of regional government established should, to the maximum degree possible, be free from state and federal control.

CONCLUSIONS

Based on the above discussion and several in-house work sessions on the subject, we think that the following would be the best method of establishing and operating regional governments in the unorganized borough.

STRUCTURE

Establishment of unorganized boroughs with boundaries that would meet organized borough standards. Each unorganized borough would have the mandatory powers of:

Education
Health
Planning
Public Safety (fire and police protection)

Home rule cities located within an unorganized borough would continue to exercise all of the above powers unless they elected to participate on a regional basis. The assembly of the unorganized borough would have absolute authority, subject to state and federal law, over the exercise of the above powers. Additional powers could only be added by a process requiring state approval and voter ratification in the region.

The unorganized borough would be governed by an assembly with separate boards for school and planning functions. The assembly could assume the responsibilities of the school board and planning commission upon voter approval. The unorganized borough would be required to employ a professional manager.

FINANCING

Unorganized boroughs would not have taxing authority. A resource tax as previously described would be the recommended source of funding; as an alternative, a sales or income tax would be levied and collected, by the state, in all of the unorganized boroughs and then redistributed based on an equalization formula. Unorganized borough assemblies would have full budget authority.

INTERGOVERNMENTAL RELATIONS

The unorganized borough would be the regional government for the area; state and federal agencies would be obligated to treat it as we currently do an organized borough.

Bob LeReshe

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July 21, 1976

As noted the unorganized boroughs would have mandatory responsibility for certain services. They could, also, contract with cities for provision of certain services.

This is obviously a very complicated subject and these are only our preliminary conclusions. I would like to discuss this matter further.

LMcA:PP:jg

Attachments

MEMORANDUM

State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO:

Bob LeReshe, Director
Division of Planning and Policy
Development

DATE:

July 21, 1976

FILE NO:

TELEPHONE NO:

FROM:

Lee McAnerney, Commissioner
Community & Regional Affairs

SUBJECT: Regional Government in the
Unorganized Borough

In response to my June 21 memorandum to Governor Hammond, you have asked that I expand upon our ideas relative to the above subject. The following is in response to that request and, basically, presents the alternatives (at least as we view them) together with a brief discussion of each; preliminary conclusions are offered in the final pages.

As noted in my previous memorandum, we feel that any legislation dealing with regional government in the unorganized borough must address three major subject areas: structure, financing and intergovernmental relations. Our presentation of alternatives follows that format.

STRUCTURE

Five alternative forms of government appear to be workable in the unorganized borough; they include:

1. Establishment of organized boroughs;
2. Creation of unorganized boroughs;
3. Creation of service areas in the unorganized borough;
4. Continuation of the Regional Educational Attendance Area (REAA) trend; i.e. delegation of municipal functions to independent boards and councils;
5. The status quo.

In reverse order, the above are discussed.

THE STATUS QUO

We feel strongly that the existing system of government in the unorganized borough is both inequitable and inefficient. Inequitable in the sense that residents are not, generally, afforded the opportunity to participate directly in the decision making process nor do they participate on an equal basis in terms of financing local services; inefficient in that existing service delivery mechanisms (cities and state regional offices) often lack the necessary expertise, be it professional or otherwise, to provide services on an efficient and responsive basis.

Being a department with extensive field contact, we have been made very much aware of many unorganized borough residents' dissatisfaction with existing municipal and state services--not necessarily with programs but with the manner in which those programs are administered. That the legislature, too, is receiving this message is evident from such legislation as HB 665 proposing health districts in the unorganized borough, SB 398 (Ch. 57. SLA 76) allowing for public works planning in the unorganized borough, HB 657 dealing with platting authority in the unorganized borough, SB 614 providing for taxation in the unorganized borough, HB 49 providing for organized boroughs in the unorganized borough and a number of other pieces of legislation dealing with service delivery problems in the unorganized borough.

Too, we hear non-profit regional native corporations talking about or actually providing such services as health, housing, electricity and comprehensive planning. While their efforts are commendable, they do not, in my opinion, fit into the scheme of local government provided for in our constitution. Nor, because of their own charters, may the corporations provide services to all residents of an area; on the contrary they are, by and large, limited to serving natives only and consequently can act as a service delivery mechanism for state and federal programs relating to services for Alaska natives.

Essentially, there are two major problems with the status quo. First, service delivery mechanisms established and those proposed are operated by independent boards or commissions acting totally without coordination. Additionally, this method of service delivery generates a much greater need for human and financial resources from areas that are in short supply of both. Second, it promotes a trend contrary to establishment of borough government in the unorganized borough--a course in direct conflict with the local government article of our constitution.

CONTINUATION OF THE REAA TREND

In our view, continuation of the REAA trend is going to be the status quo of tomorrow.

There is one very positive aspect about the concept of REAA's: it provides for decision making at the local level--one of the main purposes of providing for government in the unorganized borough. However, as presently constituted residents of REAA's literally "have their cake and eat it too"--100% plus funding is provided by the state, yet total local control is allowed. While this may be a desirable situation for residents of REAA's, it is certainly not equitable in comparison to a resident of a municipal school district who must pay local taxes. I would suspect that residents of urban areas--the bulk of the state's population--would not tolerate extension of this particular form of service delivery beyond its existing state.

It should be noted, too, that the two major concerns expressed under the "status quo" section apply equally, if not more so, to the REAA concept. Especially real-

izing that with the REAA concept of 100% plus funding, any incentive for a region to move toward regional government is destroyed.

One thing further should be said about REAA-type boards; they are so exclusively single purpose (usually attracting board membership concerned only with its particular responsibility) that development of a number of boards could actually lessen the level of service being provided; primarily because of lack of interboard coordination and restricted use of financial and, particularly, human resources. Moreover, when boundaries are drawn to define districts and the only criteria used are those relevant to the particular service to be provided overlapping boundaries are likely to result. With overlapping boundaries comes confused residents (who do we go to? where do we go to?) and, consequently, dissatisfaction with the services being provided.

Of concern, too, is the lack of flexibility associated with the REAA's. Because they are not units of local government they cannot be given taxing authority nor can they provide "local government" services. While the legality of the current REAA's has not been challenged on the grounds of Article X, Section 2, of the Constitution (proponents of the REAA's argue that they are really service areas authorized under Article X, Section 6), there is good reason to believe that if additional REAA type boundaries are established they will be challenged and may very well end up being declared unconstitutional. Through establishment of REAA-type entities we, at best, guarantee a long court battle, at worst, an entity without legal standing.

CREATION OF SERVICE AREAS:

There are a number of features of the service area concept that make it a fairly attractive alternative. Leading the list is the fact that it is an existing, recognized mechanism for delivery of municipal services. The legislature is given constitutional authority to provide for service areas in the unorganized borough thereby negating any legal challenge. But, probably most important of all is the service area's flexibility. A service area could provide any municipal service and, if the legislature so elected, a tax could be levied within the service area for services provided. Of significant benefit, too, is that one service area board could be responsible for provision of all services within a given area.

Probably the biggest drawback to the service area concept is that service areas would be dependent upon the legislature, sitting as the assembly for the unorganized borough, to add or delete powers, change levels of funding, acquire taxation authority, etc. A lesser drawback of a service area is that the service area board, at least in the legal sense, would be advisory as a dependent agency of the assembly of the unorganized borough (legislature). Depending upon the language in the enabling legislation, the latter might not be a problem.

DIVISION OF THE UNORGANIZED BOROUGH

In many ways establishment of a number of unorganized boroughs would be much the same as establishment of service areas with one overshadowing exception: the unorganized boroughs could have local autonomy. Because of the lack of constitutional constraints placed upon unorganized boroughs, their establishment could yield a tailor made form of regional government. More specifically, the legislature could delegate any municipal power to an unorganized borough, grant it taxing authority, etc.

We feel, too, that the term unorganized borough has significant advantages. First, it implies what is intended to be--an interim step in the long range development of regional government in rural Alaska. Second, it is a recognized and accepted term--most residents of rural Alaska know they live in the unorganized borough. In our opinion, residents would be more receptive to division of a governmental organization that already exists rather than establishment of a new form of government.

As with an organized borough, unorganized boroughs would have specific boundaries, powers, and a governing body responsible for more than one municipal service. All, in our opinion, positive results.

ESTABLISHMENT OF ORGANIZED BOROUGHs:

Because it is a proven form of regional government, organized boroughs offer some obvious advantages (or disadvantages depending upon your view point). Their method of operation is basically understood; they have taxing authority and an ability to acquire additional municipal powers in response to resident requests; they may establish service areas to provide different levels of service and they have a maximum degree of local autonomy. Additionally, organized boroughs could represent a final, rather than an interim, step in regional government. Too, establishment of organized boroughs would provide a sense of equity among all residents of the state with regard to receipt of municipal services.

However, the organized borough is not without its disadvantages. One of the biggest, of course, is a product of the 1964 Mandatory Borough Act which made the term borough a "dirty" word in many an Alaskan's vocabulary.

There are structural disadvantages too: organized boroughs are locked into rigid methods of adding powers, levying a sales tax, changing class or unifying with the cities within them. Also, they must have separate assemblies, planning commissions and school boards. Depending upon the amount of activity of the borough this may or may not be a disadvantage.

FINANCING

At this stage our thoughts are very tentative in terms of generating the funds

needed to pay for regional government in the unorganized borough. The following appear to be workable alternatives:

1. existing mechanisms, i.e. sales and property taxes levied and collected by and within the boundaries of each jurisdiction;
2. increase levels of funding of existing programs to cover all costs;
3. an ad valorem tax on property associated with the development of natural resources with distribution to regional governments, based on an equalization formula;
4. a sales or property tax throughout the unorganized borough with distribution to individual regional governments, based on an equalization formula;
5. levy of an additional income tax on wages earned in the unorganized borough with distribution to individual regional governments, based on an equalization formula.

1. Existing mechanisms: In our view, authority to levy sales and property taxes should continue to be an option available to organized municipalities. Although the constitution permits extension of taxing authority to unorganized boroughs, doing so does, in fact, create another class of organized borough. This is not, in our opinion, a viable, alternative structure.

The advantage, at least from the state's view, of a local property or sales tax is that it would be administered at the local level. However, the disadvantages appear to outweigh any advantage. First, a local sales or property tax reflects only the local economy; advantageous for those located along the pipeline; not so for those located on the lower Kuskokwim. Second, property taxes are, relatively speaking, regressive and expensive to collect. It is entirely possible that it might cost as much to levy and collect a tax in certain areas as the tax itself would generate. While a local sales tax would not be as expensive to levy and collect, an assessment and collection department in each taxing jurisdiction would need to be established.

2. Increase levels of funding: Basically, this approach is an extension of the funding mechanism provided for the REAA's. We oppose this method of funding because of its gross inequity. It is unpalatable for us to ask residents of one region to pay for municipal services while providing those services to another region at no cost to the residents. Additionally, such a method of funding totally discourages the formation of regional government; why pay if services can be received at no cost?

Of course, one means of alleviating the question of equity is to provide the same level of funding to all jurisdictions. However, at that point the costs seem to outweigh any advantage to be realized.

3. A "resources" tax: A fresh approach to funding local government services might be implementation of a resource tax. Essentially, the tax would be an ad valorem tax levied upon all property used for the exploitation of natural resources. The primary advantage of this tax is that administration of it would be relatively simple in that you would be assessing and collecting taxes on a fairly limited amount of property with a high dollar value. As we envision a resource tax, it would be levied and collected by the state throughout the unorganized borough and then redistributed to individual regional governments based on an equalization formula.

Optionally, the tax could be levied upon all resource related property throughout the state and redistributed on an equalization formula to all areas of the state. This would not only provide a source of funding for new regional governments in the unorganized borough but would also provide new revenues for existing regional governments.

The major disadvantages of a resource tax appears to be that it is an unknown quantity and, probably most important, an encroachment upon and placing under state taxing jurisdiction a tax base that, in the past, has been considered the exclusive tax base of local governments. Perhaps the latter problem, at least to some degree, could be relieved by allowing a local taxing jurisdiction having resource related property within its boundaries the right to levy a tax up to a certain limit and then "piggybacking" the state tax on top of the local. The resource tax would be similar to the present oil and gas tax of the state but would additionally apply to all other natural resources.

4. Unorganized borough sales or property tax: The advantages and disadvantages of a property or sales tax have been defined in the preceding discussion of alternatives. The change we are suggesting here is that the tax be levied throughout the unorganized borough and be collected by the state, thereby minimizing administrative costs. Tax proceeds would be redistributed to individual regional governments based on an equalization formula.

While levy of a property tax would undoubtedly yield sufficient revenues to cover the cost of regional government, it would seem that the additional net revenues received from extending the tax to all property, rather than just resource related property, would be so minimal as to hardly justify its levy.

An unorganized borough sales tax would yield sufficient revenues to cover the costs of regional government and would be much more simple and, accordingly, less costly to administer. We estimate a 2% sales tax levied and collected in the unorganized borough would generate in excess of \$10 million annually.

5. An additional income tax: As with the sales tax, the primary advantage of an income tax appears to be ease of administration. Collection could be accomplished by the state at the same time that state income taxes are collected and then redistributed to regional governments, based on an equalization formula.

A product of this tax is that you extend taxing jurisdiction previously restricted to the state to local governments, thereby strengthening the tax base of all local governments. (As a practical matter, if the income tax is established as a system of local government finance in the unorganized borough, it would have to also be extended, at least on an optional basis, to organized boroughs.)

Of the above, we tend to favor either the resource tax or a sales or income tax. The administrative burden imposed by a comprehensive property tax would, in our opinion, create more problems that it would solve. We also favor levy of a tax at the state level with redistribution to individual regional governments based upon an equalization formula. Administration of the tax in this manner would minimize costs and provide for consistent administration throughout the state.

Presently, we estimate that an additional \$7 million will be required to fully fund the program (see attached budget). This figure does not include existing shared revenues that might be made available to new regional governments. Preliminary calculations show that a 1.5% sales tax or a 2 mill (or less) resource property tax could generate this amount of revenue. Data needed to estimate the percentage for an income tax is not yet available.

INTERGOVERNMENTAL RELATIONSHIPS

Without doubt one of the major factors that will determine the success, or lack of it, of a regional government proposal is the relationship between a new regional government and the cities and other service mechanisms located within it. While a detailed discussion of intergovernmental relationships is not possible until the form of regional government to be used is specified, there are certain key elements that should be present regardless of the form of government. Those elements are:

1. promotion of regionalism: any form of government should encourage regional provision of services; that is not to say that services could not be provided at the local level but rather, that policy development and overall control should rest at the regional level;
2. certain services should mandatorily be at a regional level; these services should include at a minimum, planning, health, education and public safety;
3. if any form of regional government less than an organized borough is established, home rule cities should not be forced to relinquish any authority to the region;
4. an alternative to second class city government should be established (see attached memorandum) relieving many villages of the obligation to provide

municipal services;

5. any form of regional government established should, to the maximum degree possible, be free from state and federal control.

CONCLUSIONS

Based on the above discussion and several in-house work sessions on the subject, we think that the following would be the best method of establishing and operating regional governments in the unorganized borough.

STRUCTURE

Establishment of unorganized boroughs with boundaries that would meet organized borough standards. Each unorganized borough would have the mandatory powers of:

Education
Health
Planning
Public Safety (fire and police protection)

Home rule cities located within an unorganized borough would continue to exercise all of the above powers unless they elected to participate on a regional basis. The assembly of the unorganized borough would have absolute authority, subject to state and federal law, over the exercise of the above powers. Additional powers could only be added by a process requiring state approval and voter ratification in the region.

The unorganized borough would be governed by an assembly with separate boards for school and planning functions. The assembly could assume the responsibilities of the school board and planning commission upon voter approval. The unorganized borough would be required to employ a professional manager.

FINANCING

Unorganized boroughs would not have taxing authority. A resource tax as previously described would be the recommended source of funding; as an alternative, a sales or income tax would be levied and collected, by the state, in all of the unorganized boroughs and then redistributed based on an equalization formula. Unorganized borough assemblies would have full budget authority.

INTERGOVERNMENTAL RELATIONS

The unorganized borough would be the regional government for the area; state and federal agencies would be obligated to treat it as we currently do an organized borough.

Bob LeReshe

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July 21, 1976

As noted the unorganized boroughs would have mandatory responsibility for certain services. They could, also, contract with cities for provision of certain services.

This is obviously a very complicated subject and these are only our preliminary conclusions. I would like to discuss this matter further.

LMcA:PP:jg

Attachments

The following sample budget is very tentative at this time. Several assumptions have been made. They include:

1. that health programs provided will be those transferred from the state; accordingly, it is anticipated that no significant additional cost will be incurred.

2. public safety costs are estimated at \$150,000. However, until the level of service is clearly indentified an actual cost is not calcuable

SUMMARY OF COSTS

Assembly	\$ 65,000
Administration & Finance	144,000
Planning	56,000
Health	-0-
Public Safety	150,000
Education (same funding as with REAA's)	-0-
Total additional cost	\$415,500

New Boroughs 15	=	\$6,232,500
10% Items not covered		<u>623,250</u>
TOTAL COST		\$6,855,750

ASSEMBLY

Personal Services	\$ 5,000
Travel	10,000
Contingency	<u>50,000</u>

TOTAL ASSEMBLY \$ 65,000

Personal services includes payments to assembly members attending meetings. The contingency amount is to be used to meet extra-ordinary operating expenditures not anticipated.

ADMINISTRATION

General

Personal Services	\$ 45,000
Materials & Supplies	2,000
Equipment	3,000
Travel	2,000
Contractual	<u>35,000</u>

TOTAL ADMINISTRATION \$ 87,000

Personal services includes an administrator and secretary. Materials and supplies are necessary paper goods and other office items. Office furniture and machines are included in the equipment figure. Travel expenditures are predicated on some regional and statewide travel. All legal and other necessary services are listed on the contractual line item.

FINANCE

Personal Services	\$ 45,000
Materials & Supplies	3,000
Equipment	3,000
Travel	1,000
Contractual	<u>5,000</u>

TOTAL FINANCE \$ 57,000

An accountant and clerical support are included in personal services. Contractual includes professional services required for the maintenance and audit of the entire administrative financial structure.

PLANNING

Personal Services	\$ 39,000
Materials & Supplies	3,000
Equipment	2,500
Travel	2,000
Contractual	<u>10,000</u>

TOTAL PLANNING	\$ 56,500
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Personal services includes one planner and secretary. Contractual includes money to be used to purchase professional planning advice on selected topics.

PUBLIC SAFETY

TOTAL PUBLIC SAFETY	\$150,000
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HEALTH

TOTAL HEALTH	-0-
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<u>TOTAL EXPENDITURE</u> <u>PER BOROUGH</u>	\$415,500
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Regional Government...

A Choice of the People*

by

The Department of Community & Regional Affairs

Local Government Assistance Division

March, 1977

*This is the text of a slide and audio presentation discussing alternative forms of regional government for rural Alaska.

Regional government...a choice of the people.

The following is a presentation of the Department of Community and Regional Affairs, Local Government Assistance Division.

What you are about to see is, or will soon be, of concern to a great many Alaskans. As Alaska grows, the need for the development of regional forms of government in the Unorganized Borough will grow. There are many opinions as to the kinds of regional government that should be established and how they should operate. The purpose of this presentation is to explore some of the different types of regional governments and consider which might best help your community and region.

The history of Alaska is one of constant and dramatic change. The change has not occurred evenly. Some areas of the State have changed dramatically, producing large cities. Other regions have changed much less, and in many of the villages some of the old ways are still an every day way of life.

Major changes have been caused by growth, and much of the growth has resulted from the discovery and development of natural resources. The early development of trade, the discovery of gold, money coming into the State from the Federal Government, the development of industries, and the individual efforts which Alaskans have made to improve their lives, have all been a part of making change happen.

Change can be seen almost everywhere. Transportation systems have improved and expanded, communication systems have been enlarged to include a majority of remote areas, new schools have been built and more are proposed, medical care has been extended to serve more residents, and new businesses developed, to name just a few.

Change is continuous. For example, the discovery of oil in Prudhoe Bay created thousands of jobs and provided money to the State Treasury, which in turn is being used to meet the people's needs. The Alaska Native Claims Settlement Act is bringing money and land title to the Native people, and their village and regional corporations. It will also create new concepts and practices of land ownership and land management.

Let's examine the role of government and how it can respond to the kinds of changes that are taking place and look at the ways in which people, especially those in the smaller communities of rural Alaska, can have a stronger voice within their communities and regions.

Government is a way in which people organize to provide services, and make decisions beneficial to the entire community. Through government, communities can determine how services will be provided and how money is to be raised to pay for services.

Government is very different from private corporations such as the Native Regional Corporations. Government has official powers and responsibilities which have come from the people. Its function is to serve people by providing public services. Government, whether a city or a state is administered by representatives elected by the people, and employees who are appointed or hired by elected representatives.

Private organizations serve their owners or stockholders and are not responsible for providing services to an entire community. Private corporations obtain their authority from the State and decisions are made by a board of directors elected by the shareholders.

Some villages have elected village councils, or have councils, as provided in the Indian Reorganization Act. These councils can in a sense, be called local governments because they can make certain kinds of decisions for the community.

However, there are many powers which a local government can have only if it is officially incorporated as a city. The laws of Alaska say that there can be two kinds or classes of cities, called first class and second class. The difference is a first class city assumes more responsibilities than a second class city; and a first class city requires a larger population.

The incorporation of a city gives the people of that community official status in dealing with the State and Federal Governments, and other agencies. Also, cities have the authority to make rules and regulations, in the form of ordinances, and the authority and responsibility for providing services to the people of the community. In many cases, problems and issues affect several communities in a region. As an example, residents of a region may wish to have local control over police protection. This would mean that police officers could be hired locally and be totally responsible to a locally elected governing body. Another example could be found when several communities want to create and finance their own school districts so that together they can provide a higher level of education for their children. These are all regional problems and issues that can be solved by a regional form of government.

This map of Alaska shows the present division of the State into cities and boroughs. Currently, Alaska has one hundred and thirty nine cities, eleven organized boroughs, and the remaining area is called the Unorganized Borough.

The way in which our forms of government are organized was decided originally

by the Alaska Constitutional Convention of 1955-56. This convention consisted of delegates from many parts of what was then the Territory of Alaska.

The delegates to the convention determined how the State Government would be organized. They decided on three branches...the Executive Branch, which is the Governor and the agencies working under him; the Legislative Branch, which is the Senate and the House of Representatives, which make the laws and appropriate the money necessary for the government to provide services, and the Judicial Branch, which interprets the laws, and operates the system of justice in Alaska.

The delegates to the Constitutional Convention decided that all government powers and responsibilities would first be given to the State, and that certain of these powers could then be transferred to cities and boroughs. Thus, the delegates left it up to the people of villages and communities to decide for themselves when they wanted to become cities, and when they wanted to join together to create borough government. It was determined that those areas not incorporating as boroughs would form the Unorganized Borough, and that the State Legislature would provide as many services as possible to the Unorganized Borough.

We've seen that most of the State is the Unorganized Borough, and that 11 boroughs have been created so far. Let's briefly look at the history of how these boroughs were formed.

The first borough to be formed after Statehood was the Bristol Bay Borough, shown on the map. Other larger communities of the State could have joined

together to create boroughs but they did not. The State Legislature in 1963 passed the Manditory Borough Act, which said that the State would incorporate other boroughs if the people did not do it themselves. After that, four regions voted to become boroughs. These were the Kodiak Island, Sitka, Ketchikan and Juneau Boroughs, shown on the map.

The State Legislature then took the step of incorporating four additional boroughs in the regions of Anchorage, Matanuska-Susitna, Fairbanks and the Seward-Cook Inlet election districts.

After these Boroughs were incorporated by the State through the Manditory Borough Act, two additional boroughs have been formed. They are the Haines Borough and the North Slope Borough.

Let's take a look at the status of the Unorganized Borough today. The Legislature is the governing body of this vast area...approximately 75% of the State.

While at least some municipal services are being provided to the Unorganized Borough, they are provided without input from locally elected representatives. The rural residents have recognized the shortcomings of the Unorganized Borough and are beginning to demand that another form of regional government deliver these services. The creation of REAA's was a direct result of the rural resident's frustration with the Unorganized Borough. These residents are also asking for more and more municipal services and for the authority to provide these services on a regional level. The Association of Village Council Presidents has shown a

strong interest in creating substate planning agencies. The Native Regional Corporations would like to form areawide non-profit health corporations. With increased development of natural resources in the Unorganized Borough, we can be certain there will be an increase in population. More people will mean greater demands for municipal services.

There are serious pro's and con's to be considered in thinking about any form of regional government. Let's look at some of the alternatives that are, or could be available to residents of the Unorganized Borough.

Borough government is one mechanism for solving regional problems. In some ways it is a bridge between the State and local government. Boroughs are regional forms of government which provide services to communities within an area having similar physical, social and economic conditions.

A region must meet certain requirements in order to be eligible to form a borough.

These requirements include:

1. The population must be interrelated and integrated as to its social, cultural and economic activities. It must also be large and stable enough to support organized government.
2. The boundaries should conform to natural geography.
3. The economy of the area should include the human and financial resources capable of providing local services.
4. Transportation facilities must be adequate to allow the communication and

exchange necessary to develop integrated government.

The most attractive aspect of borough government is that it puts some of the power in the hands of the people of the borough, allowing them to do their own regional decision making. Unlike other forms of regional governments which have advisory powers only, organized boroughs are truly self-governing with clearly established powers. All first and second class borough governments have the responsibility for providing education and planning services, and levy sales and/or property taxes to help pay for these services. Optional services that first and second class boroughs may provide include:

Health services and hospital facilities

Fire protection service and facilities

Provide for sewage and garbage disposal

Make plans and regulations for water pollution control

Community centers

Police protection and jail facilities

Cold storage plants

Telephone systems

Light, power and heat

Transportation systems

Libraries

Recreation facilities

Airport and aviation facilities

Housing programs for new construction and rehabilitation

Preservation, maintenance and protection of historic sites, buildings and monuments

Consumer protection

Organized boroughs could represent a final, rather than interim, step in regional government.

One disadvantage of organized boroughs is that some areas of the State have limited taxable resources. Additionally, organized boroughs are locked into rigid methods of adding powers, collecting taxes, changing class or unifying with the cities within them.

Another form of regional government is unorganized boroughs. This map shows how the Unorganized Borough could be divided into several unorganized boroughs. Unorganized boroughs are similar to organized boroughs in that they each would be able to elect a local governing assembly. The assembly could have the responsibility to act on issues concerning education, regional planning, public safety and health. However, there are disadvantages. The Legislature still retains the power to make the final decision concerning performance of services; unorganized boroughs could not have the power to levy taxes; and they are only a temporary form of government.

Service areas are another form of regional government. One of the good aspects is the flexibility of service areas. A service area could provide any municipal

service and local taxes could be collected to provide a higher than existing level of service. Additionally, one service area board could be responsible for providing all services within a given area.

One disadvantage of service areas is that they are dependent on the Legislature to add or take away services, levy taxes, or change the level of funding. Furthermore, the service area would only be a temporary form of regional government.

Another form of regional government would be service areas patterned after the Regional Education Attendance Areas concept. There is one very positive aspect about the REAA's: it allows decision making at the regional level--which is one of the main purposes of providing for government in the Unorganized Borough. At present though, the REAA's receive 100% state funding and have regional control of educational services. While this may be a good arrangement for the REAA residents, it really isn't very fair when compared to residents of boroughs and first class cities in the Unorganized Borough who must pay local taxes. REAA type boards have the disadvantage of being so exclusively single purpose that the level of service could actually be lessened if several boards were formed. Another disadvantage is that overlapping boundaries are very likely to result... promoting even more confusion.

REAA's are not units of local government, so they cannot be given taxing authority. Furthermore, the REAA concept has not yet been tested in court, but there is reason to believe that if more REAA type service areas are established they will

be challenged and may be declared unconstitutional.

The options for development of regional government in rural Alaska are numerous.

We have examined four possibilities. Let's review them briefly:

The organized borough - this form of regional government contains three positive features:

- (1) Much of the power to make decisions at a regional level is placed with the people. This power is clearly established and the people become truly self governing;
- (2) A wide variety of services can be delivered due to increased freedom in decision making; and
- (3) It is the final step in regional government.

Disadvantages of the organized borough form of regional government are:

- (1) Even though a borough might have the authority to levy and collect taxes, some areas of the State have limited taxable resources; and
- (2) Organized boroughs are locked into rigid methods of adding powers, levying a sales tax, changing class or unifying with the cities within them.

The second form of regional government examined was unorganized boroughs.