

ALASKA LEGISLATIVE COUNCIL 1979

411 SCOMM10: LOCAL GOVERNMENT STUDY 1979

the healthy growth of children up to age six. A current total of 1,164 children, a ten per cent minimum of which are handicapped, are benefiting from this program that "has proven to enhance the development of children physically, cognitively, emotionally, and socially."

Alaska, through self-imposed mandate, has recognized the needs of pre-schoolers. And it is of benefit to the State that it provide twenty per cent of the funds necessary to fulfill that mandate, due to the federal funding provided to Headstart.



JIM AYERS, HeadStart Director - RURAL CAP

Ironically, the International Year of the Child almost became the year that Alaska's Headstart program ran into financial difficulty. Due to increased program needs, Federal dollars coming into the State were increased to \$2,400,000. Somehow, the Governor's budget allowance failed to meet its twenty per cent obligation by coming up \$200,100 short.

At the March Citizens Participation Conference, delegates wrote a resolution designed to solve the encroaching financial problem. Not only would children be deprived, pointed out the delegates, but some of the 210 jobs generated by Head Start would also be reduced if the needed monies were not forthcoming.

RESOLUTION

Whereas: Children are our most valuable resource; and

Whereas: Alaska's Head Start programs are providing interdisciplinary, comprehensive early childhood education opportunities and services to 1,164 children the their families throughout Alaska; and

Whereas: This number of children and the quality of service will necessarily be reduced without adequate State funding support; and

Whereas: There are 210 jobs provided with these Head Start dollars and that number of jobs provided to citizens of the State of Alaska will also be reduced without adequate State funding support; and

Whereas: Head Start provides career development opportunities in rural and urban areas; and

Whereas: In order to meet the State's commitment to a 20% non-federal match for Alaska Head Start program, the Governor's budget allocation must be increased to \$200,100; and

Whereas: There is insufficient financial support from the federal Head Start funding agencies, causing dollar deficits in the Head Start programs in the State of Alaska; and

Whereas: We heartily and earnestly support and embrace this as the International Year of the Child; now, therefore, be it

Resolved: That the 1979 Citizens Participation Conference enthusiastically supports the Alaskan Head Start programs in their request for \$600,000 from the State of Alaska in order that they may maintain their present level of service to Alaska.

s/ Jim Ayers, Chairman

HEADSTART WORKSHOP

s/ Gordon Jackson

Conference Chairman

March 8, 1979

The legislature responded by increasing the budget allotment by the necessary \$200,100 and the governor signed his agreement. Thus it was a successful exercise of citizen participation in our government.

ALCOHOLISM



You can see what it's doing . . .

It is unfortunately a well-known fact that Alaska has the highest per-capita alcoholism rate in America. It is also known that successful rehabilitation of an alcoholic cannot be achieved until the person takes the first step of admitting that the problem exists. Such is the case with an entire state.

Citizens of rural Alaska have recognized that they

have a problem with alcoholism, and have gone past step one by making efforts to improve their situation. Many communities have chosen to completely alienate themselves from alcohol by going "dry". All of rural Alaska have encouraged and welcomed the support of RurAL CAP and other organizations in providing education, money and enforcement of tougher alcohol measures.

Opposition to these efforts seem to exist only in urban Alaska. "Everybody knows that alcohol is our No. 1 social problem", said Senate President Clem Tillion in an address to the rural Alaskans assembled in conference. "That is not argued about, but as soon as you start talking solutions, they start coming apart rather rapidly . . . and you find that about half the people are against anything you want to do."

RESOLUTION

Whereas, a vacancy exists on the Governor's Advisory Board on Alcoholism, and

Whereas, the statute mandates that this vacancy be filled with the appointment of an Alaskan Native, therefore be it

Resolved, that the CAC recommends to the Governor's Advisory Board that Annie Bowen of Anchorage, Alaska be appointed to fill this position.

This Resolution was forwarded to the Governor's Advisory Board on Alcoholism, and to the Governor.

s/Ralph Amoyak, Chairman

ALCOHOLISM WORKSHOP

s/Jordan Jackson

Conference Chairman

Affirmative action taken by Alaska's lawmakers can be diagnosed as almost completely impotent. The tell-tale symptoms this year included almost total inaction, except for the yearly exercise of shelving action bills. Said the "Final Legislative Report of May 15, 1979": . . . "it is very obvious that the legislature and the Governor either believe that alcohol is not a problem in the State, or that the current programs are sufficient." By way of advice, it continued: "If anything is going to happen in this area, a well-designed strategy will have to be developed and should begin soon." Speaker of the House Terry Gardiner gave possible reasons for the legislative inaction on alcohol bills:

"I know one of the complaints of a lot of legislators who are in favor of doing something about alcoholism. We keep funding these programs, but we don't know which ones of them are working. I think the ones that have demonstrated that they have some amount of success have been supported."

RESOLUTION

Whereas, rural Alaska for several years expressed substantial support for increasing alcohol excise taxation to support preventive education for elementary and high school students, expand current regional programs, initiate new regional programs, and provide adequate alcohol-manpower training, and

Whereas, the CAC recognized that modifications and internal prioritization of both SB 228 and HB 216 will be required to reach a solution acceptable to all involved parties, and

Whereas, the CAC has identified priorities for legislative consideration in addressing this matter, now therefore be Resolved, that the CAC recommends to the Alaska State Legislature that the following priorities be recognized for allocation of available alcoholism services funding:

- 1) K-12 preventive education curriculum
- 2) Existing program expansion/new program development
- 3) Alcohol manpower training and be it further

Resolved, that the Alaska State Legislature assure that additional funding be available in FY 1980 for the top identified priority (education) by taking the following actions in descending order of preference.

- a) Enact SB 228 and HB 212 as proposed
- b) Enact reduced-level SB 228 with HB 212 appropriations according to the priorities identified.
- c) Enact new legislation appropriating \$518,300 from the general fund for K-12 preventive education development.

s/Ralph Amoyak, Chairman

ALCOHOLISM WORKSHOP

s/Jordan Jackson

Conference Chairman

Recommendations by the Alcoholism Workshop on bills that were pending in March cannot be judged as to their effectiveness, since those bills never passed the House. The delegates did make another request, that the Governor fill a vacancy existing on his Advisory Board on Alcoholism with a rural representative, Ms. Annie Bowen. Governor Hammond agreed to consider the nomination. An increase (of \$600,000) in the budget for Alcoholism Education Programs was also approved, in spite of the failure of several bills. (A measure of success was achieved)

THE RESULTS...

The following presents the recommendations and resolutions created at the March Citizens Participation Conference, the action taken in each case, and the approximate level of success achieved.

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RESOLUTION 1:

Directed to the Alaska Oil and Gas Association requesting it use its influence and expertise in fuel management and marketing to aid in the BULK FUEL STORAGE problem.

"I do not support this resolution because there are currently sufficient Federal funds coming into the State from both the Community Services Administration and the Department of Energy to fund WEATHERIZATION programs." (Governor Jay Hammond, May :79)

"The balance of State Prime Sponsor will encourage community action agencies to submit proposals for CETA funding of WEATHERIZATION labor costs. It is not the policy of the state, however, to place priorities on funding specific projects." (Governor Jay Hammond, May :78)

... "It may be that the Renewable Resources Development Fund could be used (to fund small scale HYDRO-ELECTRIC projects)" (Governor Jay Hammond, May :78)

RESOLUTION 2:

Requesting that the Dept. of Interior make funds available to villages experiencing fuel crisis.

RESOLUTION 3:

Asking the State Legislature to appropriate an addition of no less than 25% of the Department of Energy's allocation to Alaska for WEATHERIZATION.

RESOLUTION 4:

Urging all CETA Prime Sponsors to establish WEATHERIZATION as a top priority in allocating labor funds.

RESOLUTION 5:

Urging the Administration and Legislature to study most appropriate method of funding small scale HYDRO-ELECTRIC projects from the Permanent Fund.

RESOLUTION 6:

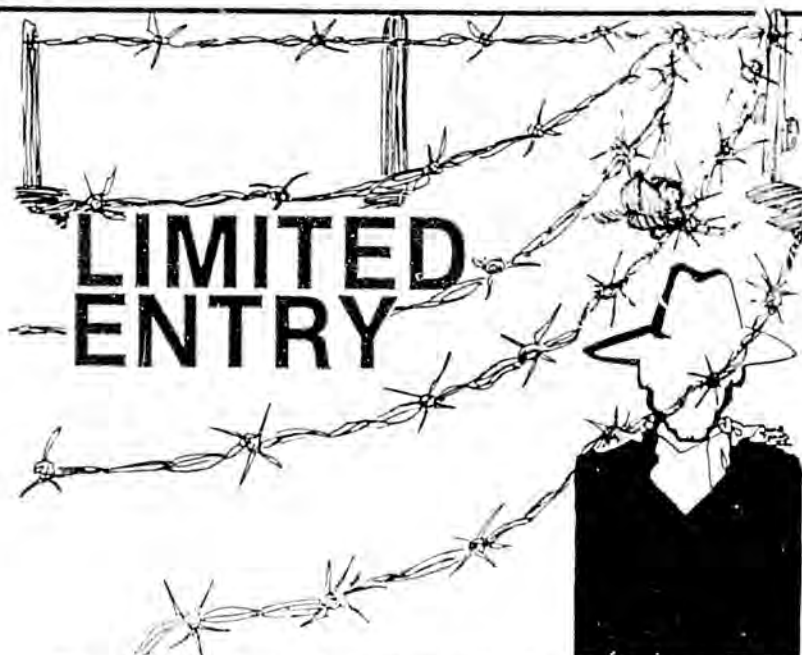
Resolved "that the Department of Interior be requested to continue with the total development and hookup of the East Barrow Gas Field to the Community of Barrow."

RESOLUTION 7: Urging the Department of Energy to revise its allocation formula to include the following factors weighed equally: 1. population; 2. number of States in Region; 3. per-capita response to the 1979 program.	In House, State Affairs Committee RECOMMENDATION 1: HB 263 - DO PASS (relating to airport improvements)	HB 264 - In House, Finance Committee RECOMMENDATION 2: HB 264 - DO PASS (providing general obligation bonds for airport lighting)	In Senate, Finance Committee RECOMMENDATION 3: SB 220 - DO PASS (specific appropriations for airport lighting)	RECOMMENDATION 4: That barge companies serving Alaskan communities be placed under the regulatory jurisdiction of the Alaska Transportation Commission to increase competition and establish fuel shipments as top priority.
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SB 164 - ADOPTED RECOMMENDATION 5: SB 164 - DO PASS (related to non-profit electric or telephone co-ops)	Has Governor Hammond's support SB 204 - Senate refused to concur with House amendments RECOMMENDATION 6: SB 204 - DO PASS (relating to public utility rates)	"I will soon be initiating . . . the development and distribution of presentations and handbooks designed for village leaders, REAA School Boards and administrators, and individuals working in the Bush such as teachers and Vista volunteers. The program will not only educate these individuals regarding the 'nuts and bolts' aspects of energy supply . . . but will also identify key contacts in and outside government that can assist with specific problems. As wide a distribution of this material as possible is planned through existing mechanisms such as RurAL CAP." (Governor Jay Hammond, May '79) RECOMMENDATION 7: Encouraging consumer education and fuel management training.	HB12 - ADOPTED RECOMMENDATION 8: HB 12 - DO PASS (relating to studies of hydro-electric potential in rural Alaska)	"I support in concept SB 68 . . ." (Governor Jay Hammond, May '79) SB 68 - In House, Resources Committee RECOMMENDATION 10: SB 68 - DO PASS (relating to the use of waste heat produced by pipeline facilities)
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SB 221 has Governor's support	HB 239 - has Governor's support	With respect to HB 63 on State's financing efforts are being made to coordinate the study of alternate energy resources to address the rural energy problem . . . (Governor Jay Hammond, May '79)	RECOMMENDATION 14: HB 63 "We would also request that any studies resulting from the passage of HB 63 include a comprehensive analysis of the social and economic impact of the project on Alaskan citizens; as well as studies should examine all alternatives of energy production and the end-use consumptive patterns."	RECOMMENDATION 15: That the Department of Energy provide funding to each native association to establish energy councils that would engage in planning and advocacy activities for solving their respective energy problems.
SB 221 - in Senate, Finance Committee	RECOMMENDATION 12: HB 239 - DO PASS (making a special appropriation to Legislative Affairs for a liquid gas feasibility study)	RECOMMENDATION 13: HB 63 and SJR 6 - "We note with regret that the Governor has introduced an appropriations measure requesting an allocation of over \$8 million for the purposes of studying methods for providing cheap energy in areas of the State where no real problem exists; while at the same time, the FY '79 Governor budget contains virtually no funding to cope with the chronic and critical energy problems in Alaskan villages."	RECOMMENDATION 14: HB 63 "We would also request that any studies resulting from the passage of HB 63 include a comprehensive analysis of the social and economic impact of the project on Alaskan citizens; as well as studies should examine all alternatives of energy production and the end-use consumptive patterns."	RECOMMENDATION 15: That the Department of Energy provide funding to each native association to establish energy councils that would engage in planning and advocacy activities for solving their respective energy problems.
RECOMMENDATION 11: SB 221 - DO PASS (making a special appropriation to the Department of Transportation and Public Facilities for Alternate Energy Demonstration Projects in rural Alaska)	RECOMMENDATION 12: HB 239 - DO PASS (making a special appropriation to Legislative Affairs for a liquid gas feasibility study)	RECOMMENDATION 13: HB 63 and SJR 6 - "We note with regret that the Governor has introduced an appropriations measure requesting an allocation of over \$8 million for the purposes of studying methods for providing cheap energy in areas of the State where no real problem exists; while at the same time, the FY '79 Governor budget contains virtually no funding to cope with the chronic and critical energy problems in Alaskan villages."	RECOMMENDATION 14: HB 63 "We would also request that any studies resulting from the passage of HB 63 include a comprehensive analysis of the social and economic impact of the project on Alaskan citizens; as well as studies should examine all alternatives of energy production and the end-use consumptive patterns."	RECOMMENDATION 15: That the Department of Energy provide funding to each native association to establish energy councils that would engage in planning and advocacy activities for solving their respective energy problems.

RECOMMENDATION 16: That all public agencies involved in housing and/or community facilities development and construction in Alaskan villages be required to engage in comprehensive inter-agency planning activities, and that the planning process be controlled by the village people.	Governor agreed not to sign this bill	In House, Rules Committee	Governor would sign this bill	
RECOMMENDATION 16: That all public agencies involved in housing and/or community facilities development and construction in Alaskan villages be required to engage in comprehensive inter-agency planning activities, and that the planning process be controlled by the village people.	RECOMMENDATION 1: HB 76 - DO NOT PASS (establishes tax on powdered alcohol)	Recommendation Two: HB 153 - Do not pass (allows holder of a beverage dispensary license to sell packaged liquor).	RECOMMENDATION 2: HB 163 - DO PASS (Supplementary appropriation to Office of Alcoholism and Drug Abuse to correct lapse in funds)	RECOMMENDATION 4: HB 219 - DO PASS with the addition of the word radio after the word mail in line 25, page 1; line 29, page 1; and line 6, page 2 (related to the ordering of alcoholic beverages)



Fencing the great land . . .

"Limited Entry is to fishermen what fencing the Great Plains was to the cowboy." In making that statement, Senate President Clem Tillior, was not afraid to admit "I can't say I like Limited Entry." But in so expressing the feelings of so many Alaskans, he was also quick to point out that "it isn't so good not to have it, either."

Delegates considering the Subject of Limited Entry during the Citizens Participation Conference were not in disagreement with the fact that limiting Commercial Fishing permits can be an effective method of protecting Alaska's fisheries. However, solutions to the expected problems, both legal and moral, need to be found.

On the left are notes taken at the conferences March 5th and 7th. On the right is a summary of what has happened in the legislature since then:

1. **LATE FILERS** — Many people missed application deadlines. A bill has been filed by Rep. Gardiner to open up application periods again.

This bill is numbered H.B. 360, and has not been passed.

2. **STUDIES** — A year-long \$125,000 legislative study has been requested (HB 141). In addition, HB 94, if it is adopted, would appropriate \$86,000 to the regulation review committee which could be used to study limited entry regulations. Motions were adopted by the work shops supporting those appropriations.

H.B. 141 has passed granting 165,000 not signed by Governor June 4.

3. **OUT-OF-STATERS** — Most ways of stopping out-of-staters from getting permits would be unconstitutional. Possible alternatives include requiring only in-state applications and giving preference in loans and grants to residents.

No present action.

4. **TRANSFERABILITY** — There were problems expressed with high costs of permits and the need to transfer permits to family members only. This will be looked at by the study committee.

No present action.

5. **LATE-DEVELOPING COMMERCIAL MARKETS** — In some areas (upper Yukon) lack of markets for fish mean many people can't get enough points. SB 187 deals with that, but is being redrafted.

This bill was re-drafted to HCS SCR 22, a resolution, which directs the Limited Entry Commission to determine questions of if and who have been discriminated against in the Upper Yukon, and how many more permits could be issued.

6. **HB 30** — makes more loans available to buy limited entry permits.

Passed legislature — signed by Governor June 4.

7. **HB 290** — Allows a participant in two fisheries to combine points and get a permit in one of the two.

Passed legislature — signed by Governor June 4.

The main problem which has become complex and led to still other problems is the fact that non-locals and even out-of-staters have very often been able to obtain scarce and limited fishing permits to the loss of local residents. They have been able to accomplish this through the use of money and sophisticated loop-hole methods. It is hoped that the measures listed above, especially the money for "studies," will be a start in correcting this situation.

LOCAL GOVERNMENT

Small municipal governments in rural Alaska (normally Second Class Cities) have a difficult time in providing governance under State law. Although some problems can be attributed to a lack of trained and experienced city administrators and council members, most stem from the fundamental problem of inadequate funding for the provision of basic municipal services. Therefore, State Aid to Local Governments (Revenue Sharing) is a most important concern.

A special workshop was arranged during the Citizens Participation Conference to examine pending legislation related to the issue of local Government. These are their recommendations:

RECOMMENDATIONS:

- 1- HB 192 - Related to Revenue Sharing - "DO PASS"

Recommended amendment:

(page 7, lines 11 & 12) The last sentence should read "Payments shall be made for maintenance of roads used by automotive equipment."

- 2- HB 300 - Providing for a minimum grant of 25,000 to local governments - "DO PASS"

(Recommendations 1 and 2 both recognize the need for a minimum amount of funding required for the operation of municipal government. It is clear that, in the event HB 192 passes, HB 300 would be redundant.)

- 3- SB 137 - Title XXIX "Clean-up," - "DO PASS"

Recommended amendment:

(Page 3, line 3) This sentence, providing for the term of office for Mayors of Second Class Cities, should read: "the mayor . . . for a term equal in length to the remainder of his or her term and until a successor is elected and has qualified."

- 4- HB 9 - Relating to taxing the Unorganized Borough - "DO NOT PASS"

It was felt that the costs associated with assessing property and levying and collecting taxes would exceed the revenues derived from the exercise.

- 5- HB 38 - Requiring public disclosure of the provisions of contracts of the State and Municipalities - "DO PASS"

... at every issue

... at every level



- 6- HB 314 - Relating to optional property tax exemptions - "DO PASS"

- 7- HB 95 - Relating to Sanitary Landfills - "DO PASS"

Clearly, the major priority was the passage of HB 192.

"I think that the revenue sharing reform bill which contains the minimum grant loan of \$25,000 plus cost of living allowance to all small communities, has pretty good support around the state except for some people around the Anchorage area.

The Governor said he didn't intend to support any increase in funding of revenue sharing unless there are changes, and I think this will help influence some of the people who don't necessarily like the bill." (Terry Gardiner, House Speaker)

... "you can't have a government that lives entirely on grants. You are going to have to find some way for the local area to raise some of its own money for any project it does." (Clem Tillion, Senate President)

VILLAGE AGRICULTURE

"In this day of inflation . . . village agriculture in Alaska is something we've got to take a look at. . . Because it looks like this old world is going to be a hungry place sometime in the future."

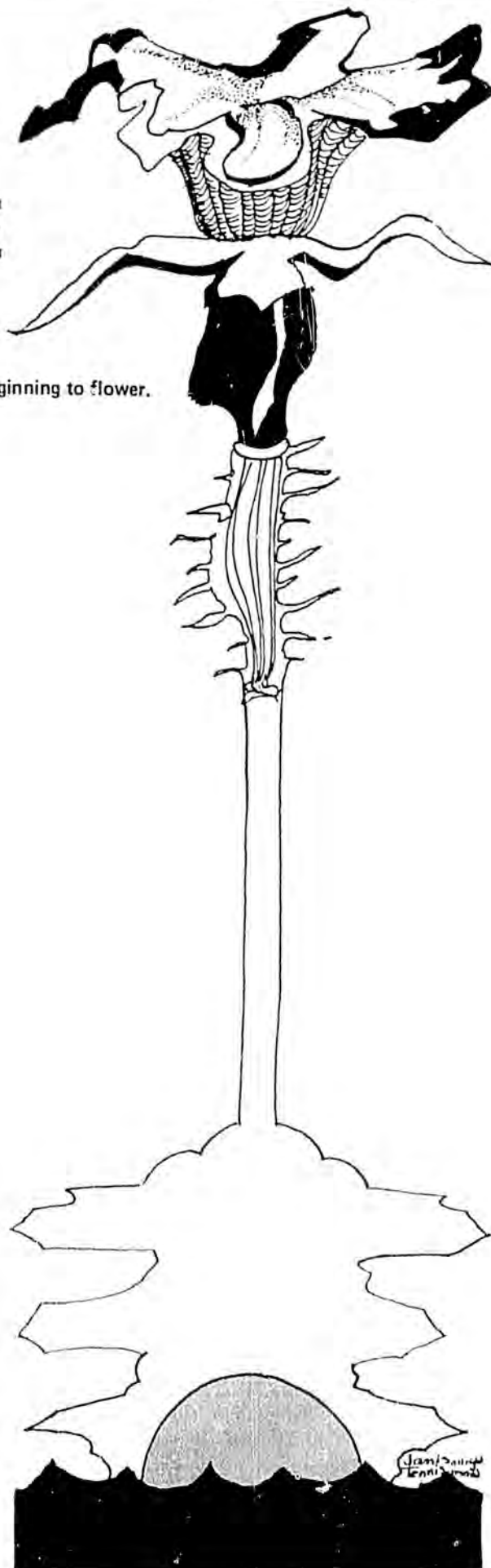
This view expressed by Alaska State Senate President Clem Tillion paralleled that of the village people he was speaking to. Inflation, diminishing fish and game supplies, and the present and worsening fuel problem (in this case for food transportation), has led rural Alaskans to address Village Agriculture collectively.

At the Citizens Participation Conference, the issue of Village Agriculture was still in a discovery stage, and the workshop was mostly informational. Reports of increased interest and practice of personal gardening were made, statewide activity indicated to be "spreading like wild-fire." Agriculture education was agreed upon as an important component in encouraging local gardening, and the Koyukon Development Corporation was reported to be taking the lead in this area with their proposal to HEW's Indian Education Program requesting aid.

Larger scale agricultural development is being encouraged by the "Delta Barley Project," a program by which farmers in the Delta area will be provided with low interest-thirty year loans.

As an issue, Village agriculture is receiving support from citizens and legislators alike. The projects currently being conducted should help provide increased interest and direction for all of Alaska.

... beginning to flower.



TELECOMMUNICATIONS



The following report was presented to the Delegates of the March Citizens Participation Conference by the AFN Telecommunications Committee. The views and recommendations therein were adopted by the delegates for future action, and any such action to date is appropriately included:

- A. Governor Hammond has created a council to advise him concerning state telecommunications policies. AFN is concerned that this council represents only administrators and industry; recommends that the Governor recognize the urgent rural concerns by also naming a rural representative (not necessarily a "consumer").

RESOLUTION

Whereas, the State of Alaska has in the past recognized the policy recommendations generated by the regional corporations through the AFN Telecommunications Committee, and

Whereas, the Alaska Federation of Natives, Inc. is concerned that this recognition continue as the State initiates new telecommunications policies, and

Whereas, Governor Jay Hammond's recent appointments to a newly appointed telecommunications policy council do not assure any formal representation of rural interests:

Now Therefore Be it Resolved by the Citizens Participation Conference, that the Hammond Administration seek nominations from AFN to appoint a representative of rural concerns to the telecommunications policy council.

TELECOMMUNICATIONS WORKSHOP

by Gordon Jackson, Conference Chairman

Date: March 5, 1979

- B. Projected disbanding of the Governor's Office of Telecommunications raises concerns about how the State will continue these functions — AFN is interested in having an advisory/review opportunity before this is adopted.

C. RURAL TV DEMO PROJECT

AFN has transferred program policy functions to new Rural TV Program Policy Council as of January 1, 1979. AFN will name several members to this council in March.

There is a need to maintain rural Alaskan input to Robert Wold & Co. as the television program contractor.

AFN Telecommunications Committee urges caution about continued expansion of television service to other communities in the areas of system self support (dollars) and adequate power and basic communications necessary first.

D. EARTH STATION OWNERSHIP

AFN Telecommunications Committee has not taken a stand on ownership issue; also recommend further analysis of local ownership as option — discussions needed with Pacific Power & Light.

E. AFN COMMITTEE STRUCTURES & FUNCTION

1. AFN retain telecommunications committee function.
2. Committee membership should be appointed by the AFN Board of Directors depending on issues to be addressed; committee to meet as needed.
3. AFN should provide small budget for committee functions.

"I was pleased to recently appoint Senator Frank Ferguson and Morris Thompson (President AFN) to the council to ensure that rural interests will be fully represented." Governor Jay Hammond, May 17, '79.

The Participants Who Make It Happen

ENERGY WORKSHOP

Delegates:

Isaac B. Amik Kipnuk, Nunam Kitlutsisti
Fred T. Angason Dillingham, Bristol Bay Native
Association
Earl Attla Huslia, Koyukon Development
Corporation
Jeri Chong Anchorage, Aleutian/Pribilof
Islands Association
Catherine Curry Eklutna, Cook Inlet
Native Association
Louie John Fairbanks, Gwitcha, Gwitch'In,
Ginkhye
Morris Kuzgruk Teller, Kawerak, Inc.
Gertrude Lyons Petersburg, Southeastern
Alaska Community Action Program
Dee Olin Ruby
Koyukon Development Corporation
Bob Peterson Kodiak, Kodiak Area Community
Development Corporation
Ray Sanford Tok, Upper Tanana
Development Corporation
Jake Wells Noorvik, Mauneluk Association
* Mike Williams Akiak, Nunam Kitlutsisti

*Elected Energy Workshop Chairman by the delegates.

Guests:

Senator Frank Ferguson D, Kotzebue
Senator John Sackett R, Galena
Walter Riley Cook Inlet Housing Authority
Daisy May Lamont AVCP
James Wilson SEACAP
George D. Calliou Petro-Canada
Mary Stachelrodt AVCP Housing Authority
Morris Thompson Alaska Federation of Natives
Senator Pat Rodey D, Anchorage
Carole Kaehle State Department of Community &
Regional Affairs
Dan Kanouse State Department of Community &
Regional Affairs
Pat Ryan State Department of Transportation

Resource Persons:

Donald Anderson Bureau of Indian Affairs
Bob Cross Alaska Power Administration
Donald S. Dorsey Ak. Native Industries Cooperative
Association, Inc.
Kit Duke State Dept. of Transportation

Howard Elliott United Transportation, Inc.
 Fred Feagin Crowley Maritime Corp.
 Carolyn S. Guess APUC
 Mike Henry Tlingit-Haida Electrical Authority
 Richard Holden State Dept. of Transportation
 Jake Johnson Alaska Transportation Commission
 Larry Kimball State Dept. of Community &
 Regional Affairs
 Jerry Larson Alaska Village Electric Coop
 Nancy Lee Alaska Center for the Environment
 Bill Luria Governor's Office of Alproprate Technology
 Donald R. Markle State Division of Energy & Power
 Development
 David Massey State Division of Business Loans
 Lee McAnerney State Dept. of Community &
 Regional Affairs
 Clarissa Quinlan State Division of Energy &
 Power Development
 Dale Rusnell State Division of Energy &
 Power Development
 Gary Selk Alaska Business Development Center

Donald L. Shira Alaska Power Administration
 John K. Stotz Grumman Energy Systems, Inc.
 Chuck Sitkin Arthur Young & Co.
 Frederick A. Talstron Bureau of Indian Affairs
 Bill Troy Pacific Alaska Lines
 Eric Yould Alaska Power Authority

Facilitators:

Charles Johnson Kawerak, Inc.
 Frank R. Peterson Kodiak Area Native Association

Staff:

Dee Lane Rural Energy Department
 Thea Smelcer Rural Energy Department
 Erika Tritremmel Administration
 Sherry Valentine Rural Energy Department

SUBSISTENCE WORKSHOP

Delegates:

Jimmie Farmer Koyukon Development Corporation
 Gusty Ghythlook Bristol Bay Native Association
 Fred Bismark Tyonek
 Walter Charley Copper River Native Association
 Mike Zacharof T & X Corporation
 Bert Griest NANA
 Julie Simon Mauneluk Association
 Tony Vaska Nunam Kitlutsisti
 Guy Martin Kawerak, Inc.
 Fred Toektoo Eskimo Walrus Commission
 Nick Hartzell Kodiak Area Community Development Corporation
 Eddie Mayo Tanana Chiefs Conference
 Henry Mitchell Tanana Chiefs Conference
 Arnold Melsheimer North Pacific Rim
 Bobby Schaeffer Mauneluk Association

Resource Persons:

Don Clocksin Alaska Legal Services
 Paul Cunningham Ak. Dept. of Fish & Game
 Dr. Tom Lonner State Division of Subsistence
 Byron I. Mallott Sealaska Corporation
 Don Mitchell Alaska Federation of Natives
 John Shively NANA
 Morris Thompson Alaska Federation of Natives

Staff:

Norman Cohen Subsistence Dept.
 Linda Fagerstrom Subsistence Dept.

Suzan Midkiff-Anderson Subsistence Dept.
 Hene Stein Subsistence Dept.
 Phil Smith Exec. Director

Guests:

Salvatore DeMaria KACDC
 Paul Gregory AVCP
 Dave Morrison KACDC
 Lois Munson Eklutna Village
 Jonathan Solomon 3 G's
 Moses Strauss AVCP
 Myrna Tergamsen SEACAP

ALCOHOL WORKSHOP

Delegates:

Rev. John J. Shaffer	Alaska Christian Leaders Conference
Marie Olson	Alaska Native Training Institute
Ralph Amouak	Cook Inlet Native Association
Arlene A. McCafferty	Mauneluk Assoc., Kitzebue
Captain Ronald Wendt	Salvation Army/Anchorage
Charlotte Siverly	Southeast Regional Health Corp.
Joyce Wemark	North Pacific Rim Corp.
Tom Stoner	Alaska Native Comm. on Alcoholism and Drug Abuse
Jeanie Maxim	Copper River Native Association
Jeanne Norton	Aleutian Pribilof Island Association
Stewart Nicolai	RurAL CAP Counselor, Copper River
Max Lestenkof	RurAL CAP Counselor, St. Paul Island
Ignatius Andrew	Yukon Kuskokwim Health Corp.
Thomas Tilden	Bristol Bay Area Health Corp.
Mary Edwardsen	North Slope Borough Health Dept.
Ethel Adcox	RurAL CAP Counselor, Iliamna
Ann Crowell	Kodiak Area Native Association
Roger Silook	Norton Sound Health Corp.
Matthew Felix	Gastineau Council on Alcoholism
Paul Sherry	Tanana Chiefs Health Authority

Resource People:

Bob Cole	State Office of Alcoholism
Michael Harper	Office of the Governor
Rep. Joyce Munson	D, Anchorage
Sen. Pat Rodey	D, Anchorage
Richard Spaziani	State Office of Education

Staff:

Peg Benepe	Alcoholism Dept.
Alphie Morris	Alcoholism Dept.
Norika Humpheries	Administration

HEADSTART WORKSHOP

Delegates:

Alice Wardlow	AVCP Head Start
Kay Wallis	Tanana Chiefs Conference Head Start
Jo Putman	Kawerak Head Start
Lloyd Wood	Fairbanks Head Start
Jane Jackman	Tanana
Esther Hutsik	AFN
Vivian Senungetuk	CINA Head Start
Linda Mizer	Yukon-Kuskokwim Parent-Child Program
Bob Lohr	Upper Tanana Parent-Child Program
Marilyn Akiyama	T&H Central Council Head Start

Resource Persons:

Bob Davis State Department of Education
Daisy May Lamont Social Services, AVCP
Rosalee Walker State Department of Education

Staff:

Jack Easterbrook. Administration
Norika Humphreys Administration
Sandy Larson Headstart

LIMITED ENTRY WORKSHOP**Delegates:**

Ed Cullen. S.E. Hantrollers, Sitka
Ted Angason B.B.N.A., Dillingham
Thomas Tiden. B.B.A.H.C., Dillingham
Gusty Chythlook. B.B.N.A., Aleknagik
Daisy May Lamont A.V.C.P., Bethel
Lois Munson. Seward
Fred Bismark Tyonek
Carl Berger. KANA, Kodiak

Moderator:

Mike Zacharof T & X Corp., St. Paul

Legislative Staff:

Nancy Harvey (Senator Sackett); Dean Paddock (Senator Hohman); Sharon Stoops (Representative Terry Gardiner); Adelheid Herrman (Representative Anderson); Judy Dillard, Senate Resources

Legislative Representatives:

Panel: Representative Terry Gardiner
Representative Alvin Osterback
Representative John G. (Jack) Fuller
Representative Nels Anderson
Representative Vernon Hurlbert

Other Legislators: Senator Frank Ferguson, Representative Fred Zharoff.

Resource Persons:

Don Clocksin Alaska Legal Services, Juneau

Staff:

Suzan J. Midkiff-Anderson; Norman Cohen.

LOCAL GOVERNMENT WORKSHOP

Delegates:

Willie John	Fort Yukon
Andy Kahoutec.	Akhiok
Morris Kugruk	Teller
Al Macasaet	Kwalock
Jeanne Norton	Unalaska
Julie Simon	Kotzebue
Jake Wells	Noorvik
Mike Williams	Akiak

Resource Persons

Doug Griffin. . . Dept. of Community & Regional Affairs
Rep. Bill Parker. . . . Chairman, Hse CR&A Committee
Mia Spear. Office of the Governor

Staff:

Phil Smith Exec. Director
Ross Sobolef Legis. Information

VILLAGE AGRICULTURE WORKSHOP

Delegates:

Jerri Chong	A/PIA
Jimmy Farmer	Galena
Eddie Mayo	Fairbanks
Arnold Melsheimer	English Bay
Dave Morrison	Kodiak
John J. Shaffer	Nome
Roger Silook	Gambell
Fred Tocktoo.	Pt. Hope

Resource Persons:

Rep. Pat Carney Wasilla
Kelly Fike Legis. Agriculture Committee
James E. Fisher. U.S. Dept. of Agriculture
Tom Hawkins LUPC
Rep. Pappy Moss Delta Junction
Mayor Dee Olin. Ruby

Staff:

Ilene Stein Subsistence Dept
Erika Tritremmel. Administration

The Decision-Makers Who Can Make It Happen

"I think there is a large gap in our system from the standpoint of people like yourselves having an influence, on what the governor introduces into legislation."



KENT DAWSON FOR GOVERNOR HAMMOND:

I think the people who wrote the state constitution either believed in a strong Executive Branch, or were planning to run for Governor. We have a very strong Governor in this state. The fact that we don't have any cabinet members elected separately, and the fact that the Governor has a very strong budget veto power means that we have a pretty ship . . . The theory is, I think, that if anything goes wrong in government, you want to have as few people as possible to blame. In Alaska, if things go wrong you can pretty well blame the Governor.

The large bureaucracy in Alaska (14,000 — 15,000 employees) has a lot of clout in terms of what legislation the Governor produces, and the legislature also feels the pressure from this force. The Governor is frustrated a lot with the ideas he comes up with. He says, "I want to get these bills through", but for some reason no one is pressing those bills. The ones that were dreamed up somewhere down in the bureaucracy, however, are rolling right through the legislature. The reason is that the relationship between the Executive Branch and a legislator develops with someone fairly far down in the structure. They have a telephone, call each other, and don't have to show up at a meeting to communicate ideas. So the Governor is sitting up at the top of the organizational chart appearing to be running the whole thing, but things are going on, bills are popping up, questions are being asked at hearings that are no accident. It's a much more complicated network than it appears to be.

I think there is a real gap in our system from the standpoint of people like yourselves (conference delegates) in having any influence on what the Governor introduces into legislation or into the budget. I can hardly think of any time that a Representative has come into my office in the fall and had a proposal. What happens is that ideas for a lot of things the Governor may consider to be put into the budget he's getting from the state agencies. Then he introduces his bill or budget to the legislature, the legislature tries to affect it or shape it in some way, and it comes out the other end. I think a wise legislator should see the Governor in October before the process begins.

It is a tremendous power the Governor has to veto, though it has not been exercised a lot. The Governor may eliminate or reduce a budget line item with his veto power, and it takes a two-thirds vote of the legislature to overturn that. You have to realize that if there is something you are concerned with getting through the House and Senate and Free Conference, you still have to contend with the Governor, and he has a very short time to make his decisions. Last year he had two weeks to cut \$8 million from the budget.

Once it's budgeted, you again run into the bureaucracy. Probably the best way that you as people can affect that is to come to the Governor's office. First try going to the people who are responsible for implementing what the legislature has mandated, and if you aren't satisfied, then go to the commissioner. If you still aren't satisfied, rather than frustrating yourself by going back to these agencies, go to the Governor's office; it will get the Governor's attention.



MORRIS THOMPSON:

... "Congratulations are in order to RurAL CAP for sponsoring these annual citizens participation sessions. It gives rural residents an opportunity to observe the legislative process, and to make recommendations to us on issues that we are going to be addressing...

It was only ten years ago that a group of (before then) disorganized native people pulled off the largest settlement in the history of the United States without any funding base... What I am saying is there is a lot to learn in the legislative process, but it can be learned rather rapidly. I think having all of you down here observing that process can only reflect well, in the long run, to the people we represent.

"There is a lot to learn in the legislative process but it can be learned rather rapidly."

We need to be more effective in working the legislature as our numbers are certainly going to decrease just as certainly as the urban areas will continue to grow. With the one man/one vote, we are going to see large communities get more votes at the expense of rural Alaska. The voices that we have down here have been very effective. But there are going to be less of them, so the burden will then shift to many of you to impact the legislative process in the future. The burden is also going to shift to those people you elect to boards, whether they are in corporations or in your regions.

Representing rural Alaska is difficult. It's difficult because we don't have that great of a communications capability to all of the various communities, from a hundred and twenty villages in the state to twelve regions, to the twelve non-profits, to RurAL CAP. If we are not careful, the Native leadership as it exists can get too far out on an issue and not truly reflect the village concerns. From our perspective, these forums provide us an opportunity to stay as close as we can to you on any issue.

Now let me give you a very quick highlight on some of the issues that we have been working on in Washington in behalf of AFN:

First of all, d-2: Don Mitchell has been our principle man in Washington over the last several years. Both he and John Shively, in my opinion, have done a tremendous service to Alaska and a greater service to the Alaska Native Community in moving along ANSCA amendments and some of the d-2 issues that have faced the Native community.

We are doing two main thrusts in the d-2 legislation. First of all trying to make the d-2 legislation visible from the Alaska Native community, and secondly trying to get some correcting amendments to the Alaska Native Claims Settlement Act. I mentioned in Washington, and I've mentioned in other forums that out of all the interest groups that are impacted by d-2, the Alaska Native community is probably impacted more directly and more heavily than any other interest group in the state, for the

simple reason that the majority of the villages border on or lie within the d-2 areas.

We're also trying to provide for a method of softening the stock alienation in 1991, whereby we will allow children of stockholders first right of refusal to purchase stock, to try to eliminate the possibility of non-Native interests in control of the corporations; we are trying to liberalize village selections on 14 (h) and 14 (c); we are talking about setting a vesting date for 14 (c) reconveyance; (these are basically the reconveyance from the village corporations to businesses in airports, schools, and so forth); and trying to speed up the conveyance process and assuring that fire protection is still provided by the Bureau of Land Management. Of course we have the land swaps that we feel are worked out between regions and regions, the State, and the Federal government.

"The biggest issue is subsistence . . ."

I guess the biggest issue we have in d-2 is subsistence. It's still the foundation of Native culture, a predominate activity of rural Alaskans, and in many cases the mainstay of rural economy. We are also working on access across these d-2 withdrawals to ensure protection of subsistence and protection of villages surrounded by these d-2 withdrawals to ensure access across them both for transportation and hopefully for developmental purposes if the region so desires.

The last thing I want to touch on while the Commissioner (of Fish and Game) is present is the wolf hunting situation. We did object to procedures outlined by the Department. The report was issued on the 14th, the hunt was announced on the 16th, the hearings were hurriedly arranged out in rural areas on the 19th, and the hunt was supposed to start on the 1st. Less than two weeks time we don't think is fair procedure, and our concern is that it did not provide the advice of Fish and Game boards out in the bush time to mull over this very controversial decision. As I mentioned, it's the process we objected to, not the departments recognizing subsistence as a priority.



**"Politics is the art of the possible,
but it takes a lot of wheeling and dealing."**

CLEM TILLION — SENATE PRESIDENT:

While I consider the Democracy a pretty poor form of government, very wasteful and inefficient, and not at all inclined to look to the future, it is nevertheless the best form of government our people are able to live under. The advantage of it is that it changes often enough that no particular group is ever left out.

The basic parliamentary process is the actual drafting of the laws that you live under. The restraints we have under the lawmaking are the constraints within the constitution, which when any new state is formed are adopted.

Politics is the art of the possible. You have people from every different segment and every different pressure group working on the laws that you live under. In many cases it's the compromises that make it difficult for the Administrative section because we can't speak as clearly and decisively as we should. It takes a great deal of wheeling and dealing. Some of the things that are done in politics aren't what some people would consider proper, but that happens to be the rules of the game, and any time you are within the rules and don't lie and steal, it's proper.

Sam Rayburn was the one that said "politics is the search for power and the use thereof." It's best compared with sex, because if you think it's sinful, you'll not only never enjoy it, you'll never be much good at it.

The rural areas have done rather well in that they have people like John Sackett at the head of the Finance Committee (which is one of the most powerful positions in the state), and several other rural legislators that have come by one way or another to positions of prominence. This is due to the fact that the rural areas tend to send back the same people year after year and increase their seniority.

We have for the past few years been able to pay for both our wants and our needs, to the point that many of us have lost sight of what is a need and what is a want. Today we are faced with drops in the amount of revenue we can expect. Part of this is due to things that are completely out of the control of the State of Alaska, such as the fact that when we built the pipeline to Valdez instead of crossing Canada directly to market, we automatically reduced the worth of a barrel of oil to the State by about \$2.50. But everybody wanted jobs, so they wanted all 800 miles to be within Alaska. In effect we've sold out part of our birthplace to get a quick buck, and that is one of the balances of the legislative system that is not too good.

**"The only way the
outer areas of Alaska
can maintain power
is through seniority."**



TERRY GARDINER

JOHN SUND FOR TERRY GARDINER (HOUSE SPEAKER):

The legislature has a great deal of power to enact law, but when you really examine what you have to do to get that law put into place, you run out of tools real fast. The major one used is Budget, hence the power of the Chairman of the House and Senate Finance Committees.

... There isn't a present process of review to see whether the regulations promulgated actually fit with the intent that the legislature had. I think that is something a lot of people are interested in now, and you will continue to see a lot of changes in the next few years. Presently, legislative oversight of implementation is mainly done through the budgetary process.

... the Only way the outer areas of Alaska can maintain power is through seniority and power. That means that the people in the smaller populated areas are going to have to send the same people back year after year if they are going to maintain any power in either house.

WHAT HAPPENS NEXT?



Phil Smith, Executive Director RurAL CAP:

What happens next? — ENERGY

"The process of resolving the serious and critical energy problem of rural Alaska will be an ongoing effort by RurAL CAP, the Alaska Native Foundation, and other organizations who are concerned with this problem. In October, the Alaska Native Foundation is planning to conduct a conference on rural energy. The Alaska Federation of Natives Convention (to be held on November 1, 2 and 3) will address energy problems in a specific workshop. The ongoing involvement of Senator Frank Ferguson with his interim legislative committee on energy will yield legislative proposals in advance of the 1980 session. The Hammond Administration is paying close attention to the problem.

In spite of this, this complex and unfortunately most expensive problem can only be resolved at the village level, ultimately. The best role of policymakers and advocates is to provide a framework in which the ideas and sensitivities of rural Alaskan people can be brought to

bear on the problem. Certainly, the beginning has been made. The ongoing commitment of RurAL CAP and other organizations to realize a solution is evident. 1980 will be a busy year.

What happens next? — ALCOHOLISM

This most significant and difficult of social issues will remain with us for some time to come. It is absolutely necessary that the Alaska Legislature understand the nature of the problem, and be willing to take minimal risks in devising solutions to it. For the past three years, the Governor's comprehensive alcohol package has languished in committee while alcohol abuse (as well as other substance abuse) has been increasing at an alarming rate. Although it is clearly inappropriate for advocates to suggest that

programs which demonstrably do not work be continued, it is nevertheless true that most innovative approaches to the problem have not been tried and found wanting; rather, they have been wanted and not tried.

It is clearly time to move the question of an adequate State response to the massive social problem of alcoholism out of the "politics as usual" spectrum of public policy development and to seriously put aside regional and partisan differences in order to cooperatively work toward a solution.

RurAL CAP, through its continuing alcoholism counselor program, and by maintaining sensitive contacts with villages and other organizations, will continue to advocate that appropriate solutions to the problem of alcoholism and drug abuse are devised and implemented by both the administration and the legislature.

Again, however, advocacy and other forms of statewide leadership will yield little in the way of concrete results unless, and until, the wisdom and the sensitivity of village people is brought to bear on the problem. At best, it will be an enabling process, whereby the tools are made available to the rural areas. Only in that way will any definitive and meaningful solutions to the problem be found.

What happens next? — SUBSISTENCE

This most major of public policy issues for the past several years will, it seems, be with us for some time to come. The United States Congress has thus far failed to pass comprehensive oil-2 legislation. The concern over the management of walrus continues. Outer Continental Shelf oil development and other forms of developmental activities on the Alaska coastline will continue to place pressures on the resources upon which rural people so acutely depend.

Again, however, the process of advocacy is a process of enabling. It is expected that, within the next year or so, national interest lands legislation *will* pass the congress. It is further expected that the Alaska State Legislature *will* decentralize decision-making over fish and game management questions. It is expected that informed village people *will* take control over many of the decisions affecting permissible uses of wildlife. The degree to which these efforts will succeed depends upon the degree to which village people exercise their participatory right and the degree to which their decisions are directed toward the future.

The Department of Subsistence and Natural Resources of RurAL CAP will continue to provide statewide coordination of regional advocacy efforts, analysis of pending legislation and regulations, etc. Certainly, the effort must continue — too much has been gained to back off at this point.

What happens next? — CHILD DEVELOPMENT

1979 is the International Year of the Child. But it is the belief of RurAL CAP that children should be accorded more than one year. Therefore, there will be a continuing effort to help the State to understand its responsibility to young children. The "success" of the advocacy effort to increase the State match for Head Start funding is only the beginning of what must be a continuing process of commitment on behalf of rural Alaskan children. It is heard time and again that the most appropriate age at which to intervene problems of development is in the early (pre-school) years. Therefore, extra efforts must be made to insure that health and social services are delivered effectively and efficiently to rural Alaskan children. The State's "Exceptional Child Act" must be fully implemented. Comprehensive child development programs such as Head Start and Parent-Child programs must be expanded to serve *all* rural Alaskan children.

Only if this ongoing commitment to these issues is evidenced by Statewide organizations will any significant impact be made on the many problems endemic to rural Alaska. It is frequently said that the *real* solution to the problems of rural Alaska can be found in the villages. Those solutions cannot be found if village people are ill, handicapped, poorly educated, or otherwise suffering from disabilities. It is therefore necessary to provide direct assistance to the very young children who will be the leaders of the effort to develop tomorrow's solutions to today's problems.

What happens next? — OTHER ISSUES

We will continue. The ongoing provision of access to the legislative process has taken several giant steps forward this year. The expansion of legislative affairs offices into rural Alaska, the increased sophistication of telecommunications capability, and other factors are yielding a potential for participation. Certainly, as long as the RurAL CAP organization exists, we will be making every possible effort to insure that all avenues of participation which may be used by rural Alaskan people to exert control over their own destinies will be fully developed.

Toward that end, we are in a planning process to develop an ongoing series of legislative conferences and meetings during the coming year. Although, programmatically, the number one priority issue for RurAL CAP during FY '80 will be energy, we are certainly aware that only through the participation of rural people can the problem of energy (and many other issues) be solved. We are committed to facilitating that process of participation."



Gordon Jackson, President — BOARD OF DIRECTORS, RurAL CAP:

"Article X, Section 6 of Alaska's Constitution states:

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

"What happens next in my opinion is the implementation of priorities set by the Citizens Participation Conference and implementation of that phrase in our constitution allowing for maximum local participation and responsibility. For the past five years RurALCAP in close cooperation with the Alaska Native Foundation, Alaska Federation of Natives and Alaska Legal Services Corporation have implemented the constitutional section that is clearly the state's responsibility. We have brought a broad cross section of people to Juneau from the unorganized borough to discuss and prioritize such things as the decentralization of the State Operated School System, Bilingual Education, State Participation in Head Start Funding, an adequate telecommunications network in rural Alaska, Otitis media, day care assistance, alcoholism, adequate housing, subsistence, energy, and many others. The administration and legislature provided many of the answers. It is my strong feeling we have gained the experience to define maximum local participation program in the unorganized borough."



"What happens next is up to the current Administration and the State legislature. Will they take advantage of our experience? Will they respond to our priorities? Will they finally fund and allow for maximum local participation and responsibility in the unorganized borough? Will they recognize that through Citizen Participation Conferences that public policy need not begin with public officials?"

"Our role as participants is advocacy and information. Never before have we confronted such huge and complex problems as the protection of our subsistence rights, alcoholism, and energy. There's no question in my mind we accept that responsibility."

Gordon Jackson



DARBYSHIRE & ASSOCIATES
community planning and management services

December 7, 1979

The Honorable Arliss Sturgulewski
The State Senate
2957 Sheldon Jackson Street
Anchorage, Alaska 99504

Dear Senator Sturgulewski:

We are pleased to submit the attached proposal describing the automated economic model developed by our firm. After you have had an opportunity to review it, we hope you concur that it is a useful tool for economic, environmental, resource, and community planners and managers.

We plan to demonstrate the use of our model in Juneau and Anchorage. These demonstrations are scheduled as follows:

DECEMBER 19 (WEDNESDAY)
1:30 pm
HILTON HOTEL
JUNEAU

JANUARY 3 (THURSDAY)
2:30 pm
ELEVATION 92 RESTAURANT
3RD AND K STREETS
ANCHORAGE

We urge you or your representative to attend one of these demonstrations. Also, it would be appreciated if you would call us after you have had a chance to consider this matter and advise us which - if either - of the demonstrations you plan to attend. This will assist us greatly in making proper arrangements for our presentation.

Respectfully submitted,

Darby
Ralph R. Darbyshire
President

**Proposal
for
AUTOMATED
ECONOMIC
MODELING**

as a policy, planning and management tool

**Darbyshire and Associates
420 'L' Street, Suite 403
Anchorage, Alaska 99501
tel. (907) 279-5443**

PREFACE

The purpose of this proposal is to describe the automated economic model we have developed and how it can be useful to economic, environmental, resource, and community planners and managers. By illustrating the usefulness of this modeling technique we believe that more planners and managers- in both the government and the private sector - will see its value and begin to use it. In the end, we are certain such action will help foster better solutions to local problems to the benefit of all.

A PROPOSAL FOR USING AN AUTOMATED REGIONAL ECONOMIC MODEL
AS A TOOL FOR ECONOMIC, RESOURCE, ENVIRONMENTAL,
AND COMMUNITY PLANNING

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A PROPOSAL FOR USING AN AUTOMATED REGIONAL ECONOMIC MODEL
AS A TOOL FOR ECONOMIC, RESOURCE, ENVIRONMENTAL,
AND COMMUNITY PLANNING

INTRODUCTION

An area's economy is the engine that creates change in growth and development patterns. Whether an area's economy grows or declines, this change creates a chain reaction affecting all aspects of mans economic, physical, environmental, and social existence. One need only look at the affects economic change has brought to Alaska in the past dozen years to see evidence of this chain reaction: more jobs, people, water consumption, sewage and solid waste, housing construction, electrical consumption, schools, air and water pollution, fish and game consumption, and so on.

Since the economy is such a major force on resource consumption and environmental and community change, plans for the management of these things must of necessity be founded on a thorough understanding of the local economy. Further, if such plans are to be kept up to date with changing economic circumstances, then the analytical approach must also permit the constant and continued measurement of potential impacts associated with economic change.

Economic modeling and analysis* have long been recognized as a useful tool to meet these planning requirements. Unfortunately, automated economic modeling and analysis have not been widely used by local and regional planners and managers in Alaska. This seems to stem from three difficulties:

- o First, existing models are designed to cover large geographical areas (e.g., the state, Southcentral Alaska, Northern Alaska, etc.). While they may be effective tools for these large areas, they do not permit a clear disaggregation of useful data to smaller local or regional areas (e.g., Kotzebue and the NANA Region, Nome and the Bering Straits Region, Bethel and the Calista Region, Dillingham and Bristol Bay Region, Ketchikan Gateway Borough, City and Borough of Juneau, Kodiak Island Borough, etc.).

* Economic modeling and analysis do not by themselves require automation - the use of a computer. Rather, an economic model is a system or rationale for analyzing an economy. Economic models are often automated (computerized), however, for the sole purpose of speeding up the calculation of numerous equations and other mathematical functions that are included in a model. In other words, an economic model can stand by itself- but automation/computerization simply makes a model a more useful and dynamic tool.

- o Secondly, traditional Input - Output (I-O) and econometric models are extremely costly to construct- \$200,000 to \$400,000 is not unrealistic for such a model. This is usually far more than most local governments or regional organizations are willing to pay for a tool of this nature.
- o Finally, many planners and managers lack knowledge and training in automated economic modeling.

Recently, Darbyshire & Associates has developed an automated regional economic model that can be implemented at a cost considerably below earlier efforts. Accordingly, the purpose of this paper is to describe the economic model we have developed and how it can be used by economic, environmental, resource, and community planners and managers. We believe that by illustrating the usefulness of this modeling technique more planners and managers will see its value and begin to use it. In the end, we are certain such action will make for better decision making from which all should benefit.

In explaining the model's value and how it works we have divided this paper into sections which:

- o Describe the products of the modeling effort;
- o Explain how the products can be used;
- o Describe the methodology and processes which are followed in completing the economic modeling/analysis work; and
- o Give technical descriptions of the workings of the model, its components, and operational characteristics.

PRODUCTS AND THEIR USES

The products of our automated economic modeling effort are threefold: a profile of a region's existing economy; forecasts of a region's future economy; and a tool that provides the potential to continually test and evaluate employment, income, development, resource, and environmental impacts of economic change. A detailed description of each of these products is provided below.

Profile of Existing Regional Economy

The first product of our effort is a report that shows the characteristics of the region's existing economy. This profile includes, but is not necessarily limited to, information on:

- o levels of income and employment by industry--by regional and sub-regional unit;

- o seasonality (monthly) changes in regional income and employment--by regional and sub-regional unit; .
- o each industry's source of revenue and the interrelation of industries and sectors (markets) within the economy;
- o regional indicators of labor migration;
- o key markets which are responsible for driving the regional economy; and
- o the multiplier effects of each industry on regional income and employment.

This profile provides the first real and simple understanding of how the local economy works. Accordingly, it identifies major economic relationships, problems, and weaknesses in terms that are easily understandable and can be influenced by decision makers (e.g., how much can employment in one industry be affected by changes in another industry). This profile information is also useful in applying for federal or state grants-in-aid and for gaining an initial understanding of the prospects for regional growth and development.

Forecasts of the Region's Future Economy

A forecast of regional and sub-regional characteristics of production comprise the second product of the study effort. These findings are important to federal, state, and local government administrators for developing future programs, budgets and plans. They are also useful to the private sector in making marketing, site selection, and financial planning decisions. The information to be produced herein includes, but is not necessarily limited to, forecasts of:

- o regional and sub-regional income--by industry;
- o regional and sub-regional employment--by industry;
- o regional and sub-regional occupational / skill level requirements--by industry; and
- o regional and sub-regional population trends.

The model also has the capability to develop forecasts on resource consumption, environmental change, and community development requirements. This is done through the use of multipliers (coefficients) which link resource consumption, environmental quality, and community development requirements to each sector in the economy. For example, water, electrical, land, and fuel consumption can be linked directly and indirectly to household consumption and industries such as fishing, manufacturing, trade, etc. Thus, when economic change is projected, the model can

develop projections related not only to employment, income, occupation, etc. but to expected changes in the demand for these resources as well. This same methodology is used to develop projections relating to changes in environmental quality (air, water, etc.) and community development requirements (governmental revenues, land use facilities, services, etc.).

This proposal does not provide for the initial development of forecasts relating to resource, environmental and community development requirements. Each agency and area of the state has differing needs with regard to such matters. Accordingly, these data requirements will have to be developed for each client on an individual basis.

Ongoing Capabilities:

The validity of economic and related forecasts or projections are directly related to the time span of the forecast and the size of the unit being analyzed. Forecasts for small economies, population bases, etc., can be subject to great error as small stimulators can cause proportionally significant increases. Also, the reliability of any forecast obviously decreases with the time span of the forecast.

When these considerations are coupled with the dynamic characteristics of Alaska's developing resource economy, it can be expected that many economic and related forecasts will prove rather speculative in nature. This, of course, means it will be most difficult for planners and managers to develop dependable and useful long-range plans and programs.

The most reasonable alternative to this situation is for planners and managers to develop strong short-term plans and the tools necessary to immediately gauge expected impacts from major development / economic changes. Then, as it becomes apparent that such changes are to occur, impacts can be immediately measured and plans adjusted as circumstances require. Given necessary lead times for development implementation in the arctic, planners and managers should have more than ample time to stage such planning responses in an intelligent manner.

The third product of this effort - the model's continuous use capabilities - provides for such a tool. Once the model is up and running and the initial economic forecast is developed, one has only begun to use its capabilities. Since the model is automated (instead of in someone's head or files) one can continue to easily and inexpensively use it to test expected impacts from anticipated development - without a complete new study! This means one can get an almost immediate measure of the affects on income, employment, resource, environmental, and development impacts caused by:

- o additional or proposed resource exploration / development activities (e.g., oil and gas exploration / development, bottom-fishing development, etc.;

- o capital improvement construction proposals and projects (e.g., roads, housing, airports, hospitals, and business and other construction);
- o proposed or actual changes in federal, state, or local fiscal and budgetary policies (e.g., cuts in CETA funding, defense funding, etc.);
- o changing costs for labor, fuel, transportation, etc.; and
- o changing markets and industrial pricing policies (e.g., changing fish or gold prices, etc.).

To give a better idea of the meaning of this capability, consider the following:

- o Each year the full economic impacts of changes in governmental expenditures can be measured. If CETA funds were cut, if a city budget were increased, if new school, road or airport construction programs were budgeted, one could immediately measure the effects such actions would have on the region.

In many areas, a large percentage of the economy is driven by governmental expenditures. This is, therefore, a vital capability for regional organizations to possess.

- o If oil, gas, or any other resources were to become viable economic development possibilities, it would be simple to quickly gauge the economic impact this development would have. Increases in industry incomes could be measured as could the number of new jobs and occupational skill requirements and resource, environmental, and development impacts .

All of this type of information can be brought to bear on forecast changes in economic activity. The key is that one is not locked-into a single forecast because the groundwork is done, and it would cost too much to have it redone!! Another simple and inexpensive computer run will produce the new forecast.

While the products of this modeling effort appear to be of most use to governmental planners and managers, it should be remembered that it has equal value to the private sector. Business, like government, has as much - or more - of a need for information on existing and projected levels of income, employment, resource consumption, etc. This information is important in figuring out when a business can successfully expand into a new area (market analysis); where they should locate within a region (site selection); and how much gross revenues they can expect to generate over each year (business operational / financial planning).

Output

The analysis and reports that are developed are presented in narrative form. All statistical support data (tables, pie charts, bar graphs, etc.) are produced in final form directly from the computer.

METHODOLOGY

The work to be completed in developing these products is carried out in several phases. Precisely how we do this is explained below.

Project Mobilization

Once authorization to proceed is given, Darbyshire and Associates works out detailed work program outlines, project scheduling, and personnel assignments. This includes, but is not necessarily limited to:

- o required administrative, operational, and organizational procedures;
- o the assignment of personnel, project responsibilities, and completion dates;
- o a final determination of study area boundaries;
- o the definition of sub-regional units / boundaries; and
- o the field survey recruiting / training program requirements;

Survey of Business Firms

This phase of the work program is concerned with the gathering of necessary base regional economic data. This is accomplished through a survey of local business firms and includes the following work tasks:

- o Design of a survey form that captures business information regarding:
 - geographical location;
 - factor costs (wages and salaries, interests and rents, and indirect business taxes);
 - distribution of sales;
 - seasonality and levels of employment, and
 - past and projected business trends.
- o Definition of a survey sample size and geographical location. This requires researching published statistics

that identify the major businesses and employers in the region. From these efforts, the size, distribution, and location of the required survey sample are calculated.

- o Darbyshire and Associates conducts the survey of business firms in the regional center. In the interests of cost savings, however, we also make arrangements with the contracting agency to complete the business survey work in the outlying communities. Under this arrangement Darbyshire and Associates trains field surveyors in the requirements and methodology of their work. This requires instruction in:
 - the scope and purpose of the survey;
 - survey confidentiality; and
 - survey interviewing techniques and the use of the telephone and mail out questionnaires.

Following the survey training session, sample interviews are taken by the field survey crew trainees. The results of this activity are examined, and final changes and adjustments are made.

- o Field Survey and Administration. Darbyshire and Associates' personnel supervise or assist in this activity on an as needed basis. Darbyshire and Associates also supervises quality control through a review of the accuracy and completeness of the survey forms. Should data gaps be discovered, Darbyshire and Associates advises the contractor of such discrepancies and required remedies.
- o Data Compilation. The raw data is then compiled and machine coded. This involves the application of a specially developed computer program that combines the data into overall industry statistics. The output is then formatted into table statistics by industry and sub-region. Finally, a table of industry demand coefficients is constructed that represents the structure of the economy. This table and the demand coefficients provide the base for all subsequent analyses and forecasting.

Transfer Payments

Transfer payments (public assistance, G.I. Bill receipts, etc.) and property type income (owners of non-regional property such as stock, bonds, and rent receipts) often prove to be a sizable portions of regional income in Alaska. This important information is not captured by the survey of regional business firms. Additional research is therefore undertaken to identify the sources and amounts of transfer income that come into the region.

Interfacing the Model with the Region

During this phase of the work program, adjustments are made in our economic model that permit its application to a specific region. To do this:

- o The market linkages of the region are defined. These linkages are treated in our model as "export" demand coefficients. These linkages are now identified as linkages to subregional districts and appropriate coefficients are established.
- o We also modify the program input / output statements to accept the geographical characteristics of the modeled components. This permits the display of output by the newly defined industries and geographical units.

Economic Profile Analysis and Write Up

The model is then run and a report is produced that describes existing levels of economic production by region and sub-region. Measurements taken during the field survey identify: the sources of income and employment; existing occupational requirements; and wage rates necessary to meet existing levels of production. These characteristics are broken down by industry, month, and geographical sub-regions. In sum, they provide a "snapshot" of the economy during the survey period.

Additional analysis provides a measure of how "sensitive" the regional economy is to each industry. This permits a full and detailed measure of the respective role's private, state and federal sources of demand have on the regional economy.

Economic Forecast Analysis / Write Up

With the completion of the economic profile we have identified the key movers in the regional economy and the linkages they have with the rest of the economy. We, therefore, begin to develop forecasts of what might be expected in the future.

The first step in this process is an investigation into the history and prospects for growth of the key economic movers. This is accomplished through in-house research as well as through the solicitation of "expert opinions." From this work we prepare a series of assumptions about what changes the markets for each industry should experience over the forecast period.

The next step in the development of the forecast consists of research and analysis into the prospects for growth that new economic activities (e.g., oil / gas, bottomfishing, etc.) might bring to the region. This is accomplished in much the same way and likewise results in a series of assumptions about what new income can be expected to be generated in the region.

The third step in the forecast process entails the solicitation of future economic assumptions by local businessmen, economists etc.

From this work a set of assumptions is formulated about the future behavior of key economic variables. These assumptions about future market behavior are plugged into the model to determine the overall effects on the regional economy. During this phase of the project we also develop alternative projections based on a "what if" approach. That is, we are able to interact with our model in choosing assumptions (what-if's) about the future demand (income) of the region. The output from this series of assumptions and projections can then be used as desired.

The findings of these "most likely" scenarios can be adjusted if regional decision-makers believe any assumptions should be changed. This reiterative process can continue until regional decision-makers are satisfied with given assumptions and resultant forecasts.

Once the "most likely" forecast has been reached, alternate high and low projections can be developed. The forecast and alternate projections are made and a write-up of all key demand assumptions and projections is accomplished.

Ongoing Analysis

The use of the model to evaluate changing development and economic scenarios is accomplished in the same manner as the forecasting work above. When new or changing circumstances occur, a set of findings or assumptions are formulated about the expected sources and amount and distribution of income that will accrue to the region. These income assumptions are then plugged into the model, the model is run, and a new set of tables, charts, and graphs are produced that show the overall economic and other effects such change will have on the region. These findings can then be written up or verbally presented.

While it is possible to evaluate changing development scenarios at any time it would appear that the more important times to run additional analysis would be when:

- o the implications of state and federal budgeting changes were known; and
- o any significant changes were expected in key or new industries.

APPENDIX A

MODEL DESCRIPTION

The model we will employ in this effort is a "Rows-Only" or, technically, an Intersectoral Flows model. This particular approach was first developed by Charles M. Tiebout and his associates at the University of California at Los Angeles (Miernyk, 1965). The name is derived from its departure from traditional Input-Output (I-O) analysis.

The "Rows-Only" approach, however, has several advantages over I-O models. First, the construction of a traditional I-O model requires an expensive survey. A transactions table is built whereby surveyed firms are requested to list both their total sales and total purchases during the survey year. Total sales are distributed across the rows of the transactions table while purchases make up the columns. A full accounting of all purchases and all sales is required from firms in constructing these tables, which adds tremendously to the cost of surveying.

The "Rows-Only" model becomes viable primarily through its lower survey costs. This single feature allows this model to become a viable modeling alternative while still achieving much of the detailed regional economic analysis of traditional I-O models. Basically, the concern is not with total sales dollars, but only with its distribution--that is, how does it break down across other specified industries and final markets.

This concentration on the distribution of sales dollars rather than actual sales dollars is made possible through the survey form. The survey form first requests firms to distribute each sales dollar by markets and industries. Then, it requests each firm to quantify the amount of income earned locally (i.e., total salaries and wages, profits for entrepreneurs, rents and interests on capital, and indirect business taxes gained locally).

The total of the "income earned locally" represents what is referred to as "value added." The measure of regional income, thus, becomes the sum of the "value added" income plus the transfer payments made directly to residents of the region.

Since the amount of income earned locally - value added generated by each industry - has been measured and distributed by industry, all industries become related or linked. These linkages can be defined in terms of coefficients and a demand distribution table constructed that functions much in the same fashion as an I-O table.

The importance of this "linked" table is that the model can now respond to the processes of income multiplication through

inter-industry transfers -- as does a traditional I-O table! Multiplication in the model is based upon two local linkages, or propensities, to spend locally: (1) the propensity of firms to purchase material goods from other local firms; and (2) the propensity of local residents to purchase locally produced goods and services.

The important difference between this table and one constructed for an I-O model is that in this application, industries are linked not by actual dollar amounts, as in I-O analysis, but rather by increments of demand. If, for example, industry B showed that 15 percent of its sales were received from industry A, and industry A experienced a 20 percent increase in demand, then the assumption of incremental demand linkage allows industry B to also increase its output by $.15 \times .20 = .03$, or 3 percent. These two increases in industry output are converted to actual dollars by passing on these increments of demand as additional sales to "value added"--which is measured in actual dollars.

A principal objection to traditional I-O models has been their assumption that the structure or interdependence within the local economy remains the same during the forecasting period, while levels of industries change in response to new demand levels. A closely related criticism is that these models are not easily recalibrated and, consequently, become dated due to the costly resurvey process. Their inability to respond to change and their expensive survey update procedures thus severely restrict the I-O models from wide-scale application.

The proposed Rows-Only model solves this problem through the use of an automated data base to develop coefficients of inter-industry linkages. This data base program translates individual field surveys into industry level demand coefficients. The structure of the economy, then, can be manipulated by changing these demand coefficients through resurvey of a portion of the data base, or simply changing coefficients manually to test economic assumptions.

The model benefits by the ability of the user to test changes in industry composition. Based on expectations or "what if" analysis, the data base program can develop a new adjusted demand distribution table which incorporates these industry changes into the economic structure. This new demand table, representing the anticipated economic structure, can be subjected to the same profile and forecast analysis as the present economy.

The following types of structural change in the region's economy can be directly incorporated into the model in this manner:

- o Import Substitution. New or expanded industries which choose to locate in the region because of expansion in local markets--markets which previously relied on importing these goods from outside;
- o Expansion in Local Processing. This structural change is

the result of adding more value locally through further processing of unfinished goods. These goods were previously exported in raw form for finishing and consumption in the final market (e.g., fish processing); and

- o Reopening/Discovered Resource Development. Shifting markets towards previously dormant resources (e.g. gold, bottom fishing, coal, etc.) or newly discovered resources (oil and gas) can cause rapid structural changes in the region. Typically, these export industries cause structural change due to increased local purchases (i.e., increasing demand on the local economy).

These features allow the Rows-Only model to overcome many of the disadvantages of traditional I-O models. Most importantly, this alternative provides enough substance and detail about the economy that business leaders, public policy makers and regional economic studies can be used to formulate explicit assumptions about the nature of the region's future economy.

Recalibration, when necessary, becomes a reasonable updating alternative because of the comparatively inexpensive survey costs. This allows the model to achieve the dynamic qualities which are necessary in the rapidly changing economic environments we experience today.

APPENDIX B

MODEL COMPONENTS

The proposed model for the regional economy will be composed of two fundamental components--industries and the sectors (markets) served by these industries. Industries refer to aggregates of firms or individuals producing similar products (e.g. fishing, trade, services, etc.). Sectors refer to the kinds of markets - demands - that industries serve (e.g. other industries, personal consumption, investment, export, etc.) A demand model defines all industrial activities in terms of sources of demand (markets).

Generally, regional economies in rural Alaska are grouped into 11 different industries that serve 19 separate sectors (markets).^{*} These two components are then linked together by the construction of a "Demand Distribution Table," (TABLE 1, next page) with the rows on the left representing individual industries and the columns across the top identifying the sectors (markets) served by the industries.

INDUSTRIES OF THE REGION

All business firms identified in the region will be grouped into one of the 11 different industry classifications. This classification scheme of firms into industry groups will generally follow Unemployment Insurance (UI) statistics from the Alaska Department of Labor. That is, each firm is to be classified by Standard Industrial Classification (SIC) code.

Each of the 11 different SIC industries and their characteristics are described below.

Agriculture, Forestry, Fisheries, and Trapping

Agricultural production covers establishments primarily engaged in the production of crops or plants and the feeding, grazing, or keeping of livestock for the sale of animal products. Fisheries covers commercial fishing, fish farms, and fish hatcheries. Forestry covers timber tracts, forest nurseries, reforestation, and other services and miscellaneous operations. Logging camps and logging contractors are classified under manufacturing. Hunting, trapping, and game propagation enterprises are also included in this industry classification.

^{*}Different economies require adjustments in the types and number of industries (not sectors) provided. For instance, in Southeast Alaska it might be necessary to divide the combined Fisheries, Forestry, etc. SIC Industry into three separate industries. In Anchorage or Fairbanks all 11 SIC Industries might require subdivision into two or three different industries each.

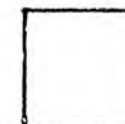
TABLE 1

DEMAND DISTRIBUTION TABLE

Sales to these Sectors by these Industries	DEMAND DISTRIBUTION				
	INTERMEDIATE		LOCAL		EXPORT
	FISHING MINING CONSTRUCTION MANUFACTURING TRANSP. & UTILITIES TRADE (RETAIL) TRADE (WHLSLE) FINANCE & R ESTATE SERVICES PUBLIC ADMINISTRATION OTHER	PERS. CONSUMP. BUSINESS INVESTMENT HOUSING INVESTMENT GOVT. INVESTMENT	LABOR DIST. A LABOR DIST. B LABOR DIST. C ETC.	PRIVATE STATE FEDERAL	
FISHING MINING CONSTRUCTION MANUFACTURING TRANSP. & UTILITIES TRADE (RETAIL) TRADE (WHLSLE) FINANCE & R ESTATE SERVICES PUBLIC ADMINISTRATION OTHER					

VALUE ADDED:

WAGES & SALARIES	
INDIR BUS. TAX	
PROP. INCOME	



Mining.

Mining includes the extraction of minerals (coal, ores, petroleum, natural gas, etc) as well as quarrying, milling, and other preparation needed to render materials marketable. The exploration and development of mineral properties and services performed on a contract, fee, or other basis in the development or operation of mineral properties are also included in this division. When subdivided, this SIC Industry is divided on the basis of the principal mineral produced. If there is no production, the division is made according to the principal mineral for which development work is in process.

Construction

This division includes firms engaged in contract construction and includes new work, additions, alterations, and repairs. Three broad types of contract construction are covered: building construction by general contractors; other construction by general contractors; and construction by special trade contractors (plumbers, electricians, painters, etc.). Operative builders who build structures for their own account are classified under Real Estate.

Manufacturing

This industry includes firms engaged in the transformation of raw materials into new products which are either "finished" (i.e. ready for consumption) or "semifinished" (i.e. requiring further manufacturing).

Logging and lumbering activities are also included under this industry classification. This includes: logging camps, sawmills, and the fabrication of structural wood members and modular buildings.

Transportation & Public Utilities

As the title suggests, this industry includes "...enterprises engaged in passenger and freight transportation by railway, highway, water, or air, or furnishing services related to transportation; petroleum pipeline transportation; warehousing; telephone and telegraph communication services; radio and television broadcasting; and the supplying of electricity, gas, steam, water, and sanitary services." The many transportation, communication, barging, taxicabs and utility (telephone, electricity, etc.) businesses are the firms that would therefore be classified under this industry.

Retail Trade

Retail trade includes establishments that sell merchandise for personal, household, or farm consumption and render services incidental to the sale of goods. When subdivided, retail

establishments are classified by kind of business according to the principal lines of commodities sold (groceries, hardware, etc.), or the usual trade designation (drug store, cigar store, etc.).

Wholesale Trade

This group includes establishments engaged in selling merchandise to retailers, commercial or institutional users, or to other wholesalers. Petroleum bulk stations are the principal types of wholesale trade operations found in rural Alaska.

Finance, Insurance and Real Estate

Local banking, credit, insurance, and real estate firms would be classified under this industry. Holding and investment firms--including many regional and village corporations created through the passage of the Alaska Native Claims Settlement Act--are also important groups that fit this classification.

Services

Hotels, personal services, business services, automotive repair, amusement, legal (public and private), health (public and private), educational (public and private), and professional services fit within this broad industrial category. This industry usually represents the most developed segment of a region's economy.

Public Administration

All the activities which fit under this industry classification are are publically funded. They include federal and state administrative functions (e.g. Alaska court system, BLM operations, etc.) and local governments. It should be noted that agencies such as PHS and BIA schools are classified under services and not under public administration.

Other, Not Elsewhere Classified

These economic activities include such things as cottage crafts, church-related organizations, and other such activities which are not easily classified under other industrial classifications.

Value Added

This is not an SIC industry. It has been added to the model to account for incomes earned locally from salaries and wages, profits for entrepreneurs, rents and interests on capital, and indirect business taxes gained locally. Labor earns income in the form of wages and salaries and profits as a form of salary for proprietors from their entrepreneurship. Locally owned capital and land earns income from rents and interest. Government infrastructure (police, fire, streets, schools, etc.) earns income through the levy of taxes.

A special source of income under "Value Added" is transfer payments. Transfer payments is income which is received directly by residents and is not influenced by changing levels of local industrial activity. It includes money received without service rendered and covers old age pensions, unemployment relief, social security, etc.. An estimate of transfer payments within the region is added to locally produced income, and included in the economic model.

When combined, these industries will, by and large, encompass the total productive capacity of a regions economy. The production levels (income, employment, etc.) of these industries will change in response to changing levels of demand. For example, the income and employment characteristics of the fishing, forestry and trapping industry will increase or decrease depending upon changes in demand (price x quantity). These changing demand sectors are the subject of the next segment of this description.

SECTORS/MARKETS (Table 1)

Nineteen different sectors (markets) comprise the second major component of the economic model. These sectors group into three major divisions - local intermediate sales (11 sectors); local final sales (5 sectors); and export sales (3 sectors). The local final sales division can be also "partitioned" into a set of geographical sub units. Each of the three sales divisions and their market components are described below.

Local Intermediate Sales

This division is made up of 11 sectors (columns 1 through 11). Each sector corresponds to one of the 11 SIC industries outlined earlier. Each sector represents a potential source of demand for each of the individual industries.

The grouping of these 11 sectors provides for inter-industry linkages within the economy. That is, it permits the measurement of local industries' propensity (willingness) to purchase locally supplied material goods in lieu of imports. This propensity to purchase material goods locally is one of two forms of income multiplication in the model. It is premised on the fact that increases in value added locally result in increases in gross local product.

The linkages within this division represents the exchange of unfinished goods and services. The linkages to the other two divisions represent consumption of finished goods and services.

Local Final Sales

This division contains the following five sectors (columns 12 through 16). These five sectors likewise represent potential sources of demand for the 11 SIC industries. They do not represent sources of demand for the value added industry. Rather, they represent demands made by the value added on the 11 SIC industries. Changes in the sources of demand are determined by fluctuations in demands made by the value added industry. The total purchases of this division is thus directly related to the incremental changes in the Value Added industry row (K) of Table 1.

This division performs the second process of income multiplication in the model. That is, it permits the measurement of local consumers' propensity (willingness) to spend locally. Obviously, the more total local income that is turned back into the economy, the larger the local income stream.

The two income multiplication processes (local intermediate sales and local final sales) represent a combination of inter-industry sales and sales to the local final sales consumption sector. One purpose of the model is to measure combined effects of these income multiplication processes.

- o Personal Consumption (Column 11). Local spending by consumers is one of the most important local final sales sectors. Consumer goods, excluding capital goods, are demanded by this sector.

The next three sectors (columns 13, 14, and 15) of Local Final Sales are devoted to local demands for capital goods. These are investment sectors and differ from personal consumption in that they represent sources of capital accumulation in a growing economy.

- o Business Investment (Column 13). This sector represents demands made by private businesses locally for capital goods. Local businesses which plan to expand their operations demand plant and equipment to be placed within the local economy. Expansion of commercial retail and office space as well as docks and river terminal facilities are typical examples of business capital goods demanded through this sector. This private capital formation is a key source of change in the level of economic activity.
- o Housing Investment (Column 14). This sector represents the demand for new or replacement housing. It is influenced by many different local (endogenous) and non-local (exogenous) variables and requires special attention because it is not entirely controlled by local economic forces. Interest rates, state and federal

housing programs, and the supply of money are a few examples of non-local variables which have major influences on the level of demand from this sector. Changing levels of local income (shown in the value added row) will also have some effect on level of demand in this sector.

- o Local Government Investment (Column 15). This market provides for the often sizable capital improvement projects by local governments. Once again, this sector, like housing, is not entirely explained by changing levels of income in the modeled economy. Some non-local variables, such as state and federal matching funds influence the level of demand for these capital goods. This sector excludes the operating budgets of local governments which were covered earlier in the intermediate sales division. A direct linkage is assumed to exist between the changing levels of the value added (local income) industry and the level of demand this column places on the local economy.
- o Geographical Sub-Regions (Columns 16a-d). Each defined labor area is treated as one geographical sub-region. Economic activity levels and the inter-regional trade relations will be identified during the survey phase for each sub-region. This will allow the characteristics of sub-regions to be analysed individually as well as combined to describe the entire area.

Export Final Sales

Exports stand apart from the previous two major divisions in that their levels of demand are set entirely by non-local market forces. Income generated from sales to the three individual sectors that make up export sales represents new money entering the local economy. Exports are defined in this regional model to be sales to the following markets:

- o Private Exports (Column 17). This sector identifies "outside" private sources of demand on goods produced within the local economy. The primary export of private goods from the region is fish products. These fish products are presently demanded entirely by Japanese, Lower 48, and Anchorage markets for further processing and consumption.
- o State of Alaska (Column 18). and,
- o Federal Government (Column 19). The remaining two column sectors of the export economy are government. The role that state and federal governments have in the local economy is very important and needs to be identified separately from private sources of demand. Individual state and federal programs are identified under these

sectors. This provides for measuring changes in regional income and employment that are brought on by changes in governmental programs.

The traditional "economic base" notion that goods and services are exported by a region and form the base upon which the local economy rests are "blurred" in this particular economy. The vast bulk of "exports" to the state and federal governments are in fact simply public monies flowing into the regional economy to provide for the health, social, educational, and other such programs. The economic model measures the role that both the state and federal governments have in determining levels of income and employment within the regional economy.

Altogether these three major market divisions account for all sources of demand on the 11 industries which make up the regional economy.

APPENDIX C

MODEL OPERATIONAL OVERVIEW

Once the economy of the region has been defined in terms of industries and markets, the effects of change throughout the economy can be traced and measured. The primary purpose of disaggregating the economy into industries and sectors, and defining the relationship between these two, is to simulate as closely as possible actual working/linkages of the economy.

The final demand sectors, as defined in this model, represent the sources of change which have a rippling effect on the modeled economy. These final demand sectors are, then, the determinants of economic activity in the region. Changes in these determinants cause changes throughout the entire regional economy. The following narrative traces out how the effects are computed in the economy given a change in any one of the final demand sectors.

Changes in demand enter the model in the form of increments, or percentages of expansion or contraction over existing market levels. Incremental changes in an industries output (sales) are passed on to other industries in the economy through the "intermediate sales" matrix of inter-industry linkages. These increments are passed through this matrix until all direct and indirect inter-industry linkages are traced out. At the conclusion of this phase, the model has summed the direct and indirect effects of changes in final demand on all local industries.

The effect reached after tracing out all inter-industry transfers in the local economy, is a new level of demand for the Value Added industry which, in turn, measures the changes in local income. Changes in local income are now applied, as feedback, to the local sales matrix. These increments pass the effects of changes in local income back to those local industries that serve to local sector. Once again, the inter-industry transfers are traced out in the intermediate sales matrix, caused this time by changes in final demand from local sales.

The model continues this reiterative process of simulating the income multiplication process brought on by incremental changes in final demand. Once a new equilibrium has been reached, the process is stopped and the model sums up the effects on the economy, industry by industry. A profile of the new level of the economy is then displayed.

The model is computerized to rapidly trace out these effects and to allow the model user to test alternative scenarios in an

interactive mode of operation.

The model allows, through sensitivity analysis, the identification of the key economic variables. It also allows forecasts to be made based on explicit assumptions of the future behavior of these key variables. Alternate scenarios can easily be tested which incorporate differing assumptions about the final demand sectors driving the local economy.

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

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

Veronica Clark
Planning Supervisor
Division of Community Planning

December 18, 1979

Mary Jo Waits
Planner IV
Division of Community Planning

UOB Study

In an effort to get started on the unorganized borough study, this past week, I read some collected literature and studies concerning local and regional government and service delivery in Alaska (see attached bibliography). My immediate objective was to begin outlining issues and problem areas in planning and service delivery in the unorganized borough and to get a sense of current literature and people dealing with the subject.

While I have looked over only a select few studies and reports, I have concluded that others have identified, to a large extent, the issues and problem areas related to local and regional government and service delivery in the unorganized borough. The Local Government Study sponsored by the Joint Senate and House Community and Regional Affairs Committee recently identified 18 issues and problem areas. Many of the same problems and issues can be culled from Lee Gorsuch's article in "Commission Study 44" for the Joint Federal-State Land Use Planning Commission. A few of the general problems identified are:

- o the proliferation of organizations throughout Alaska without regard for the financial and human resources required to make such entities functional and effective;
- o the existence of public institutional structures, such as large villages or rural school districts, which are either single-purpose or limited in the territories and numbers of people they encompass;
- o the absence of governmental institutions place private institutions (e.g., native corporations) in the position of assuming powers more appropriately placed within public institutions;
- o where the dominate service structure is exclusively Native, there are problems with effective political expression for the non-Natives.

Given the recent attention to problems in rural Alaska, there is no need for us in the UOB study to dwell on general problem and issue identification. Instead, we can move onto what I think are two more important and less realized tasks: 1) pinpointing and illustrating identified problems in the context of coastal resource service areas, and 2) proposing and examining solutions to key problems. A feasibility study of sorts is one way of accomplishing the first task, while a symposium with key Alaska and non-Alaska participants is a way of accomplishing the second task.

Feasibility Study: The feasibility studies would focus on a few representative coastal resource service areas (perhaps one in Southeast and one in Northwest Alaska) and assess the political and economic feasibility of planning and resource management within and by each resource service area. Among other things, the studies would look at:

- o the physical, social and economic setting of various areas;
- o current providers and patterns of planning and other public services;
- o effectiveness of these mechanisms for planning and service delivery;
- o estimated costs of various levels of planning;
- o potential sources and amounts of funds and revenues that can be expected for planning and other services;
- o implications of institutionalized local planning on self-determination and government.

The feasibility studies should reveal or confirm, in very graphic and concrete terms, key and basic problems needing resolution if planning and resource management is to be feasible and viable in the unorganized borough (i.e., coastal resource service areas).

Symposium: The symposium would be to work on solutions to key problems related to local and regional government and planning in the unorganized borough. The advantage of a symposium (compared to a contract with a single consultant, for example) is that a number of different people can address identified problems; a group of 5-15 specialists in law, finance, and public administration for instance, can be assembled one or more times to propose and evaluate alternative solutions.

Outlined below are steps and a time frame for the preparation and completion of the feasibility studies and symposium.

*How this
been done?*

Step 1: summarize problem areas and issues currently identified; circulate summary to key people for review and comments (completed by February 29).

Step 2: commence planning and management feasibility studies for specific coastal resource service areas (completed by March 31).

Step 3: commence contacting people in and outside Alaska for information about pertinent literature and studies and recommendations for people to participate in the symposium (completed by mid-March).

Step 4: select and contact people to participate in the symposium; prepare for symposium participants an information packet containing a general issue paper, the results of the feasibility studies, and an outline of key problems to be addressed at the symposium. (completed by March 31).

Veronica Clark
December 18, 1979
Page 3

Step 5: convene first session of the symposium to familiarize participants with Alaska and key problem areas and to assign participants specific problems and tasks to be addressed and completed by the next session. (completed mid-April).

Step 6: convene second session to review, evaluate and if need be refine solutions proposed by the participants. (completed May 30).

SF: Unorganized Borough Study

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF COMMUNITY PLANNING

POUCH B
JUNEAU, ALASKA 99811

January 31, 1980

Mr. Kurt Fredriksson
Office of Coastal Management
Pouch AP
Juneau, Alaska 99811

Dear Mr. Fredriksson:

Attached is the revised amendment to Unorganized Borough Management Alternatives reimbursable services agreement (RSA). Your request for a distinct look into coastal resource service areas, as outlined in your January 22 memorandum, is incorporated on page 9 of the RSA.

Thank you for sharing with us Vic Fischer's December 20, 1979, letter in which he raises some important points and suggestions. The following discussion details our consideration of Mr. Fischer's points.

Points 1 and 4 - Regional Unorganized Boroughs

Our proposed study will not restrict itself to consideration of unorganized boroughs. Both unorganized boroughs and coastal resource service areas are organizational alternatives which will be evaluated in the study. Furthermore, we intend to prepare several case studies which will focus on the political, economic, and administrative feasibility of planning and resource management within and by resource service areas and potential unorganized boroughs.

Points 2 and 3 - Solicitation of Endorsement

This Department has already voiced its support of legislation introduced by the Joint Senate and House Community and Regional Affairs Committee Local Government Study.

Point 5 - A Look at Implementation Provisions of Existing Laws and Regulations

On several occasions, the work program refers to existing laws and mechanisms as a starting point for identifying organizational and management alternatives for the unorganized borough. Moreover, the importance of implementation authority for planning and governmental bodies is recognized in the evaluation criteria (g.) Implementation Authority on page 13 of the work program.

Point 6 - No Need for Two-Phase Process

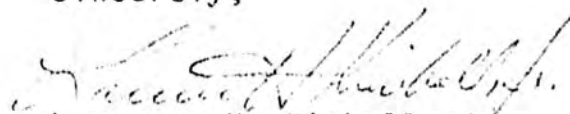
The delay in signing the RSA allows time enough for only a quick and continuous project if it is to be completed by June 30, 1980. There are still several steps or components to the proposed project, however.

Point 7 - November, 1980, Completion Date

When CRA proposed the study in July, 1979, it intended to have results available for the 1980 legislative session and the Joint Senate and House Community and Regional Affairs Committee. The delay in signing the RSA eroded this schedule.

The current time frame for the study is February 1, 1980 to June 30, 1980. The need for subsequent tasks and specific studies may be identified, but any such proposals for further studies will certainly be mindful of the 1981 legislative calendar. Mr. Fischer's suggestion of a November 1980 completion date for all contributions to the 1981 legislative session appears to be reasonable.

Sincerely,


Lawrence H. Kimball, Jr.
Director

cc: Senator Arliss Sturgulewski (w/enclosure)
Representative Bill Parker (w/enclosure)

Amendment to RSA - July 9, 1979 to June 30, 1980

The Department of Community and Regional Affairs will allocate the following personnel for fulfilling the terms and conditions of this agreement:

See Attached.

FUNDING REQUIREMENTS

	<u>Federal</u>	<u>State</u>	<u>Total</u>
100 Personnel	\$ 8,320	\$ 2,080	\$10,400
200 Travel	\$12,000	\$ 3,000	\$15,000
300 Contractual	\$56,080	\$14,020	\$70,100
400 Supplies	\$ 160	\$ 40	\$ 200
500 Equipment	<u>\$ 640</u>	<u>\$ 160</u>	<u>\$ 800</u>
Total	\$77,200	\$19,300	\$96,500

Task E2: Unorganized Borough Management Alternatives

A. Discussion

The Alaska Constitution mandates that the entire State be divided into boroughs, organized and unorganized. A borough is a regional government similar to a county or township. An unorganized borough is an area outside the boundaries of a borough incorporated under State law.

Nearly 435,000 square miles, 75 percent of Alaska's total land area, lies within the unorganized borough. Except for Bristol Bay Borough (1,200 square miles) and part of the North Slope Borough, the entire west coast of the State is in the unorganized borough. Two other coastal areas, Prince William Sound and Southeast Alaska, have large stretches of unincorporated areas.

The unorganized borough is sparsely populated. Rough estimates indicate a civilian population of approximately 10,000 in areas outside of an organized city or borough. In addition, approximately 60,000 persons live in the 116 incorporated cities which lie outside boroughs. Only 11 of these cities have populations of 1,000 and few exercise municipal planning powers.

Though sparsely populated, the unorganized borough warrants greater attention to planning and management of coastal resources for the following reasons: (1) major resource development is either under way in the

unorganized borough or contemplated for the future, (2) subsistence is a valued and irreplaceable way of life for many residents of the unorganized borough, (3) land ownership patterns are changing with millions of acres of federally owned land passing into private, State, or municipal ownership, and (4) provision of public services in the unorganized borough entails massive public investment and extraordinary logistical efforts.

Planning and implementation of coastal management programs in the unorganized borough present many problems. Two regions in the unorganized borough have already organized into coastal resource service areas according to procedures outlined in the Alaska Coastal Management Act and associated regulations. Both regions are predominately Native and are served by Native non-profit organizations which functioned as catalysts in organizing the service area. Similar conditions are not found in all remaining regional education attendance areas (upon which the coastal resource service areas may be formed). Unorganized areas in the Aleutian Islands, Prince William Sound, and Southeast Alaska have a sizeable non-Native population and in the latter two vast stretches of federal land holdings separate State and private land, which will be most directly affected by coastal management programs developed for the unorganized borough.

Though organization of coastal resource service areas in the Northwest Alaska (NANA) region and the Yukon/Kushokwim Delta region have commenced, concerns about subsequent stages in program development and implementation for these service areas and organizational problems anticipated in establishing other coastal resource service areas have prompted the Department of

Community and Regional Affairs to propose the attached work program.

The purpose of the study is to assess the coastal resource service area and examine options now available or possible to effectively plan for and manage coastal resources in the unorganized borough.

The study will provide perspective on the unorganized borough in general and organizational aspects of service delivery in particular. Key person interviews and case studies will be primary information sources for this part of the study. The interviews will be supported by a literature search and data from secondary sources.

The study will also evaluate coastal resource service areas and identify and assess planning and management options in the unorganized borough.

An interim product under this agreement will be a "white paper" discussing major coastal resource planning and management issues in the unorganized borough, recommending improvements, and identifying two or three specific areas of further study by experts in law, finance, or public administration. The study approach is described in Attachment 1 of the agreement.

Where appropriate, the department will coordinate its study activities with the Joint Senate and House Committee on Regional and Community Affairs Local Government Study in its efforts to prepare a legislative package on the unorganized borough and with the Governor's Office, Division of Policy Development and Planning, in its development of a state rural policy.

B. Products and Schedule

1. On March 31, a quarterly progress report.
2. By April 30, a draft of a "white paper" discussing issues in planning and management in the unorganized borough (to be shared with the Joint Senate and House Committee on the Regional Affairs, Local Government Study); detailing further areas of investigation to be undertaken by experts in law, finance, and public administration; and requesting contractual funds from the Office of Coastal Management for specific tasks during fiscal year 1980-1981.
3. By May 15, requests for proposals on investigations identified in the "white paper."
4. By July 1, 1980, conclusion of contracts for further study and publication of final version of the "white paper," which will include recommendations on legislative and administrative changes (both state and federal) which could improve the management of coastal resources in the unorganized borough.

C. Costs and Contracts

	Federal Share	State Share	Total
Personal Services	\$ 8,320	\$ 2,080	\$10,400
Travel and per diem	\$12,000	\$ 3,000	\$15,000
Contractual	\$56,080	\$14,020	\$70,100
Commodities	\$ 160	\$ 40	\$ 200
Equipment	<u>\$ 640</u>	<u>\$ 160</u>	<u>\$ 800</u>
Total	\$77,200	\$19,300	\$96,500

The proposed budget would fund 3 person-months of a Planner IV position (range 19) and one person-month of a Clerk Typist III position. The planners assigned to this study would have educational background and professional experience in public administration and planning. Travel and per diem would be used to finance participation by rural residents in a series of informal meetings on planning and management in the unorganized borough.

Contractual services would enable the Division to (1) enter into small contracts with research institutes, non-profit organizations, or consulting firms to conduct literature searches and parts of the analysis, especially

financial and legal considerations, (2) fund a public involvement component (workshop series and/or survey) and (3) print final products.

Attachment 1

Study Approach

1. Perspective

The first step in the proposed study would be to provide perspective on the unorganized borough in general and organizational aspects of service delivery in particular. Key person interviews and case studies will be primary information sources for this part of the study. The interviews will be supported by a literature search and data gathering from secondary sources.

Specific questions to be addressed include the following:

- a. Who lives in the unorganized borough and why?
- b. What economic activities (market and non-market) provide sources of livelihood to residents of the unorganized borough?
- c. How are coastal resources now managed and by whom? What difficulties or inefficiencies are encountered?
- d. How are "local" decisions made?
- e. What has been the history of local government in the unorganized borough, i.e., why have certain communities in the unorganized borough incorporated, which settlements or regions have attempted incorporation and failed (or considered it and then rejected it) and why, how effective have

- incorporated cities in the unorganized borough been and what has contributed to their success or failure?
- f. How effective have the regional educational attendance areas and other service delivery mechanisms been and what problems have they encountered?
 - g. What trends are anticipated in any of the factors addressed above?

2. Evaluation of Coastal Resource Service Areas

- a. Summarize the organization as well as possible inducements and discuss problems with and alternatives to local match requirements.
- b. Identify problems of districts lying in the coastal resource service areas.
- c. Provide a summary of existing governmental structures, regional entities, other service delivery organizations and how they may be of use to the Coastal Resource Service Area.
- d. Provide a brief socio-economic overview, with pertinent information drawn from community profiles on major population centers in each Coastal Resource Service Area. Discuss how coastal resources are tied to socio-economic life of the area.
- e. Discuss likely development impacts (OCS, bottomfisheries, herring fisheries, ports, etc.) expected for each Coastal Resource Service Area over next 10 years.
- f. Develop scenario for Coastal Resource Service Area development

and completion of coastal management plans with specific recommendations for accomplishment within general time frame.

- g. Estimate costs for organization and plan development in each Coastal Resource Service Area and identify sources of assistance.
- h. Discuss possible effectiveness or ineffectiveness of existing implementation mechanisms for each of Coastal Resource Service Areas.
- i. Prepare an overview of problems common to all areas, recommendations on policy, legislative, and administrative changes which would facilitate Coastal Resource Service Area formulation, Coastal Zone Management planning and implementation, plus discussion of how coastal management would blend with regional government creation should that occur.*

3. Identification of Planning and Management Options

The study will also identify planning and management options now available to the unorganized borough, or possible with certain legislative changes. Options will be identified through a literature search, supported by key person interviews. In addition to the Alaska Statutes, sources to be tapped include literature and pertinent expertise on Maine (which has a relatively large unorganized area) and Canada (especially its management system in territories), and prominent public affairs research institutions.

Planning options to be considered include organizational alternatives to the service area concept described in the Alaska Coastal Management Act. Management options include concrete mechanisms whereby a district program developed by a coastal resource service area board or other planning organization could be implemented.

4. Evaluation of Planning and Management Options

Planning and management options would be evaluated against the following criteria:

- a. Costs and Incidence of Costs: There will be costs associated with any planning or management options. It is important that the total costs be assessed for each alternative; it is equally important to identify all entities directly and indirectly absorbing the costs.
- b. Availability of Funds: One elementary requirement for any successful planning effort is financial resources; the funds may come from grants, tax revenues, revenue sharing, or some other source, but they must be available for both the development and implementation of a plan. All alternatives for the availability of funds should be evaluated for all stages of the planning program.
- c. Availability of Staff: In line with funds, planning efforts will need and must have easy and continual access to capable staff resources for both plan development and implementation tasks.
- d. Existing or Politically Feasible Mandates: The viability of a planning structure or program for Alaska's unorganized borough is largely

dependent upon a mandate for that planning program. A mandate may occur in a number of ways: a legislative act, an administrative act of the Governor, public referendum or local election, or through a State agency program or regulation.

e. Public Acceptability: Akin to political feasibility is the need for public acceptability of a planning or management option. A planning program is not viable unless it is acceptable to the involved and affected citizens, particularly if the structure or program depends upon formal (electoral) approval of the people.

Assessing the public acceptability of planning and management alternatives could be accomplished through an opinion survey of residents and public leaders in the unorganized borough and of various State leaders. A case study of public reactions in the past to proposed planning structures and programs might be another means of determining public acceptability.

f. Quality of Service Delivery: This is a multi-faceted criterion by which alternative planning structures and programs are to be evaluated. The quality of service delivery depends on a number of things, many of which are included in the other criteria. The objective, however, is not to repeat previous analyses, but to consider whether or not the planning alternatives are based upon "logical" planning units and how they will affect other public services and service areas.

For an unorganized borough, public services such as schools, utilities, and fire protection are usually provided on a service area basis, and individual service areas are established to provide specific services.

In general, the rationale and purpose of the service areas vary, so do their boundaries and jurisdiction.

In identifying and evaluating possible planning structures for an unorganized borough, it is important to consider the logic and efficiency of the unit or area of service. The rationale for and the boundaries of existing service areas may not be appropriate for the delivery of planning services. Geographic features (e.g., mountain ranges, rivers, watersheds), for instance, may be more important than regional corporation boundaries or cultural features for defining a planning area.

g. Implementation Authority (planning options only): In almost all cases, a plan is only as good as its implementation. Therefore, an effective planning structure or organization must have appropriate implementation authorities and powers.

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Card 1

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- g. Implementation Authority (planning options only): In almost all cases, a plan is only as good as its implementation. Therefore, an effective planning structure or organization must have appropriate implementation authorities and powers.

The study proposed by Vic Fischer contains five components: 1) identification of the incentives and disincentives to borough formation; 2) development of a foundation plan for basic services; 3) investigation of means of decentralizing and transferring state services (e.g., state contracting with municipal governments and other entities); 4) review and revision of Title 29; and 5) identification and evaluation of alternative institutional and financial schemes for service delivery in the unorganized borough.

As I see it, several tasks or components of the Fischer proposal are embodied and are already being realized in the UOB study. The focus of component 3 in the Fischer proposal - contracting with municipalities for service delivery - ~~for instance~~ is one option for service delivery being explored in the UOB study. Component 4 in the Fischer proposal is similar to the major product envisioned for the UOB study. Thus, ~~if before~~ (and before) the Fischer proposal is funded, some careful attention and direction is going to be needed to insure coordination and to avoid duplication of study efforts.

Since the UOB study is already funded and underway, one logical way to avoid duplication is to consider how or what additional studies, funds or staff the legislature might provide to complement, assist or the UOB

study, one benefit to the UOB effort would be several studies of representative areas in the unorganized borough to assess in very graphic and concrete terms the political and economic feasibility of planning and other service delivery with in and by specific areas or regions. Among other things, these studies could look at:

- * the physical, social and economic setting of various areas;
- * current providers and patterns of planning and other public services;
- * effectiveness of these mechanisms for planning and service delivery;
- * estimated costs of various levels of planning;
- * potential sources and amounts of funds and revenues that can be expected for planning and other services; and
- * implications of institutionalized local planning on self-determination and government.

These studies would be similar to what Vic Fischer outlines as the first three elements of the "financial and institutional analysis" on page 6 of his March 7th memo. The results would provide a base of knowledge of existing situations and problems which can be used to draw upon for the identification of alternative solutions to key problems related to local and regional government in the unorganized borough.

Of further benefit to the UOB study would be resource assistance for the working task force. As mentioned earlier, the task force will be the main vehicle for identifying solutions to key problems and evaluating alternative planning and management options. It is anticipated that either in preparation for or as a follow up to the task force efforts, key problem areas will be identified which need additional or greater attention and study for resolution. We already know, for example, ~~finding solutions to problems of financial disparities among parts of the state may~~ problems of financial disparities among parts of the state may entail

significant study and problem solving efforts. Resources (i.e., funds and people) for these special and in-depth problem solving efforts will have to emanate from outside the UOB study, since the study budget is limited and alternatively committed.

Some sort of project manager or director is another key element to study coordination. Employed by the legislature, a ~~directors-function~~ would be to monitor the UOB study in CRA, to negotiate and plan with CRA the specific geographic case studies and in-depth topical studies needed to ^{OK} complement or further the UOB study, and to allocate any legislative appropriated funds accordingly. This person could also be the means by which CRA could request assistance and information from the House Research Agency and Legislative Finance.

To summarize, ^{my} ~~the~~ proposal for the coordination of existing and future studies dealing with service delivery in the unorganized borough, so as not to duplicate efforts and complicate matters, involves:

1. viewing the existing UOB study as the current pivot point for work on unorganized borough issues;
2. Designing and funding other studies, such as case studies to assess the political and economic feasibility of planning and other services within and by specific geographic areas, to ^{OK} complement or ^esupplement the UOB study;
3. Establishing a project manager position under ~~the~~ ^{the} ~~aspices~~ ^{of the legislature} to follow the UOB study, to assess and design in conjunction with this Department studies to ^{supplement} ~~suppliment~~ or complement the UOB study; and to allocate any appropriated funds to various complementary and ^esupplemental projects.

Ce. Marge Waring

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

SCOMM

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Ak. Native Foundation

"Village Man. Assistance Field Assoc. Training."

SCAM 10: 78

June 19 - July 21

Field Assoc. Training.

VILLAGE MANAGEMENT ASSISTANCE

FIELD ASSOCIATE TRAINING

JUNE 19 — JULY 21, 1978



THE ALASKA NATIVE FOUNDATION

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Village Corp.

Relationship

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VILLAGE CORPORATION RELATIONSHIP TO
LOCAL AND STATE GOVERNMENT

Village Corporation Activity Area No. 6
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Alaska Native Foundation

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I STATEMENT OF PURPOSE

The purpose of this material is to explore the relationship of the Native Corporation, particularly the village corporation, to local and state government within Alaska. Village corporations must:

- (1) define their rolls, as private economic institutions, to government.

In areas of the state which are not yet organized into boroughs or first class cities, local government is not well organized. Should the village corporation assume quasi-governmental responsibilities in rural Alaska?

- (2) learn how to approach and utilize the State government as a source of funds, of technical assistance, of legislated change.

This publication is a companion to the Charts and Discussion Guide on the Structure of Alaska State Government. They are designed to enable users to learn:

- (1) the history of local government;
- (2) the function and form of State government;
- (3) the relationship of government to the private sector of the economy;
- (4) the dynamic processes at work in government as they alter and redefine its structure, function and operations;

- (5) problems and options facing them as rural residents in assuming responsibility for their own government;
- (6) their roles as individuals, as villages, and as village corporations in influencing change in government.

II GOVERNMENT: WHAT IS IT?

Government is simply a type of organization created by people to provide for some common need of the group. Such needs are usually things they have difficulty in providing for themselves. Hence, in many respects the great variety of forms and complexity of government depends on the nature of the need -- which is then the 'purpose' of any government.

We can easily identify our basic governments -- federal, state, and local -- but often in their greater size and complexity we may lose sight of their many purposes and potentials. We also tend to lose sight of the many other kinds of government, both formal and informal, that we weave around ourselves.

The family is a government. Each member receives services, and each family member contributes according to consensus and custom. Even today, in many areas the native family is an identifiable working government, functioning within itself as a small group, and having strong relationships with other family groups. However, in contrast, in urban America today the family unit has become very narrow and scattered, with little relationship to other families, perhaps diminishing its 'services.' The family in rural Alaska provides many and varied services for themselves and for their neighbors.

In the past the role of the native family as an economic unit in a hunting and fishing society was predominant. It functioned as educator, deliverer of health and social services, and as the economic unit.

The whaling crew of the northwest Eskimo could be another example of government -- regulated by consensus, tradition, and religion. Likewise, the Southeastern native clan structure provide a sophisticated structure through which government functioned for a variety of needs.

The organization of a hunting and fishing society centers on food needs, social custom and health needs, and occasionally on defense of the food area. Nature shapes such societies and also generates the crisis that demands change and adjustment. Climates change, hunting patterns and game migration routes change, the entry of new tools allows access to new resources, all of which occasionally brought clashes between different people in search of, and defense of, food resources.

In our present day, right or wrong, the entry in Alaska of new technology, of new people, of new diseases, threats and crisis, of new means of livelihood, have brought a traumatic change for native Alaska. Such invasions have generated new needs in the village, and generated demands for new kinds of service by a new kind of government. Responses have ranged from early ANS efforts against TB, to current efforts by the state to provide high schools at home on the village level.

Modern day society has drawn people together in urban centers of increasing size, has demanded economic specialization, and a complex exchange of services through the so-called cash economy. Today government provides a wide variety of services, including water, sewage disposal, health

and hospital assistance, recreation services, transportation services, education, home loans, educational loans, business loans, community loans, business grants and technical assistance, and etc..

In the old governments an individual gave and an individual received. The Interior Indian helped build the caribou fence and shared in the proceeds of the hunt. However, in the complexity of modern government such personal intimacy is lost, but one wonders just how much of the function that cuts so close to the 'economic' has changed. In ancient times a people gathered to migrate in pursuit of game, while in modern times government lowers interest rates to create economic activity and jobs, or hires emergency employees under special work programs, extends unemployment benefits, or provide food stamps, all for the same purpose -- to alleviate economic crisis.

III RURAL ALASKA -- 'MISSING' LOCAL GOVERNMENT

Local government is perhaps our most important and basic form of government. It is our most personal government and delivers the most 'direct services' with the most direct benefits to the individual citizen.

Local government is important because it is what its name suggests -- local! It has the opportunity of being closest to the public it serves, to establish needs, to determine the costs of those needs, what portion the public 'user' must pay, and whether the public user wants to, and can afford to, pay for such services.

Local government is a missing link in the more remote areas of rural Alaska. Rural and village Alaska either has no local government, or very underdeveloped local government ... a lack which has existed for some very obvious and practical

reasons. However, the lack of local government structure in rural Alaska has also meant the lack of the services that traditionally are delivered by that level of government.

The State and federal government has often acted as a 'substitute' local government. However, it is perhaps naive to expect such government, NOT DESIGNED for such purposes, to perform very well in its substitute role.

Local government usually requires a local responsibility and some local source of revenue. However, today local government does not depend solely on such local revenue sources. They are supported by OTHER GOVERNMENTS. In order to best understand this relationship it is important to consider that local government is a 'direct service' government, while state and federal governments might be considered 'direct government.' What state and federal government often do is act as a clearinghouse for dollars and program incentives, and pass along large amounts of money to so-called 'lesser' governments in a better position to spend directly on citizen services.

Example:

In 1977 the Fairbanks North Star Borough, Alaska's second largest municipality, received about 70% of all its revenue, including school operations, from other governments -- mostly the state and federal government. In other words, only about 30% came from local taxes and user fees.

Example:

The State spend an extra \$900-million in surplus revenue between 1970 and 1977. This was money