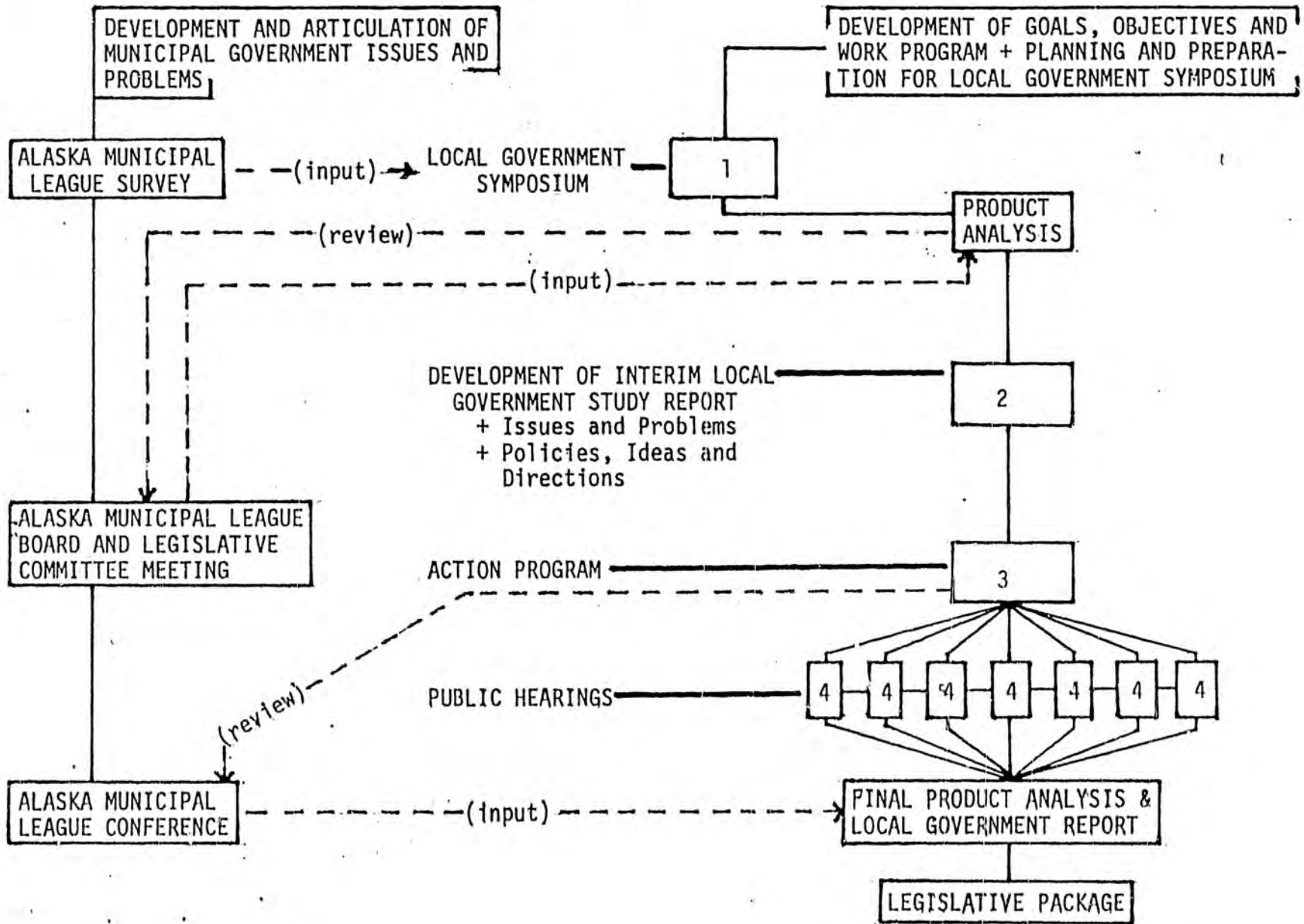


SCOMM

# 10:17

# STUDY PROCESS CHART



4/23/79

Memo

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

FROM: Vic Fischer

RE: Interim committee study of unorganized borough.

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

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

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

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

## Methodology and Approach

Committee work would entail the following components:

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

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

---

### Study Objectives

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

### Specific Objectives are:

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

## Interim unorganized borough study

### General Purpose

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

### Background

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

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

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

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

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

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



Official Business

# Alaska State Legislature

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

Co-Chairmen  
Senator Arliss Sturgulewski  
Representative Bill Parker

Address all  
correspondence to:  
LOCAL GOVERNMENT STUDY

Pouch V  
State Capitol  
Juneau, Alaska 99811

DATE: June 14, 1979  
TO: Senator George Hohman  
FROM: Marjorie Gorsuch, A.A. House C&RA  
Gene Walsh, A.A., Senate C&RA  
RE: Local Government Study

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

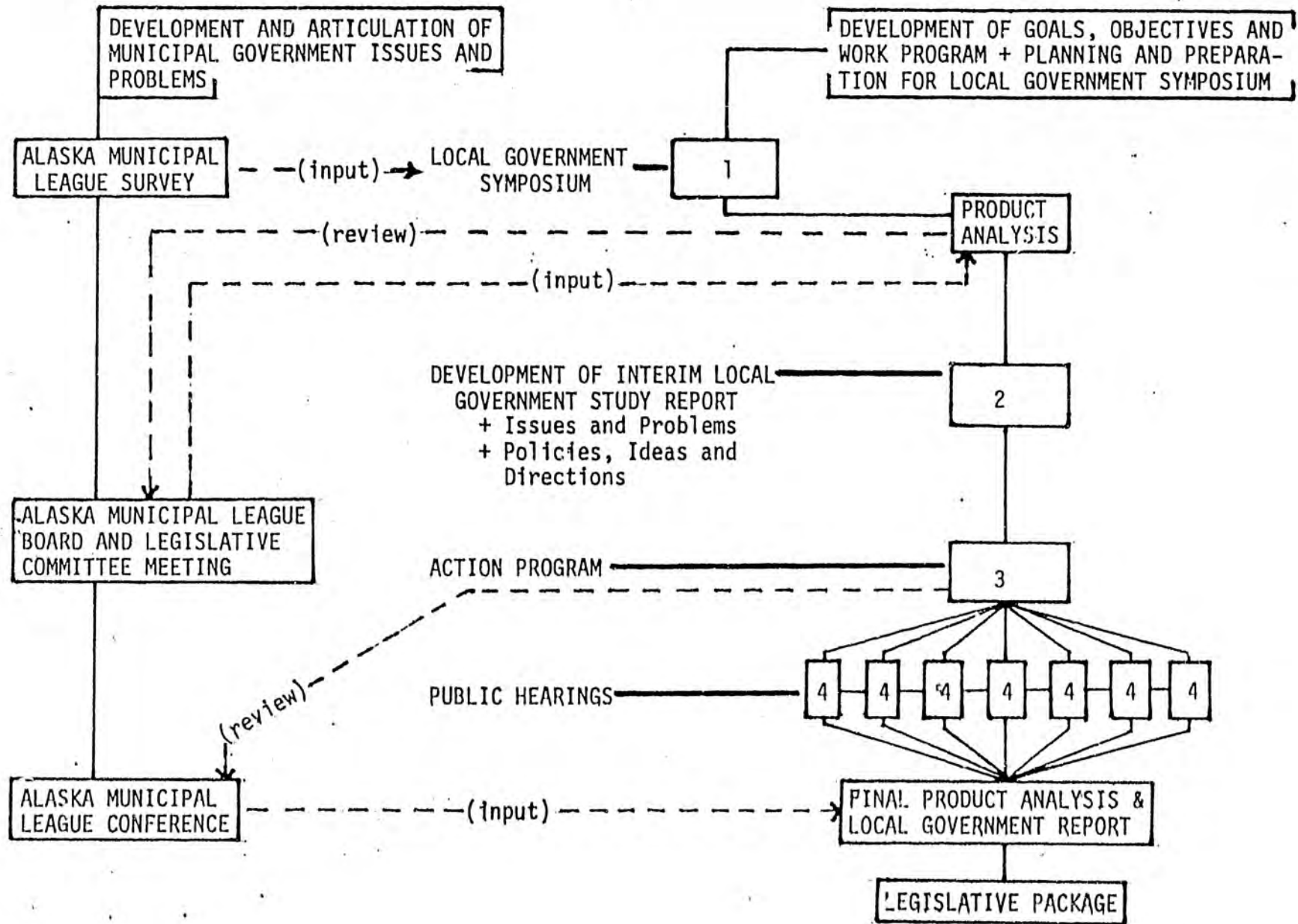
Reviewing the list of interim committees, we note that a number of them may interrelate with the Local Government Study and we would like to coordinate efforts. To this end, we would like to receive the monthly progress reports as well as the projected work program for the following committees:

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

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

Thank you for your assistance.

# STUDY PROCESS CHART



*From New Franchel*

LOCAL GOVERNMENT INTERIM STUDY

Methodology and Approach

Committee work would entail the following components:

- A. Research and analysis. Much of the basic work would be done by committee and other legislative staffs in Juneau, work with support from DC&RA and others.
- B. Workshops and public meetings would be conducted to obtain participation by affected groups and persons. Organizations to be included are AFN, RuralCAP, ANF, Alaska Municipal League, and the like. Meetings will be held in rural areas to obtain testimony and views on self-governance, administrative capabilities, fiscal conditions, attitudes toward state vs. local performance of functions, etc.
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It is important to take action in the unorganized borough as quickly as possible. The longer nothor is done, the worse the situation will get. A few more areas may organize on an ad hoc basis. But the rest of rural Alaska may be subjected to some type of mandatory borough legislation, especially after reapportionment further shifts the balance toward urgan areas particularly Anchorage.

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## Interim unorganized borough study

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## STUDY OBJECTIVE

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

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

## STUDY OBJECTIVE

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

### TASK

### RESOURCE

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

## STUDY OBJECTIVE

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

### TASK

### RESOURCE

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

## STUDY OBJECTIVE

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

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

CDRA

Working Draft

April 6, 1979

### Local Government Study Objectives

1. Study and evaluate the sufficiency of available local government structure and methods of financing to meet the needs of existing local government entities. Study and evaluate alternatives.
2. Study and evaluate the sufficiency of available local government structures and methods of financing to meet the need for local government entities at the community and regional level in the unorganized borough. Study and evaluate alternatives.
3. Study and evaluate the difference between the planning for and delivery of services in organized boroughs and the unorganized borough.
4. Review of the question of state vs. municipal responsibility for the delivery of public services and the construction, maintenance, and operation of public facilities.

### Methodology

1. Review the available literature and update the available research addressing the study objectives.

2. Study and evaluate the delivery of service at the local, regional, and state level.
  
3. Review and study various geographic boundaries currently used by state, federal, and non-profit entities to meet the need for rationally constructed service delivery systems in Alaska. Determine the extent to which these boundaries are adaptable to the need for logically drawn regional government boundaries.

1. Study and evaluate the sufficiency of available local government structures to <sup>methods of financing</sup> meet the needs of existing local government entities. *Study 'evaluate alternatives'*

X 2. Study and evaluate the sufficiency of available local government structures to <sup>methods of financing</sup> meet the need for local government entities at the community and regional level in the unorganized borough. *Study 'evaluate alternatives'*

X 3. Study and evaluate the sufficiency of the present forms and methods of financing local and regional government and the adaptability of that system to financing local and regional government in the unorganized borough.

X 4. Study and evaluate the <sup>difference</sup> ~~difference~~ between the planning for and delivery of services in organized boroughs and the unorganized borough.

5. Study and evaluate the adaptability of <sup>methodology</sup> geographic boundaries currently used for planning, education, health delivery, transportation, delivery of state services, <sup>and Federal services</sup> public safety, <sup>Non-Profit</sup> political districting, etc., to meet the needs for <sup>regional gov't</sup> rational <sup>service delivery for</sup> local government boundaries in the unorganized borough. *Extent - 1*

6. State vs. municipal responsibility - delivery of SO.

## Methodology

1. Review the available literature and update the available research addressing the study objectives.
2. Study and evaluate the delivery of services at the local, regional, and state level.
3. OTHERS??



Official Business

# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

DATE: April 9, 1979

TO: Reps. Carney  
Branson  
O'Connell  
Parr  
Metcalfe  
Zharoff

FROM: Rep. Bill Parker, Chairman

RE: Interim Study on Local Government

The Chairmen of the House and Senate C&RA Committees have been meeting with representatives of the Departments of C&RA, DPDP, Natural Resources, the Office of the Governor, and the Municipal League as well as the Bush Caucus to discuss the possibilities of a cooperative interim local government study.

A working draft of possible objectives and methodology as well as problems which have been raised by the group is attached. Your input into the scope, objectives, details, etc. of this study is encouraged during this early development of the study.

Please contact my staff with your suggestions and recommendations.

### Local Government Study Objectives

1. Study and evaluate the sufficiency of available local government structure and methods of financing to meet the needs of existing local government entities. Study and evaluate alternatives.
2. Study and evaluate the sufficiency of available local government structures and methods of financing to meet the need for local government entities at the community and regional level in the unorganized borough. Study and evaluate alternatives.
3. Study and evaluate the difference between the planning for and delivery of services in organized boroughs and the unorganized borough.
4. Review of the question of state vs. municipal responsibility for the delivery of public services and the construction, maintenance, and operation of public facilities.

### Methodology

1. Review the available literature and update the available research addressing the study objectives.

2. Study and evaluate the delivery of services at the local, regional, and state level.
  
3. Review and study various geographic boundaries currently used by state, federal, and non-profit entities to meet the need for rationally constructed service delivery systems in Alaska. Determine the extent to which these boundaries are adaptable to the need for logically drawn regional government boundaries.

## PROBLEMS

1. CZM Implementation
2. D.N.R. State Resources Planning  
(a) Involvement of public
3. Evaluation of Role of Local Boundary Commission
4. Applicability of Development Cities Act
5. Local Input into Needs Assessment
6. Funding for Borough (Planning) Study
7. Viability of Third Class Borough
8. Interim Governmental Forms (need for?)
9. Multiplicity of Jurisdictional Boundaries
10. Inadequacy of Funding for Second Class Cities
11. Inadequate delivery of services ( Development of Planning System)
12. Duplication of Planning Efforts  
(a) Statutory/Programs
13. Lack of Local-Level Understanding of Local Government Structures
14. Existence of Rural Policy

REVISED LOCAL GOVERNMENT  
STUDY OBJECTIVES

Study Objectives

1. Study and evaluate the sufficiency of available local government structures to meet the need for local government entities at the community and regional level in the unorganized borough. Study and evaluate alternatives.
2. Study and evaluate the economic base of the unorganized borough and its sufficiency in financing the basic local government functions.
3. Study and evaluate the social, political and cultural patterns in the unorganized borough and their relation to local government formation.
4. Study and evaluate the difference between the planning for and delivery of services in the unorganized borough.

GOALS

1. Develop legislation which would provide a state policy related to the development of local government in the unorganized borough.
2. Develop a clearly enunciated state rural policy which would serve as a guideline in evaluating legislation in terms of its effect as an incentive or disincentive to local government formation in the unorganized borough.

*State Program*  
*1. 1964*



LOCAL GOVERNMENT STUDY

STUDY OBJECTIVE

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

*What is the study process?*

TASK

RESOURCE

*Local Govt. Components outside scope of study*

1 Investigate alternatives to methods of generating local taxes in addition to sales and property tax and provide a more equitable distribution to local governments of state revenues generated by taxation of the State's resources.

*Area needed for major research*

*State structure for Alaska  
Municipal & Unorganized*

2 Investigate disparity and differences among taxation practices of the state and local governments and standardize taxation of the State's resources.

3 Research other states' local government laws, specifically "Share-the-Wealth" taxation concepts to seek out models which could be appropriately used in Alaska.

4 Analyze the implications for the unorganized borough of the existing revenue sharing method and compare it with others which have been proposed.

Div. of Policy Development and Planning (Dona Lehr)

5 Analyze the implication for the unorganized borough of the various Permanent Fund proposals which have been suggested in legislation.

Div. of Policy Development And Planning (Dona Lehr)

6 Determine the best approach for funding and studying the feasibility of requested new municipal incorporations.

Dept. of C&RA (Doug Griffin)

*Expand to include unincorporated areas*

7 Review economic base information for the unorganized borough including sales tax, gross business receipts, etc.

*(resources for information) fishery*

8 Identify state and federal monies/programs and the extent of financial support in the unorganized borough.

Legislative Affairs (Elke Kallab)

9 Review existing loan programs and grant procedures as they function as incentives or disincentives to local government formation in the unorganized borough.

*Commission on Economic Development C&RA*

10 Look at the financing of existing REASS's, coastal resource districts, IRA councils, and native

regional and village non-profit organizations and determine their relationship to the role of state and local government.

4. Evaluate the sufficiency of the ec. base in the <sup>community</sup> & unorganized <sup>to accommodate</sup> regional & local govt. analysis of positive or negative economic impact of creating regional/local government.

*From Palmer Mc Carter*

#### QUESTIONS FOR INTERIM LOCAL GOVERNMENT STUDY

1. Identify the types of governmental services and programs needed by different areas of the state, and identify what level of government could and should provide the service or program.
2. Investigate adequacy of existing local government structures, (i.e. 3 classes boroughs, 2 classes of cities plus development cities, and merger, consolidation, and unification of these forms), and their legally authorized sub-units (i.e. differential tax zones, service areas, and assessment districts), and modify existing or devise alternative forms of local government which could better provide the services. ✓
3. Investigate alternatives to methods of generating local taxes in addition to sales and property tax, and provide a more equitable distribution to local governments of state revenues generated by taxation of the State's resources.
4. Investigate disparity and differences among taxation practices of the state and local governments, and standardize taxation policies and laws to provide uniformity, tax fairness, and equity to state residents.
5. Look at the role and financing of existing REAA's, coastal resource districts, IRA councils, and native regional and village non-profit organizations, and determine their relationship to the role of state and local government.
6. Research other states' local government laws (particularly "Share-the-Wealth" taxation concepts) to seek out models which could be appropriately used in Alaska.
7. Determine the best approach for funding and studying the feasibility of requested new municipal incorporations.
8. Study alternative mechanisms (i.e. Alaska Local Boundary Commission, "Minnesota plan", the "Texas plan", etc.) for affecting local government boundary changes.



Official Business

# Alaska State Legislature

## Senate Committee on Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

April 28, 1979

### MEMORANDUM

TO: Senator George Holman  
Legislative Council, Chairman

FROM: Senator Arliss Sturgulewski, Chairman  
Senate Community & Regional Affairs

SUBJECT: Interim Local Government Committee composed of the Senate and House Community and Regional Affairs Committee

#### LOCAL GOVERNMENT STUDY OBJECTIVES

1. Study and evaluate the sufficiency of available local government structure and methods of financing to meet the needs of existing local government entities. Study and evaluate alternatives.
2. Study and evaluate the sufficiency of available local government structures and methods of financing to meet the need for local government entities at the community and regional level in the unorganized borough. Study and evaluate alternatives.
3. Study and evaluate the difference between the planning for and delivery of services in organized boroughs and the unorganized borough.
4. Review of the question of State vs. municipal responsibility for the delivery of public services and the construction, maintenance, and operation of public facilities.

#### METHODOLOGY

1. Basic research and analysis work would be accomplished by this Interim Legislative Committee. Assistance and cooperation of other legislative staffs (such as Legislative Division of Legal Services and Division of Research Services), and administrative staffs; i.e., Department of Community and Regional Affairs, would be sought.
  - A. Review the available literature and update the available research addressing the study objectives.

- B. Study and evaluate the delivery of services at the local, regional, and State level.
  - C. Review and study various geographic boundaries currently used by State, Federal, and non-profit entities to meet the need for rationally constructed service delivery systems in Alaska. Determine the extent to which these boundaries are adaptable to the need for logically drawn government boundaries.
2. Workshops and public meetings would be conducted to obtain participation by affected groups and persons. For example, organizations to be included would be AFN, RuralCAP, ANF, Alaska Municipal League, etc. Additionally, meetings will be held in rural areas to obtain testimony and views on self-governance, administrative capabilities, fiscal conditions, attitudes toward State vs. local performance of functions, delivery of services, etc.
  3. Analysis and formulation of resultant proposals will be carried out in coordination with legislative staff and administrative staffs.

BUDGET

See attached memorandum.

Attachment



Official Business

# Alaska State Legislature

## Senate


### Committee on Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

April 28, 1979

#### MEMORANDUM

TO: Senator George Hohman  
Legislative Council, Chairman

FROM: Senator Arliss Sturgulewski, Chairman   
Senate Community & Regional Affairs

SUBJECT: Budget for Interim Local Government Study

The following estimated budget is provided for the Local Government Interim Study.

|       |  |         |
|-------|--|---------|
| (100) | Personal Services  | \$ 40.0 |
|       | 1 1/2 Project Coordinators   |         |
|       | 12 mo., \$3,000 mo., plus  |         |
|       | 10.13% benefits  |         |
| (200) | Travel   | 18.0    |
|       | Committee Transportation (Juneau/<br>Anch.) Chairmen/Senate & House<br>Community and Regional Affairs<br>Committee plus staff travel |         |
|       | 15 trips at \$200 = \$3,000  |         |
|       | Committee per diem - 15 members +<br>staff for individual meetings and<br>conferences  |         |
|       | 3 days each at \$165 = \$2,475   |         |
|       | Hearing Committee Transportation   |         |
|       | 5 members  |         |
|       | 5 trips at \$400 = \$10,000  |         |
|       | Committee per diem - 5 meetings  |         |
|       | 2 days each at \$55 = \$2,750  |         |

April 28, 1979

|       |  |       |                  |
|-------|--|-------|------------------|
| (300) | Contractual                                  |       | 16.0             |
|       | Professional Services=\$12,000               |       |                  |
|       | Postage                                      | 500   |                  |
|       | Public Notices                               | 500   |                  |
|       | Telephone                                    | 2,000 |                  |
|       | Final Report                                 | 1,000 |                  |
| (400) | Commodities                                  |       | 1.0              |
|       | Stationery and Office                        |       |                  |
|       | Supplies=                                    | 1,000 |                  |
|       |  |       | <u>\$ 75,000</u> |
|       | House Community & Regional Affairs share -   |       | \$31,600         |
|       | (per Representative Bill Parker's discussion |       |                  |
|       | with House Leadership)                       |       |                  |
|       | Senate share -                               |       | 43,000           |

WHAT ARE THE SERVICES THE STATE WOULD CONTINUE TO PERFORM IF THE ENTIRE STATE WERE ORGANIZED?

WHAT SERVICES DO THE ORGANIZED GOVERNMENTS ASSUME NOW? WHAT AUTHORITY DO THEY HAVE?

SOME SERVICES ARE STATEWIDE IN NATURE AND APPLY TO ALL RESIDENTS OR AREAS.

HOW DOES THE STATE PAY FOR ITS CAPITAL IMPROVEMENTS? WHAT FUNDS HAVE BEEN ESTABLISHED? HOW MUCH GENERAL FUND MONEY GO FOR CAPITAL IMPROVEMENTS? ARE ANY DIRECT GRANTS TO LOCAL GOVERNMENTS FOR CAPITAL IMPROVEMENTS FUNDED FROM SOURCES OTHER THAN THE GENERAL FUND? WHAT IMPROVEMENTS ARE FUNDED DIRECTLY FROM THE FEDERAL GOVERNMENT? HOW IS POSSIBLE TO IDENTIFY SUCH IMPROVEMENTS? DO COMMUNITIES HAVE THE AUTHORITY TO APPLY DIRECTLY TO THE FEDERAL GOVERNMENT FOR CAPITAL IMPROVEMENTS. IF YES, WHAT IMPROVEMENTS ARE CONSIDERING? IF SUCH IMPROVEMENTS ARE APPLIED FOR AND APPROVED, AT WHAT POINT IS THE A-95 CLEARINGHOUSE BROUGHT IN, IF IT IS INCLUDED AT ALL?

WHAT PROJECTS ARE ESCAPING THE EYES OF THE A-95 CLEARINGHOUSE? WHERE ARE THE PROBLEM AREAS?

IS THERE A SINGLE FEDERAL AGENCY ONE COULD GO TO FOR DETERMINING THE AMOUNT OF MONEY THEY PROVIDE PROGRAMS AND IMPROVEMENTS? WOULD THE OFFICE OF MANAGEMENT AND BUDGET?

IS THERE IS A SINGLE AGENCY THAT KEEPS TRACK OF THE AMOUNT OF MONEY RELATED TO INDIAN PROGRAMS?

WHAT PROGRAMS ARE FEDERALLY MANDATED? WHAT PROGRAMS ARE OPTIONAL?

SEVERAL SURVEYS HAVE BEEN DONE IN THE PAST FEW YEARS IN ATTEMPTING TO GAIN INSIGHT INTO THE PERCEPTIONS OF LOCAL ISSUES, PROBLEMS, NEEDED SERVICES, ECONOMIC QUESTIONS, ETC. WOULD IT BEHAVE OUR EFFORTS TO INVENTORY THESE SURVEYS THAT HAVE BEEN DONE? KEEPING IN MIND THEY WERE DONE FOR DIFFERENT PURPOSES AND DIFFERENT TIMES AND AT LOCAL AND REGIONAL LEVELS. *North Slope, NOME,*

IS THERE AN ADMINISTRATIVE AND SUPPORT FIGURE THAT COULD BE DEFINED CONSIDERING AN AGENCY PROVIDING DIRECT SERVICE TO THE RURAL AREA? THIS IS OPPOSED TO THE PROGRAM BEING LOCALLY ADMINISTERED AND OPERATED.

WHAT IS THE DISTRIBUTION OF STATE EMPLOYEES? WHAT IS THEIR YEARLY PAYROLL AND WHAT AGENCY DO THEY WORK FOR? WOULD IT BE POSSIBLE TO GET AN IDEA OF THE NUMBER OF FEDERAL EMPLOYEES?

WHAT DOES IT COST THE STATE (DEPT. OF ADMIN.) TO HOUSE AND PROVIDE OFFICE SPACE FOR EMPLOYEES IN THE RURAL AREAS OF THE STATE? WHAT FACILITIES ARE LEASED AND WHAT ARE OWNED AND OPERATED BY THE STATE?

IF WE NEED A PRESENT PICTURE OF THE ALASKAN ECONOMY, DON'T FORGET THE FOLLOWING. DIVISION OF MANPOWERS TITLE I PLAN, DEPARTMENT OF LABORS ANNUAL PLAN FOR THE STATE AND ANCHORAGE, AND THE QUATERLY REPORTS OF DAVE REAUME IN COMMERCE AND ECONOMIC DEVELOPMENT, DIVISION OF ECONOMIC ENTERPRISE. IN ADDITION TO THE ANNUAL ECONOMIC REVIEW PUT OUT BY THE DEPT. OF COMMERCE AND ECONOMIC DEVELOPMENT. RESEARCH AND ANALYSIS IN THE DEPT. OF LABOR ALSO HAS INFORMATION ON A VARIETY OF ECONOMIC AND EMPLOYMENT RELATED SUBJECTS. ALSO KEEP TRACK OF REVENUES LATEST INFORMATION ON PETROLEUM REVENUE PROJECTIONS. ALSO CHECK WITH THE INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH TO FIND OUT THEY ARE DOING IN THIS AREA.

WE NEED A GOOD DESCRIPTION OF WHAT LANDS ARE AND WILL BE EXEMPT FROM PROPERTY TAXATION. IN ORGANIZED BOROUGH AND WITHIN THE UNORGANIZED BOROUGH.

UPDATE SUBSTATE DISTRICT MAPS. CHECK WITH DPDP TO SEE WHAT MATERIAL THEY MAY HAVE. USE KAE ALLREDS STUDY AS A GUIDE IN THIS AREA. THIS IS AN INTEGRAL PART OF THE SERVICE DELIVERY STUDY. UNDERTAND WHAT THE DISTRICTS IS USED FOR, I.E. STATISTICAL GATHERING, ADMIN, REGULATORY, ETC. BY WHAT AUTHORITY HAVE THEY DIVIDED THE STATE FOR A PARTICULAR PURPOSE.

DO WE NEED SOMEONE TO OUTLINE TITLE 29 IN A FORM THAT CAN BE EASILY UNDERSTOOD. IN GRAPHIC FORM. SOMETHING THAT SHOW THE GRADUALLY INCREASE IN POWERS THAT CAN BE ASSUMED AND THOSE MANDATED. FOR CITIES AND BOROUGH. MAYBE JUST CERTAIN PORTIONS OF THE TITLE. HAS SOMETHING LIKE THIS BEEN DONE BY COMMUNITY AND REGIONAL AFFAIRS.

## LOAN PROGRAMS ADMINISTERED BY DEPT OF COMMERCE AND ECONOMIC DEVELOPMENT

A) TYPES OF LOAN PROGRAMS

B) STATE STATUTORY AUTHORITY

C) NUMBER OF LOANS OUTSTANDING PER PROGRAM

D) AMOUNT OF LOANS OUTSTANDING PER PROGRAM

E) TYPE OF LOAN I.E. REVOLVING

F) DISTRIBUTION OF LOANS (GEOGRAPHIC) PER PROGRAM

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REQUEST AN ORGANIZATION CHART FOR  
EACH DEPT.

---

PICK UP LIST OF BOARDS & COMMISSIONS

---

STATE BOND COMMITTEE

---

BUDGET SUMMARY BY ELECTION DISTRICT  
GET A DESCRIPTION OF METHODOLOGY

---

QUESTIONS FOR INTERIM LOCAL GOVERNMENT STUDY

1. Identify the types of governmental services and programs needed by different areas of the state, and identify what level of government could and should provide the service or program.  
*Service Delivery*
2. Investigate adequacy of existing local government structures, (i.e. 3 classes of boroughs, 2 classes of cities plus development cities, and merger, consolidation, and unification of these forms), and their legally authorized sub-units (i.e. differential tax zones, service areas, and assessment districts), and modify existing or devise alternative forms of local government which could better provide the services.
3. Investigate alternatives to methods of generating local taxes in addition to sales and property tax, and provide a more equitable distribution to local governments of state revenues generated by taxation of the State's resources.  
*Ex*
4. Investigate disparity and differences among taxation practices of the state and local governments, and standardize taxation policies and laws to provide uniformity, tax fairness, and equity to state residents.  
*Ex*
5. Look at the role and financing of existing REAA's, coastal resource districts, IRA Councils, and native regional and village non-profit organizations, and determine their relationship to the role of state and local government.  
*X*
6. Research other states' (local government laws) (particularly "Share-the-Wealth" taxation concepts) to seek out models which could be appropriately used in Alaska.  
*X*
7. Determine the best approach for funding and studying the feasibility of requested new municipal incorporations.  
*X*
8. Study alternative mechanisms (i.e. Alaska Local Boundary Commission, "Minnesota plan", the "Texas plan", etc.) for affecting local government boundary changes.

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The municipal land selection process is an incentive to borough incorporation to the extent that the boundaries proposed for a borough would probably include the maximum allowable vacant, unappropriated, and unrestricted lands from which to select its 10 percent. However the boundaries of a proposed borough must conform to natural geography and include all areas necessary for full development of local services.

Title 29 programs. There are no governmental loan programs or grant procedures described in Title 29 which could serve either as a statutory inducement or disincentive to borough incorporation.

State Revenue Sharing Program. (AS 43.18.010-.045) The State Revenue Sharing Program annually distributes grants to cities and boroughs based on the number of local residents in a municipality, the eligible powers exercised by each local government, the cost of living allowance used in computing total grant entitlements and the total appropriation approved for the grant program.

During each fiscal year, the Department of Community and Regional Affairs distributes State Revenue Sharing funds to eligible cities or organized boroughs which provide specific services, and exercise the powers as follows:

| <u>Municipal Service</u>  | <u>Rate of Entitlement</u>   |
|---------------------------|--|
| Police Protection         | \$12 per capita  |
| Military                  | \$ 6 per capita  |
| Fire Protection           | \$7.50 per capita  |
| Water or Air Pollution    | \$ 2 per capita  |
| Land Use Planning         | \$ 2 per capita  |
| Parks and Recreation      | \$ 5 per capita  |
| Military                  | \$1.25 per capita  |
| Transportation Facilities | \$ 5 per capita  |
| Military                  | \$2.50 per capita  |
| Road Maintenance          |  |
| a. Public Roads           | \$1,500 per mile   |
| b. Ice Roads              | \$ 900 per mile  |
| Health Facilities         | \$4,000 per fac. OR<br>\$1,000 per bed                             |
| Health Services           | \$ 2 per capita  |
| Hospitals                 | \$75,000 per host. OR<br>\$25,000 per hosp. OR<br>\$ 1,000 per bed |
| State Construction Aid    | \$2,500 per bed  |

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State Revenue Sharing has had an increasing impact on municipalities since its enactment in 1969. The program funding has increased from \$2.0 million in 1970 to \$18.6 million in FY 1979, and municipalities have become increasingly dependent on these grants. However, due to the limited amount of funding made available for the program each year, municipalities have not received 100 percent of their grant entitlements. Last fiscal year municipalities received only 88.7 percent of their total grant entitlements and next fiscal year the Department of Community and Regional Affairs expects the program to be funded at approximately 85 percent of all the grant entitlements.

The current formula is intended to encourage existing local governments to provide financial incentives to exercise powers, improve upon existing services provided and reduce any local taxes.

The current State Revenue Sharing Program does not provide a financial inducement to borough incorporations because the economy of a proposed borough would already possess the human and financial capability of providing local services. State Revenue Sharing grants to newly created boroughs would defray only a small portion of the overall costs of operating borough government. If the State Revenue Sharing Program is going to provide incentives for borough incorporation, then substantially more money must be distributed to all local governments each year.

Local Service Roads and Trail Program (LRS&T). (AS 19.30.111-.251) The Local Service Roads and Trail Program provides state assistance in the development of roads and trails on routes that are not eligible for federal-aid highway funds. These funds are intended to provide local service roads, year around foot trails, winter trail staking, bicycle paths, erosion control, foot bridges, boardwalks, etc.

This program is 100% state-funded through state bond issues. Under the program, funds are allocated to organized boroughs and home-rule cities according to a strict area/population formula. Each local government receives its allocation by submitting a three-year program with project priorities noted to the Regional Highway Engineer by October 1 of each year. A portion of the fund is also allocated to the unorganized boroughs; this money is administered by DOTPF. The communities within the unorganized boroughs receive funding based on priority and need. Each community selects its project and submits it to the department for consideration.

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The Department of Transportation and Public Facilities (DOTPF) is responsible for maintaining, causing to be maintained, or constructing any project under the LSR&T Program. However, a project constructed within the boundaries of a local government which exercises the power of streets and sidewalks may be transferred to a local government upon the approval of DOTPF and acceptance by the local government.

A road, street or highway transferred to a local government under this process can be eligible to receive State Revenue Sharing funding equal to \$1,500 a mile for each eligible mile for streets or highways maintained by the local government.

Although a borough stands a greater chance of being awarded local service roads and trails projects under the area/population formula, and although roads, streets and highways may be transferred to a municipality, the LSR&T Program has not been a sufficient incentive to encourage borough incorporation.

Regional Education Attendance Area (REAA's). REAA's were created with the passage of Chapter 124, Session Laws of Alaska, 1975 (popularly referred to as Senate Bill 35) thus transferring the major operational responsibilities for rural Alaska schools (Alaska Unorganized Borough School District) to regional school districts (REAA's). Although the REAA's created have provided a greater amount of local control over local municipal type services, strengthened the existing regional identification of these areas, and provided boundaries that are useful to establishing future boroughs, the state funding formula has been a disincentive to the formation of borough government, and it fails to properly address the extremely poor tax base for much of rural Alaska. In addition to receiving funding for 100 percent of the Public School Foundation Program and 100 percent of the cost for new school construction, REAA's receive from the State an amount equal to the average local contribution per pupil in municipal school districts multiplied by the number of students which will approximate \$710 per student this year. The Public Foundation Program will be funded approximately at 100 percent this year, and the state school construction cost will only be funded at approximately 80 percent this year. The advantageous funding schedule mentioned above for REAA's still remains a disincentive to the formation of organized boroughs unless the borough school districts can obtain additional funding to offset the increased level of funding for REAA's.

State-Share Taxes. State-Shared Taxes are specific taxes levied and collected by the State of Alaska (Department of Revenue) and are, in part, refunded to cities and boroughs

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providing municipal services. State Shared Taxes refunded to municipalities include the following:

Amusement and Gaming Taxes. (AS 43.35.010-.090) Fifty percent of the taxes collected under this program are refunded to the municipality in which the tax is collected. Payments are made automatically, on a semi-annual basis, to all cities and boroughs upon receipt of notice of incorporation.

Aviation Fuel Taxes. (AS 43.40.010-.040) Sixty percent of the taxes collected under this program are refunded to the municipality in which the tax is collected if that municipality owns and/or operates a public airport.

Corporate Income Taxes. (AS 43.20.010) Effective July 1, 1979, each municipality will receive a refund equal to the amount they received as a refund under the former Business License tax program. Refunds are mailed automatically to municipalities, once a year.

Liquor License Taxes. (AS 04.10.460) One hundred percent of the amount collected under this tax program is refunded to the municipality in which it was collected if the municipality has a police force and actively enforces State, Federal, and local liquor laws. Refunds are mailed automatically to municipalities semi-annually.

Punchboard Taxes. (AS 43.35.100-.150) Seventy-five percent of the amount collected under this tax program is refunded to the municipality in which it was collected. Refunds are mailed automatically to municipalities once a year.

Raw Fish Taxes. (AS 43.75.130-.135) Currently each borough receives twenty percent of the amount of tax revenues collected in the area outside cities and ten percent of the amount of tax revenues collected within cities. Refunds to eligible municipalities are mailed annually.

Telephone and Electric Cooperative Taxes. (AS 10.25.570) One hundred percent of the tax collected from telephone and electric cooperatives is refunded to the municipalities in which the cooperative does business. A municipality's entitlement is based upon the amount of gross revenue the cooperative received from operations within the municipality's boundaries. The tax is refunded annually.

With the exception of the raw fish tax refunds, all other state shared taxes contribute a relatively small amount of revenue to an organized borough and would not provide a

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statutory inducement to municipal incorporation. Depending on the amount of fish products processed within the boundaries of a proposed borough, the raw fish tax could provide an incentive to borough incorporation, i.e. the Aleutian Islands.

# Alaska MUNICIPAL League

TELEPHONES  
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586-6526

204 N. FRANKLIN ST.  
JUNEAU, ALASKA 99801

5/16/79

To: Gene Walsh

From: Ginny Chitwood *G.C.*

Re: Local Government Study

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

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

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

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

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

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Local Government Study

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

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

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

*Suggestions for organization  
made by ifterns*

6/21/79

Local Government Study  
An Alternative Approach

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

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

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

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

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

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

4). Develop Service Districts

5). Mandate Regional Boroughs

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

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

July

August

Sept.

Oct.

Nov.

Issues

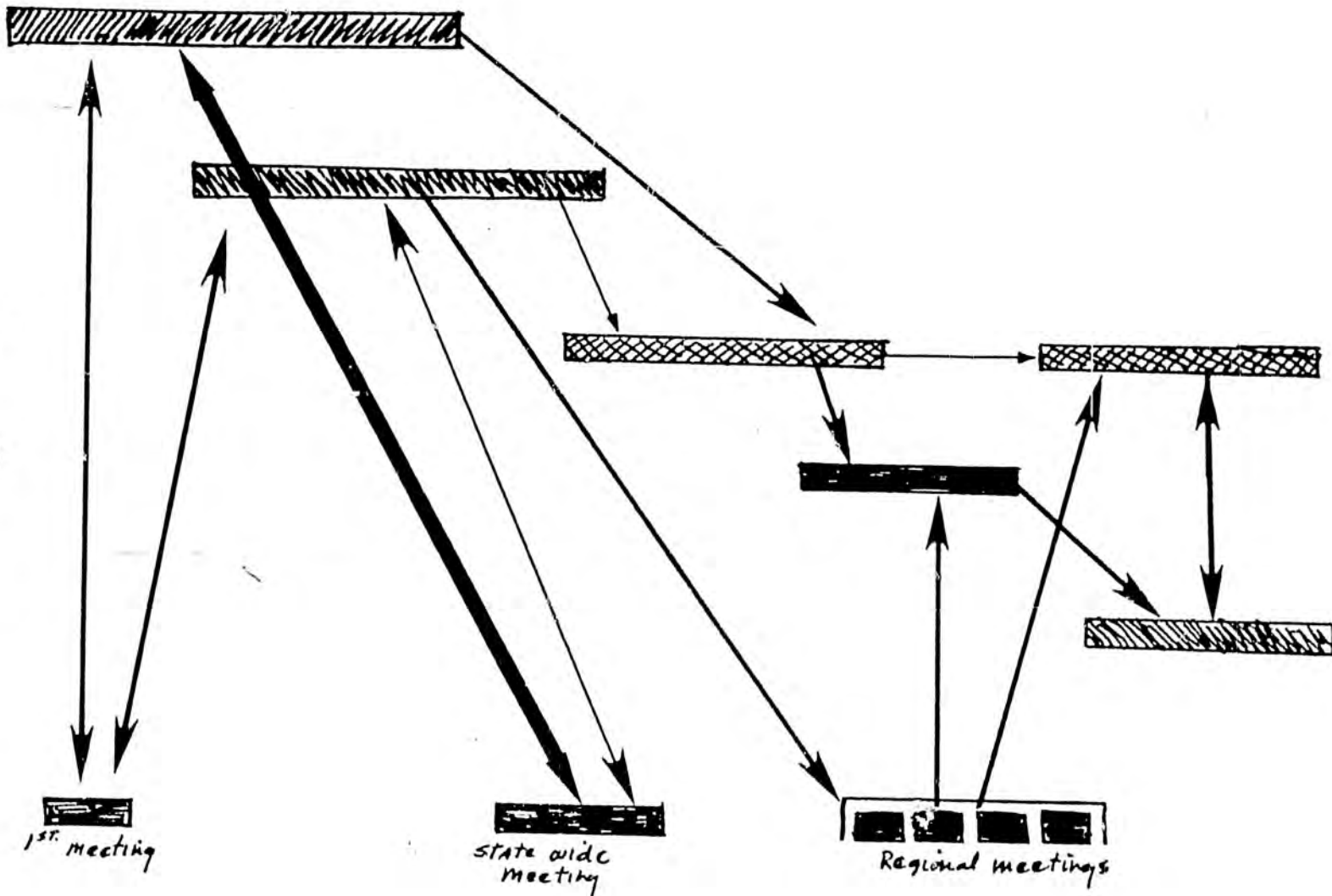
Options

Legislative Report

Draft legislation

Final legislation

Workshops



1st meeting

state wide meeting

Regional meetings

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

Senator Sturgulewski

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

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

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

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

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

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

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

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



Official Business

# Alaska State Legislature

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

Co-Chairmen  
Senator Arliss Sturgulewski  
Representative Bill Parker

Address all  
correspondence to:  
  
LOCAL GOVERNMENT STUDY

Fourth V  
State Capitol  
Juneau, Alaska 99811

## LOCAL GOVERNMENT STUDY

### BACKGROUND

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

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

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

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

## WORK PRODUCT

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

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

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

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

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

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

Specific legislative goals include addressing problem areas of Title 29 specifically service area formation as well as the broad question of achieving self determination through local government in the unorganized borough. In addition, the information developed will serve as a framework for evaluating future legislation in terms of its effect as an incentive or disincentive to local government formation.

## SPECIFIC ACTIVITIES

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

LOCAL GOVERNMENT STUDY  
PROJECT SCHEDULE

WORK PROGRAM

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

Development of work program with emphasis on tasks related to service areas

\_\_\_\_\_\*

Development and circulation of "white papers"

\_\_\_\_\_\*

Discussion of work product related to organized municipalities with Alaska Municipal League (Velding)

\_\_\_\_\_\*

Educational information re study circulated in Bush

\_\_\_\_\_\*

White Paper Conference on Local Government

\_\_\_\_\_\*

Public Hearings in Unorganized Borough

\_\_\_\_\_\*

Completion of all work program tasks

\_\_\_\_\_\*

Meeting with Ak. Municipal League Legislative Committee on proposed legislation (Velding)

\_\_\_\_\_\*

Final report with summary and recommendations developed

\_\_\_\_\_\*

Drafting of proposed legislation

\_\_\_\_\_\*

Legislation introduced

\_\_\_\_\_\*



Official Business

# Alaska State Legislature

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

Co-Chairmen  
Senator Arliss Sturgulewski  
Representative Bill Parker

Address all  
correspondence to:

LOCAL GOVERNMENT STUDY

Pouch V  
State Capitol  
Juneau, Alaska 99811

## LOCAL GOVERNMENT STUDY OBJECTIVES

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



Official Business

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## OBJECTIVE

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

## TASKS

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

## RESOURCE

## OBJECTIVE

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

## TASK

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

OBJECTIVE

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

TASK

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

## OBJECTIVE

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

## TASK

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



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## OBJECTIVE

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

## TASKS

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

## RESOURCE



Official Business

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## OBJECTIVE

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

## TASK

## RESOURCE --

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

## METHODOLOGY

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



Official Business

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## OBJECTIVE

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

## TASK

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

## METHODOLOGY

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

## RESOURCE



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## OBJECTIVE

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

## TASK

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

## RESOURCE



Official Business

# Alaska State Legislature

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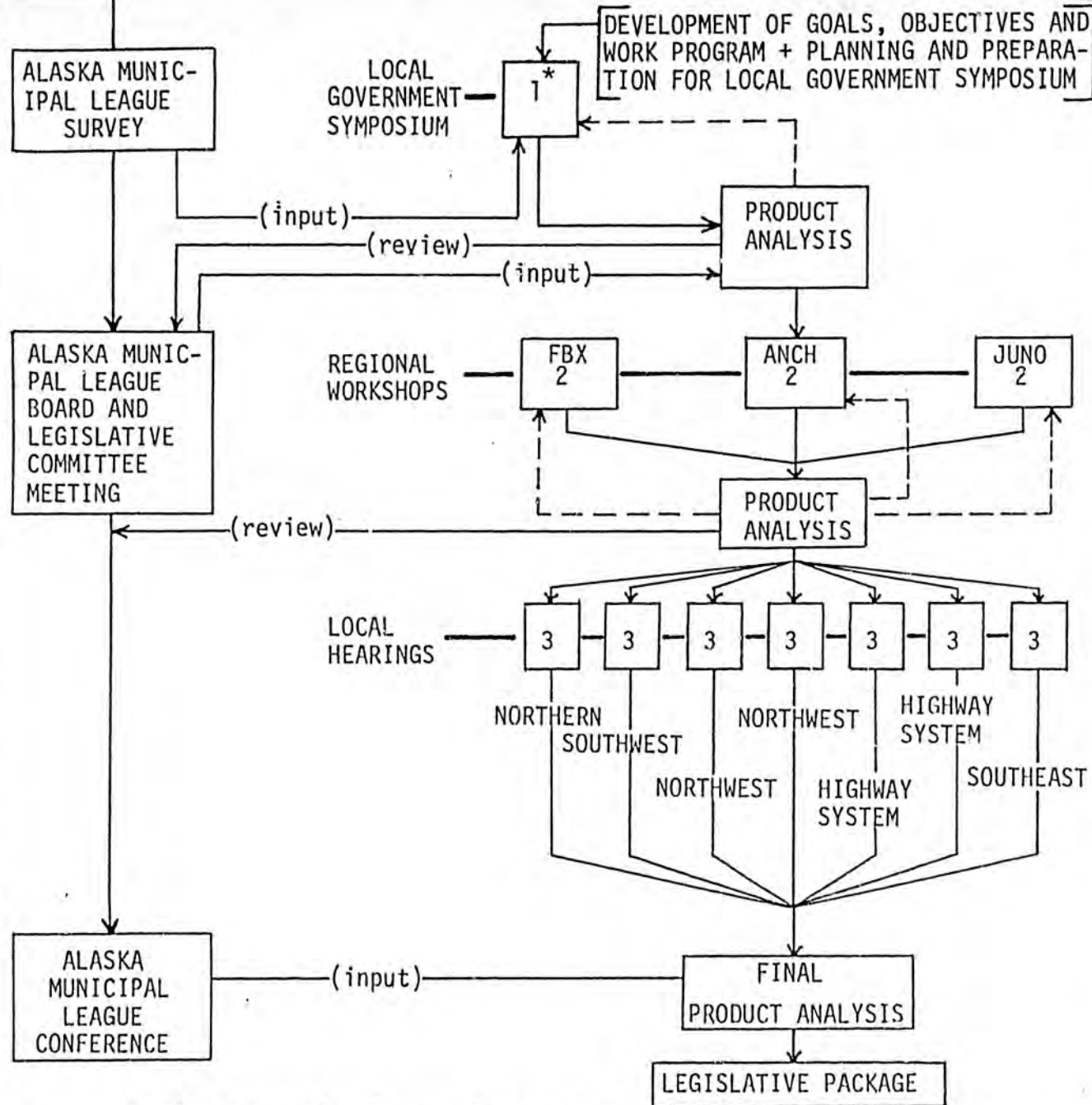
## OBJECTIVE

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

## TASK

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

## RESOURCE



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

---> Indicates optional secondary review process

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

6/30/79

| CATEGORIES                    | BACKGROUND & HISTORY   | CURRENT STATUS & TRENDS  | BASIC ALTERNATIVES | RECOMMENDATION & LEGISLATION  |
|-------------------------------|--|--|--------------------|---|
| GOVERNMENTAL STRUCTURE        | <ul style="list-style-type: none"> <li>- PREVIOUS Borough Attempts</li> <li>- LEGISLATION               <ul style="list-style-type: none"> <li>- SUCCESSFUL</li> <li>- UNSUCCESSFUL</li> </ul> </li> <li>- LEGAL ISSUES</li> </ul> | <ul style="list-style-type: none"> <li>- N.S.B.</li> <li>- SERVICE AREA</li> <li>- CZM</li> <li>- REAA</li> <li>- TANONA Chief / NEW PORTS</li> <li>- YUKON</li> </ul> |                    | <p>PROPOSE GOVERNMENTAL SYSTEM. How it will work How it will be implemented</p>           |
| FACILITIES & SERVICES         | <p>EVOLUTION OF PROVIDING SERVICES</p> <ul style="list-style-type: none"> <li>- FEDERAL</li> <li>- FEDERAL TRUST TO AMERICAN NATIVES</li> <li>- STATE</li> <li>- NON-PROFITS</li> </ul>  | <p>ADEQUACY &amp; SCOPE OF SERVICE DELIVERY</p>  |                    | <p>ALLOCATE AND ESTABLISH PATTERNS OF RESPONSIBILITIES</p>                                |
| ECONOMY & FISCAL CAPACITY     | <p>TAX BASE IN UNORG. Borough</p> <ul style="list-style-type: none"> <li>- ACTUAL</li> <li>- POTENTIAL</li> </ul>  |  |                    | <p>MEANS OF FINANCING PROPOSED APPROACHES</p>   |
| LOCAL CONTROL & PARTICIPATION | <ul style="list-style-type: none"> <li>- VILLAGE TRADITIONAL BASE</li> <li>- EST. 2<sup>ND</sup> CLASS Cities</li> </ul>   | <ul style="list-style-type: none"> <li>- ANCSA</li> <li>- BIA</li> <li>- IRA</li> <li>- CZM</li> <li>- NON-PROFITS</li> </ul>  |                    | <p>LOCAL INVOLVEMENT IN DECISION AS TO GOVERNMENTAL STATUS AND IN REGIONAL GOVERNANCE</p> |

STATE  
of ALASKA**MEMORANDUM**TO: [ Palmer McCarter, Director  
Local Government Assistance  
Division

DATE: July 20, 1979

FILE NO:

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

TELEPHONE NO:

SUBJECT:

Erik J. Simpson *EJS*  
Local Government Specialist

Local Government Study

TASK OBJECTIVE

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

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

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

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

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

4/23/79

Memo

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

FROM: Vic Fischer

RE: Interim committee study of unorganized borough.

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

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

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

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

## Methodology and Approach

Committee work would entail the following components:

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

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

---

### Study Objectives

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

### Specific Objectives are:

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

## Interim unorganized borough study

### General Purpose

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

### Background

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

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

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

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

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

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

INTERIM CRA COMMITTEES LOCAL GOVERNMENT STUDY

*DRP suggestions Betty Paul*

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

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

TASKS:

1) Review available background information:

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

*what do we have?"*

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

*how (well) is it working?"*

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

*what do we need?"*

- a) research local government structures and intergovernmental relationships in other states or nations which are relevant to the Alaskan experience and analyze their relevance to both rural and urban situations;
- ( b) identify and analyze in detail selected alternatives;
- ( c) analyze and evaluate the alternatives with respect to:
  - i) potential revenue sources in unorganized borough (e.g., sales tax; real and personal property taxes; income tax; gross business receipts; natural resource development revenues);
  - ii) local cost of providing services which are mandatory functions of basic local governmental unit and those administrative costs associated with the establishment of local government;
  - iii) ability to provide effective and efficient public services;
  - iv) local and regional self-determination;
  - v) ?

4) Develop executive or legislative mechanisms to achieve goal.

# MEMORANDUM

# State of Alaska

TO: Senator Sturgulewski

DATE: May 9, 1979

FILE NO:

TELEPHONE NO:

FROM: Murray Walsh, Coordinator  
Office of Coastal Management

SUBJECT: Data needs for Unorganized Borough  
Service Delivery Survey

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

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

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

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

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

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

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

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

# MEMORANDUM

# State of Alaska

TO: Senator Sturgulewski

DATE: May 9, 1979

FILE NO:

TELEPHONE NO:

FROM: Murray Walsh, Coordinator  
Office of Coastal Management

SUBJECT: Data needs for Unorganized Borough  
Service Delivery Survey

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

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

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

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

*At this report  
to cover this?*

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



Official Business

# Alaska State Legislature

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

Co-Chairmen  
Senator Arliss Sturgulewski  
Representative Bill Parker

Address all  
correspondence to:  
LOCAL GOVERNMENT STUDY

Pouch V  
State Capitol  
Juneau, Alaska 99811

June 15, 1979

## SUBJECT OF COMMITTEE WORK

Local Government in Alaska  
(Focus on the Unorganized Borough)

## HISTORICAL PERSPECTIVE

### A. State Constitution

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

### B. Borough Incorporation

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

### C. Significant Legislative Proposals

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

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

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

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

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

#### D. Service Delivery to the Unorganized Borough

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

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

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

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

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

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

## CURRENT STATUS

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

### A. Alaska Coastal Management Program First Year 306 Grant

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

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

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

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

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

### C. Yukon Flats Regional Government Study

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

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

D. Northwest Alaska Native Association Regional Strategies

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

E. Tanana Chiefs Conference Proposal

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

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

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



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## LOCAL GOVERNMENT STUDY BACKGROUND

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

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

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

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



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## WORK PROGRAM

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

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

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

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

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

1. LOCAL GOVERNMENT SYMPOSIUM

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

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

2. REGIONAL WORKSHOPS

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

3. PUBLIC HEARINGS

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

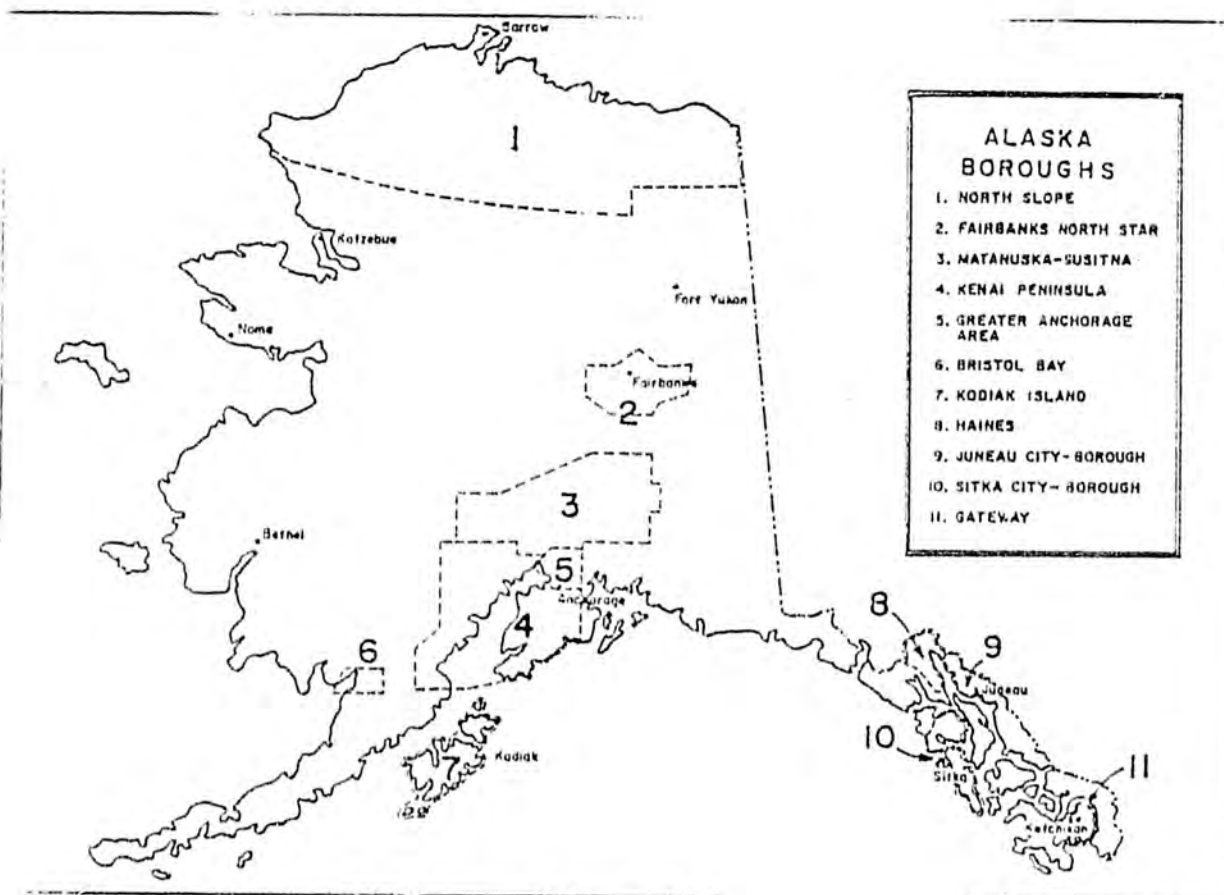
The findings of the Symposium and Workshops will be supported by the production and use of tables, charts, graphs and maps. Such tools support the intent of simplifying the subject matter and making it suitable for public educational use.

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

## ORGANIZED MUNICIPALITIES

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

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



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Regional Government in the Unorganized Borough  
7/21/76, 9- pages plus 3 pages of budget information

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

Pat Poland to Palmer McCarter  
Proposed Legislation - Draft legislation that may be suitable for implementation of  
levy and collection of tax in the unorganized borough together with redistribution  
to individual boroughs based upon an equalization formula.  
8/23/76, 5-pages

From: Rebecca Burch to Pat Poland  
The Feasibility of Health Powers in Proposed Region Governments  
9/3/76, 2-pages

From: Pat Poland to Palmer McCarter  
Third Class Cities - A first draft of a proposed bill to establish third class cities  
6/25/76, 9- pages

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

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



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DRAFT - May, 1979

## LOCAL GOVERNMENT STUDY OBJECTIVES

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

## STUDY OBJECTIVE

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

## TASK

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

## STUDY OBJECTIVE

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

### TASK

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

## STUDY OBJECTIVE

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

### TASK

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

## STUDY OBJECTIVE

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

### TASK

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



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## OBJECTIVE

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

## TASKS

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

## OBJECTIVE

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

## TASK

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

OBJECTIVE

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

TASK

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

## OBJECTIVE

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

## TASK

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



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## OBJECTIVE

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

## TASKS

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



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## OBJECTIVE

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

## TASK

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

## METHODOLOGY

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



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## OBJECTIVE

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

## TASK

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

## METHODOLOGY

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

## RESOURCE



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## OBJECTIVE

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

## TASK

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



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## OBJECTIVE

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

## TASK

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

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

# LOCAL GOVERNMENT STUDY

## STUDY OBJECTIVE

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

### TASK

### RESOURCE

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

STUDY OBJECTIVE

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

TASK

RESOURCE

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

## STUDY OBJECTIVE

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

#### TASK

#### RESOURCE

1. Review potential revenue sources in the unorganized borough including, but not limited to sales, real and personal property tax, income tax, and gross business receipts in addition to revenue associated with natural resource development.
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## STUDY OBJECTIVE

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

### TASK

### RESOURCE

1. Identify and analyze selected jurisdictional boundary schemes to determine how well these substate districts or regional boundaries conform to standards for borough incorporation.
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COMPONENTS RELATED TO LOCAL GOVERNMENT STUDY

OUTSIDE SCOPE OF WORK PROGRAM

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



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

## TASKS

1. Review and update previous studies relating to state and federal jurisdictional boundaries. Delineate boundaries, authority and functions.
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OBJECTIVE

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TASK

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



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

## TASKS

1. Identify and analyze selected jurisdictional boundary schemes to determine how well these substate districts or regional boundaries conform to standards for borough incorporation.
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## RESOURCE



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## TASK

## RESOURCE --

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

## METHODOLOGY

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



Official Business

# Alaska State Legislature

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

Co-Chairmen  
Senator Arliss Sturgulewski  
Representative Bill Parker

Address all  
correspondence to:

LOCAL GOVERNMENT STUDY

Pouch V  
State Capitol  
Juneau, Alaska 99811

## OBJECTIVE

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

## TASK

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

## METHODOLOGY

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

## RESOURCE



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## OBJECTIVE

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

## TASK

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

## RESOURCE



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## OBJECTIVE

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

## TASK

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

## RESOURCE



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DATE: June 14, 1979

TO: Senator George Hohman

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

RE: Local Government Study

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

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

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

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

Thank you for your assistance.



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## LOCAL GOVERNMENT STUDY BACKGROUND

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

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

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

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



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## WORK PROGRAM

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

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

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

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

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

1. LOCAL GOVERNMENT SYMPOSIUM

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

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

2. REGIONAL WORKSHOPS

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

3. PUBLIC HEARINGS

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

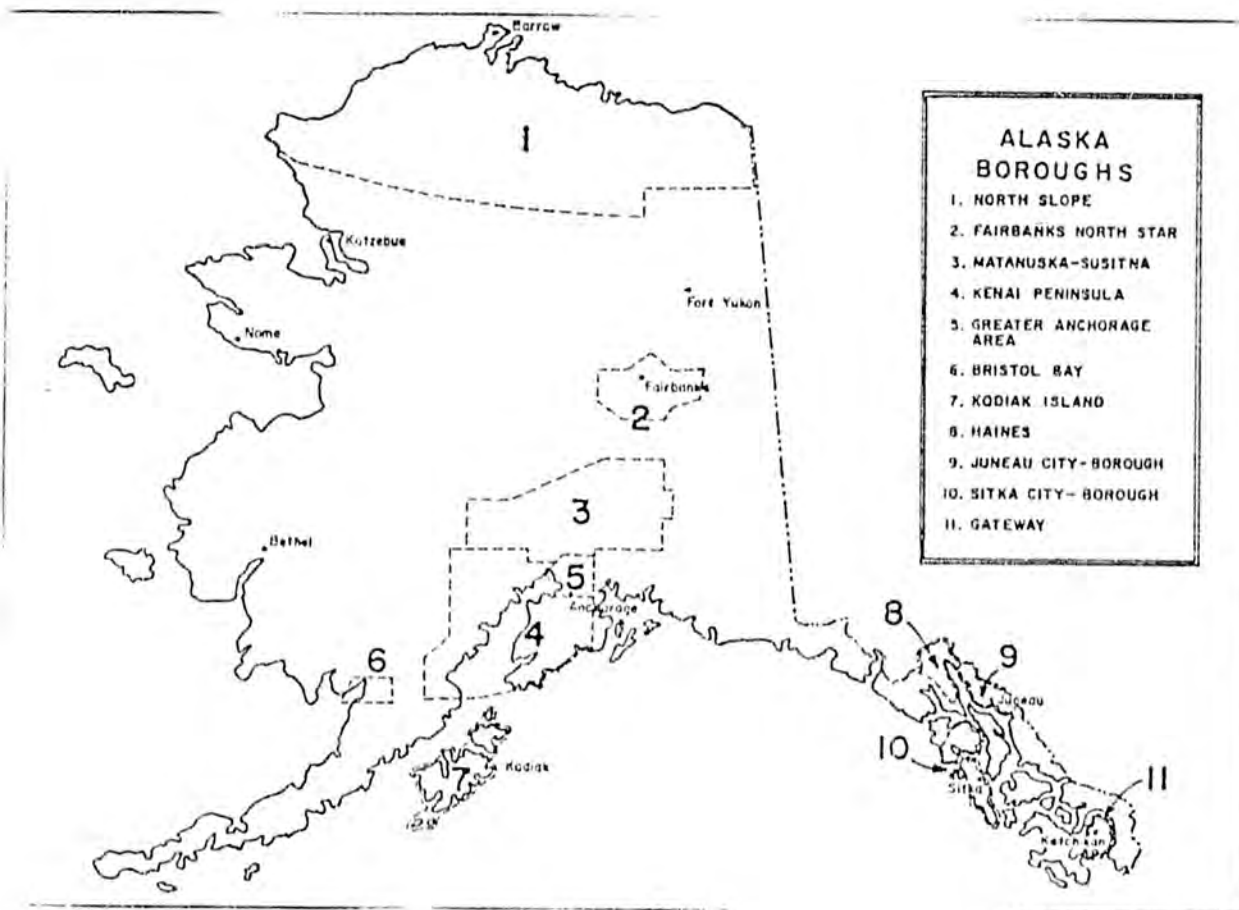
The findings of the Symposium and Workshops will be supported by the production and use of tables, charts, graphs and maps. Such tools support the intent of simplifying the subject matter and making it suitable for public educational use.

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

## ORGANIZED MUNICIPALITIES

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

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





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## LOCAL GOVERNMENT STUDY OBJECTIVES

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



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## LOCAL GOVERNMENT STUDY

### BACKGROUND

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

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

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

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



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## OBJECTIVE

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

## TASKS

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

## OBJECTIVE

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

## TASK

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

OBJECTIVE

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

TASK

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

## OBJECTIVE

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

## TASK

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



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## OBJECTIVE

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

## TASKS

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



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## OBJECTIVE

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## TASK

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

## METHODOLOGY

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



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## OBJECTIVE

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

## TASK

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

## METHODOLOGY

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

## RESOURCE



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## OBJECTIVE

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

## TASK

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



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## OBJECTIVE

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

## TASK

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

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

## TASKS

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

## RESOURCE

## STUDY OBJECTIVES

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

## STUDY OBJECTIVE

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

### TASK

### RESOURCE

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

## STUDY OBJECTIVE

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

### TASK

### RESOURCE

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

## STUDY OBJECTIVE

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

### TASK

### RESOURCE

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

STUDY OBJECTIVE

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

TASK

RESOURCE

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

COMPONENTS RELATED TO LOCAL GOVERNMENT STUDY

OUTSIDE SCOPE OF WORK PROGRAM

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



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DRAFT - May, 1979

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

## TASK

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

## STUDY OBJECTIVE

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

### TASK

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

## STUDY OBJECTIVE

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

### TASK

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

## STUDY OBJECTIVE

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

### TASK

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

# Alaska MUNICIPAL League

TELEPHONES  
(907) 586-1325  
586-6526

204 N. FRANKLIN ST.  
JUNEAU, ALASKA 99801

To: Gene Walsh  
  
From: Ginny Chitwood  
  
Re: Local Government Study

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

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

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

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

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

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

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

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

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

Sorry I missed you Friday afternoon.



Official Business

# Alaska State Legislature

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

Co-Chairmen  
Senator Arliss Sturgulewski  
Representative Bill Parker

Address all  
correspondence to:

LOCAL GOVERNMENT STUDY

Pouch V  
State Capitol  
Juneau, Alaska 99811

June 15, 1979

## SUBJECT OF COMMITTEE WORK

Local Government in Alaska  
(Focus on the Unorganized Borough)

## HISTORICAL PERSPECTIVE

### A. State Constitution

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

### B. Borough Incorporation

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

### C. Significant Legislative Proposals

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

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

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

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

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

D. Service Delivery to the Unorganized Borough

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

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

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

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

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

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

## CURRENT STATUS

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

### A. Alaska Coastal Management Program First Year 306 Grant

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

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

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

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

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

### C. Yukon Flats Regional Government Study

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

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

D. Northwest Alaska Native Association Regional Strategies

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

E. Tanana Chiefs Conference Proposal

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

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

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



Official Business

# Alaska State Legislature

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COMMUNITY AND REGIONAL AFFAIRS COMMITTEE  
LOCAL GOVERNMENT STUDY

Co-Chairmen  
Senator Arliss Sturgulewski  
Representative Bill Parker

Address all  
correspondence to:  
LOCAL GOVERNMENT STUDY  
Pouch V  
State Capitol  
Juneau, Alaska 99811

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

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

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

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

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

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



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LOCAL GOVERNMENT STUDY

Pouch V  
State Capitol  
Juneau, Alaska 99811

DATE: July 6, 1979  
TO: Jay Hogan  
FROM: Marjorie Gorsuch  
Gene Walsh  
RE: Research Project for Local Government<sup>h</sup> Symposium

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

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

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

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

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

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



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Pouch V  
State Capitol  
Juneau, Alaska 99811

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

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

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

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

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



Official Business

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State Capitol  
Juneau, Alaska 99811

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

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

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

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

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

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

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



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Representative Bill Parker

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LOCAL GOVERNMENT STUDY

Pouch V  
State Capitol  
Juneau, Alaska 99811

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

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

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

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

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

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

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

Borough Act of 1961  
Mandatory Borough Act 1963  
SB 101 '69  
HB 738 '70 RADG (Rural Area Development Group) Bill  
HB 161 '71

Governor Egan's Package of 1972  
HB 596  
HB 597  
HB 598

HB 122 '73 Rep. Tom Fink, Sponsor  
SB 122 '73 ADE Bill  
HB 291 '73 Gardiner Bill

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

HB 202 '77 Rep. Charlie Parr, Sponsor  
HB 9 '79 " " "



Official Business

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

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

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

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

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



Official Business

# Alaska State Legislature

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LOCAL GOVERNMENT STUDY

Pouch V  
State Capitol  
Juneau, Alaska 99811

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

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

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

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

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

Chenoweth - p. 2

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



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Representative Bill Parker

Address all  
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LOCAL GOVERNMENT STUDY

Pouch V  
State Capitol  
Juneau, Alaska 99811

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

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

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

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

## GINNY CHITWOOD (Alaska Municipal League)

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

## JACK CHENOWETH

1. Review of proposed legislative solutions to the questions of regional organization and financial equalization as they relate to the unorganized borough.
2. An examination of the REAAs

## PALMER McCARTER

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

2. Rewrite and print handout related to local government structures and powers (original publication of the Committee for Optimum Government - Harines) and made it available for use at the Local Government Symposium.

PAT POLAND

1. Summary of the requests received by the Department of Community and Regional Affairs related to formation of service areas and those statements of need or interest in services which have been received by the Dept. from the unorganized borough.

JIM SANDERS

1. Prepare an inventory of public services and programs provided by non-governmental and quasi-governmental organizations in the unorganized borough. Analyze the nature and level of services provided.
2. Work with the Municipal League in analyzing the survey results from the non-Municipal League member municipalities.

LAMAR COTTON

1. Analyze the historical development of traditional, non-traditional and quasi-governmental native methods of organization for local and regional self government. Assess the implications local and/or regional government formation would have on those structures now operative in the unorganized borough.



Official Business

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Representative Bill Parker

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LOCAL GOVERNMENT STUDY  
Pouch V  
State Capitol  
Juneau, Alaska 99811

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

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

3. LOCAL GOVERNMENT FINANCING AND SERVICE
  - A. REVENUE SHARING
  - B. FOUNDATION PLAN FOR HEALTH, PUBLIC ASSISTANCE, PUBLIC SAFETY, EDUCATION
  - C. INTERGOVERNMENTAL CONTRACTING
  - D. FINANCIAL NEEDS (CETA)
  - E. TRAINING AND TECHNICAL ASSISTANCE
  - F. FINANCING OF EDUCATION

A. Generally, under "Revenue Sharing", it is our understanding that the Department will review the concepts of redistribution of the state's wealth, as embodied in the current revenue sharing method as well as those proposed in previous legislative proposals. (Attached see copies of HB 738, HB 596, HB 597, HB 598 -- The last three mentioned bills are analyzed in Richard Garnett's "Equalization of Local Government Revenues in Alaska" of which you probably have a copy--) We are interested in an evaluation of these, and the revenue sharing proposal introduced by Rep. Gardiner during the Eleventh Legislature (HB 192), in terms of fiscal equity and also in terms of the incentive for local and regional government formation contained therein.

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

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

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

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

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

Again, our thanks for your cooperation and assistance.

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



Official Business

# Alaska State Legislature

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

Co-Chairmen  
Senator Arliss Sturgulewski  
Representative Bill Parker

Address all  
correspondence to:  
LOCAL GOVERNMENT STUDY  
Pouch V  
State Capitol  
Juneau, Alaska 99811

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

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

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

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

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



Official Business

# Alaska State Legislature

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Co-Chairmen  
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Representative Bill Parker

Address all  
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LOCAL GOVERNMENT  
Pouch V  
State Capitol  
Juneau, Alaska

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

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

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

## GINNY CHITWOOD (Alaska Municipal League)

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

## JACK CHENOWETH

1. Review of proposed legislative solutions to the questions of regional organization and financial equalization as they relate to the unorganized borough.
2. An examination of the REAMs

## PALMER McCARTER

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

2. Rewrite and print handout related to local government structures and powers (original publication of the Committee for Optimum Government - Harines) and made it available for use at the Local Government Symposium.

PAT POLAND

1. Summary of the requests received by the Department of Community and Regional Affairs related to formation of service areas and those statements of need or interest in services which have been received by the Dept. from the unorganized borough.

JIM SANDERS

1. Prepare an inventory of public services and programs provided by non-governmental and quasi-governmental organizations in the unorganized borough. Analyze the nature and level of services provided.
2. Work with the Municipal League in analyzing the survey results from the non-Municipal League member municipalities.

LAMAR COTTON

1. Analyze the historical development of traditional, non-traditional and quasi-governmental native methods of organization for local and regional self government. Assess the implications local and/or regional government formation would have on those structures now operative in the unorganized borough.



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Juneau, Alaska 99811

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

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

3. LOCAL GOVERNMENT FINANCING AND SERVICE
  - A. REVENUE SHARING
  - B. FOUNDATION PLAN FOR HEALTH, PUBLIC ASSISTANCE, PUBLIC SAFETY, EDUCATION
  - C. INTERGOVERNMENTAL CONTRACTING
  - D. FINANCIAL NEEDS (CETA)
  - E. TRAINING AND TECHNICAL ASSISTANCE
  - F. FINANCING OF EDUCATION

A. Generally, under "Revenue Sharing", it is our understanding that the Department will review the concepts of redistribution of the state's wealth, as embodied in the current revenue sharing method as well as those proposed in previous legislative proposals. (Attached see copies of HB 738, HB 596, HB 597, HB 598 -- The last three mentioned bills are analyzed in Richard Garnett's "Equalization of Local Government Revenues in Alaska" of which you probably have a copy--) We are interested in an evaluation of these, and the revenue sharing proposal introduced by Rep. Gardiner during the Eleventh Legislature (HB 192), in terms of fiscal equity and also in terms of the incentive for local and regional government formation contained therein.

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Juneau, Alaska 99811

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

Lamar & Jim .....

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

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

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

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

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

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

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

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

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

Thanks.

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

*see nm - federally assisted program  
see A CMP*

August 28, 1979

## THE MUNICIPALITY OF ANCHORAGE A-95 CLEARINGHOUSE PROCESS

### INTRODUCTION

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

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

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

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

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

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

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

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

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

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

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

### REVIEW AND COMMENT PROCESS

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

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

### A-95 FUNDING

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

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

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

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

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

LC:jjd

August 14, 1979

Marjorie and Gene:

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

I A Discussion of:

Disincentives of Organizing Regional Government in the Unorganized Borough.

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

II An Analysis of:

Federal and State Contracting in Rural Alaska.

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

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

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

IV Rural Second Class City Survey:

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

V Assistance with Regional Legislative Hearings:

*Jim*

*Sam*

To: AML Board & Legislative Committee

From: Ginny Chitwood

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

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

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

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

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

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

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

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

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



Official Business

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Pouch V  
State Capitol  
Juneau, Alaska 99311

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

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

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

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

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

*Begin long factual & concluding?*

*major research*

*factual & concluding not up in task can be provided*

*How REAA's fit in constitution*

*Get back  
Bob Plew  
Arvid Raby  
Jim LaMars  
Comm.*

*7/17/79 stand with background in zoning work on this*

Chenoweth - p. 2

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