

SCOMM

# 10:73

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

Introduced: 3/7/78  
Referred: Community & Regional  
Affairs and Finance

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2 HOUSE BILL NO. 874

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to a study of provision of local  
7 government services in the unorganized borough."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. FINDINGS. (a) Article X of the Constitution of the State  
10 of Alaska provides for local government in the state. It states: "The  
11 purpose of this article is to provide for maximum local government with a  
12 minimum of local government units, and to prevent duplication of tax-levying  
13 jurisdictions." It also establishes a local boundary commission and requires  
14 establishment in the executive branch of the state government of an agency to  
15 advise and assist local government.

16 (b) The constitution became operative on January 3, 1959. Although  
17 boroughs have been established in certain areas of the state and cities exist  
18 in the unorganized borough, the purpose of the local government article has  
19 not otherwise been implemented, leaving large areas of the state without  
20 functioning local governments. As a result of the need for services and  
21 desirability for local control of provision of these services, single purpose  
22 agencies funded entirely by the state have been created to fill the vacuum.  
23 These agencies sometimes have overlapping boundaries thereby diluting  
24 responsiveness to the public.

25 (c) The factual basis for more fully implementing the constitutional  
26 mandate is not available. A study by the Local Boundary Commission, aided by  
27 the Department of Community and Regional Affairs and an advisory committee  
28 with public participation, would provide needed data.

29 \* Sec. 2. STUDY. The Local Boundary Commission shall conduct a study on

1 provision of local government services in the unorganized borough. The study  
2 shall consider

3 (1) whether there are areas which should be incorporated as local  
4 government units;

5 (2) whether there are areas that should be annexed to existing  
6 local government unit

7 (3) whether there are areas which should be established by the  
8 legislature as service areas, and, if so, what services should be provided to  
9 each area;

10 (4) whether the legislature should consider establishing new  
11 classes of local government in the state, or should make changes in existing  
12 forms;

13 (5) methods of financing newly created local government units from  
14 both state and local finances;

15 (6) other matters the commission considers relevant.

16 \* Sec. 3. STAFF SUPPORT. The Department of Community and Regional  
17 Affairs shall provide staff services to the Local Boundary Commission for  
18 performance of the study, but the commission may, within appropriations  
19 available for the purpose, contract with other persons for development of  
20 data or recommendations on specific matters.

21 \* Sec. 4. ADVISORY COMMITTEE. An advisory committee to the Local Bound-  
22 ary Commission for the study is established. The committee is composed of  
23 the chairmen of the senate and house community and regional affairs commit-  
24 tees, three members who reside in the unorganized borough outside cities, two  
25 members representing municipalities in the unorganized borough, one member  
26 representing school boards in borough or city school districts in the unor-  
27 ganized borough, and one member representing school boards in regional edu-  
28 cational attendance areas. The committee shall elect its own chairman. The  
29 committee shall review recommendations proposed by the commission, comment to

1 the commission on each proposed recommendation, and perform other duties as  
2 assigned by the Local Boundary Commission.

3 \* Sec. 5. PUBLIC HEARING. The Local Boundary Commission in conjunction  
4 with the advisory committee shall hold public hearings within the unorganized  
5 borough. At least one hearing shall be held in each judicial district of the  
6 state and other hearings may be held at the discretion of the commission.

7 \* Sec. 6. REPORT. The Local Boundary Commission shall prepare a final  
8 report with findings and recommendations and submit the report and recommen-  
9 dations to the governor and, through the Legislative Council, to the legis-  
10 lature on or before September 1, 1979.

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*File  
Local Gov. Comm.*

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 874  
 Title "An Act relating to a study of provision of local government services..."  
 Requested by House Community & Regional Affairs Date 3/7/78

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs  
 Program Category Affected Development  
 Budget Request Unit(s) Affected Local Boundary Commission

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			*	*		

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND			*	*		
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

\*The Department of Community and Regional Affairs has not estimated the cost of this bill because the Local Boundary Commission has not had an opportunity to review and comment on it.

IV. DATE 3/14/78 PREPARED BY Bruce Aronson  
 AGENCY Community & Regional Affairs  
 PHONE 465-4707  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

M E M O R A N D U M

TO: The Honorable Jay S. Hammond  
Governor

FROM: Avrum M. Gross  
Attorney General

RE: Attached bill for establishment of a local government  
study commission  
Our File: J-77-015-78

Attached is a draft bill to establish a local government study commission. The bill is described in greater detail in the following draft transmittal letter:

DRAFT

Under the authority of art. III, Sec. 18, of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill to establish a temporary local government study commission in the Department of Community and Regional Affairs.

The study commission, which will include the chairmen of the community and regional affairs committees, is intended to be a blue-ribbon panel, the task of which will be to make a thorough, two-year study and analysis of all aspects of local government in Alaska and to make specific recommendations for change.

Ours is a strong tradition of local self-government. We have consistently sought to achieve our constitutionally stated goal of maximum local self-government with a minimum of local government units. The study commission's goal will be to see if we can do even better <sup>and</sup> to bring us specific recommendations toward that end.

The proposed bill has the Department of Community and Regional Affairs top priority. I urge its favorable consideration.

Sincerely,

Jay S. Hammond  
Governor

ANG:pjg:RWP

Rural Alaska  
Community Action Program, Inc.

File in  
HB 585 File  
(Local Gov. Comm.)

January 24, 1978

Honorable Lisa Rudd, Chairperson,  
House Community & Regional Affairs Committee  
Pouch V  
Juneau, Alaska 99811

Re: HB 585, "An act establishing a local government study commission; and providing for an effective date."

Dear Lisa:

We have noted with interest the initiative of the Administration in submitting this bill for legislative consideration. Rural CAP has been interested in the establishment of effective and responsive local and regional governments in the Unorganized Borough for years.

As you may recall, the basic idea of a "Local Government Study Commission" was first introduced in the spring of 1975 (SB 136). At that time, proponents of the idea were looking for some method to create appropriate regional governments in the Unorganized Borough to assume the educational powers which, at the time, were being exercised by the Alaska State Operated School System. In the First Session of the Ninth Legislature, HB 35 was passed, regionalizing the ASOSS into the present configuration of 21 REAA's. This action effectively mooted the primary necessity (as it was seen at that time) for the passage of SB 136.

In working on the concepts embodied in the original version of SB 136, this organization, AFN, the Citizens' Participation Conference, and other rural residents and organizations generally agreed that some needed changes were indicated, to wit:

1. Control of the Commission should be more in the hands of officials who reside in the Unorganized Borough, in order to obviate the tendency to merely recommend that the status quo be extended to include the Unorganized Borough.
2. Also, it was felt that some form of "incentive grant" should be provided to local and regional groups who wanted to study the creation of local government on their own terms. Accordingly, through the initiative of Senators Sackett and Ferguson, the bill was amended to authorize up to \$250,000 for the incentive grants program.

As indicated above, the Legislature decentralized ASSOSS and effectively mooted the perceived need for this Commission. Also, at that time, the Administration was not supportive of SB 136 (either as originally submitted, or as amended to include the grant program). In light of these two factors, the bill died when the Ninth Legislature adjourned in the Summer of 1976.

I believe that one of the things that has generally been overlooked in the debate surrounding the creation of regional governments in the unorganized borough is that there are a wide variety of government services which are demonstrably best conducted by a regional structure (whether that be government, a non-profit corporation, an REAA or whatever). Merely decentralizing the educational function throughout the State did not solve the myriad governmental problems experienced in rural Alaska. Among these are such things as coastal zone management, planning and zoning functions, local taxation, localization of the A-95 Clearinghouse procedure etc. All of these functions are most appropriately handled at a local or regional level.

Our position on HB 585, therefore, is that it is a good step in the right direction. However, we would again request that the membership on the council be expanded to include more residents of the Unorganized Borough. As well, I believe that it is most important that the incentive grants program be reinserted into the bill. As you well know, no local government is going to succeed unless and until the people who are to be governed agree that the form and structure of the government is appropriate to their needs. I am quite concerned that, if HB 585 is passed in its present form, the Commission (staffed by the Department of Community and Regional Affairs) will merely recommend minor adjustments to Title XXIX, submit their recommendations to the Legislature, and thereby impose a form of regional government on the Bush which is neither appropriate, needed, nor wanted.

The time has most certainly come to "turn the process around." If the Legislature were to create an incentive grants program, and give state-wide control of the program to a structure in which a reasonable amount of control were granted to residents of the Unorganized Borough, then local people, acting through their local and regional organizations, could request funding for a study, identify and hire their own staff to conduct the study, and have ultimate "sign-off" on the recommendation presented to the Legislature. I believe that this process would be more effective because it would provide the Legislature with recommendations more closely attuned to the wishes of local people.

In my opinion, one of the main reasons that most of Alaska's land mass is presently "unorganized" is that the present Title XXIX is simply inappropriate to rural Alaskan governmental needs. Although the passage of the "Third Class Borough Bill" during the last session of the Legislature presented a few more options for rural residents, the Administration has done virtually nothing to implement either the mandate or the intent of that piece of legislation. Therefore, I suggest that the time has come to put the process into the hands of the people and to permit them to conduct their own studies, come up with their own recommendations, and live by their own decisions.

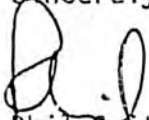
Honorable Lisa Rudd  
January 24, 1978  
Page Three

Please excuse this rather hasty analysis. Due to time constraints, I haven't had the opportunity to present a well-documented and researched set of recommendations. Neither have I yet had an opportunity to discuss this issue, in depth, with rural residents. Be assured that, as those opportunities present themselves, we'll be in touch.

Finally, I would request that your Committee take no final action on the bill until its merits are discussed at the Citizens' Participation Conference. As you know, the CPC is scheduled to meet in Juneau on the 23, 24 and 25 of February; and local government issues will be on the agenda.

Thank you very much for your consideration of these remarks.

Sincerely,



Phil Smith,  
Executive Director

cc: Palmer McCarter, Director, Division of Local Government Affairs  
Department of Community and Regional Affairs

Ross Soboleff, Rural CAP Legislative Liaison

PS/jw

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 585

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a local government study com-  
7 mission; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. LOCAL GOVERNMENT STUDY COMMISSION. There is established  
10 in the Department of Community and Regional Affairs a temporary local gov-  
11 ernment study commission.

12 \* Sec. 2. MEMBERSHIP OF COMMISSION. The commission has the following  
13 members:

14 (1) the commissioner of community and regional affairs or his  
15 designee;

16 (2) the chairman of the senate community and regional affairs  
17 committee;

18 (3) the chairman of the house community and regional affairs  
19 committee;

20 (4) four municipal officials appointed by the governor, one of  
21 whom must be from an organized borough or unified municipality, one from a  
22 first-class or home rule city located within an organized borough, and two  
23 from cities located within the unorganized borough;

24 (5) two residents of the unorganized borough, outside cities,  
25 appointed by the governor.

26 \* Sec. 3. POWERS AND DUTIES OF THE COMMISSION. (a) The commission  
27 shall make recommendations to the governor and the legislature concerning  
28 the sufficiency of the existing local government structure and measures by  
29 which it may be improved, and toward that end, it shall

1 (1) study and evaluate existing and alternative means of local  
2 government finance;

3 (2) study and evaluate the differences between <sup>planning provisions</sup> governmental  
4 services and burdens in organized boroughs and the unorganized borough;

5 (3) study and evaluate the relationships between the state and  
6 <sup>sub-committee</sup> local governments;

7 (4) study and evaluate existing and alternative local government  
8 structures;

9 (5) hold public hearings in organized boroughs, cities and the  
10 unorganized borough;

11 (6) after one year of study, submit an interim report to the  
12 governor and the legislature;

13 (7) after two years of study, submit a final report with find-  
14 ings and recommendations to the governor and the legislature.

15 (b) In exercising its powers and fulfilling its responsibilities, the  
16 commission may:

17 (1) establish sub-committees to study each of the subjects set  
18 out in (a)(1) through (4) of this section;

19 (2) contract through the Department of Community and Regional  
20 Affairs for the professional services it considers necessary to prepare its  
21 final report.

22 \* Sec. 4. DISSOLUTION OF COMMISSION. After presenting its final re-  
23 port, the commission is dissolved.

24 \* Sec. 5. STAFF. The Department of Community and Regional Affairs  
25 through the division of local government assistance shall provide the staff  
26 for the commission.

27 \* Sec. 6. EFFECTIVE DATE. This Act takes effect July 1, 1978.  
28  
29

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 585  
Title "An Act creating a local government commission"...  
Requested by Office of the Governor Date 11/29/77

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs  
Program Category Affected Development  
Budget Request Unit(s) Affected Local Government Assistance Division

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES			157.6	167.1		
200 TRAVEL			24.0	25.4		
300 CONTRACTUAL			17.8	218.9		
400 COMMODITIES			2.0	2.1		
500 EQUIPMENT			3.5			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			204.9	413.5		

FUNDING (Thousands of Dollars)

GENERAL FUND			204.9	413.5		
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME			6	6		
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III) Assumptions:

- Six staff members would be employed for the duration of the commission's existence. The staff members would include:
  - One Local Government Specialist IV (Range 19) - supervises, coordinates and directs other staff members, advises commission on fiscal and legal matters of existing and future local governments, completes analysis of data and provides recommendations, responsible for technical reports and public information materials and is responsible for conduct of public hearings. (Monthly Salary (\$2,322) + benefits (\$578) x 12 months = \$34,800)
  - Four Local Government Specialists II (Range 15) - will investigate and collect data on the existing local government's fiscal capacity, intergovernmental relationships, alternative local government structures, draft reports, etc. (Monthly Salary (\$1,727) + benefits (\$475) x 12 months x 4 = \$105,712)
  - One Clerk Typist III (Range 8) - responsible for typing of reports, correspondence, filing and miscellaneous duties. (Monthly Salary (\$1,092) + benefits (\$337) x 12 months = \$17,143)

IV. DATE 11/29/77 PREPARED BY Bruce Aronson  
AGENCY Department of Community and Regional Affairs  
PHONE 465-4700

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

Total Personal Services

2. Travel has been computed as follows:

= 9 commission members plus one staff member x average cost per trip per person  
(includes per diem) x eight trips per annum  $10 \times \$300 \times 8 = \$24,000$

Total Travel \$24,000

3. Contractual expenses have been computed as follows:

A. Telephone - 6 phones @ \$35/month x 12 months = \$ 2,520  
- long distance = 2,000

B. Rent - 650 square feet x \$1.25 per square foot per month x 12 months = 9,750

C. Postage, printing, advertising of hearings and miscellaneous 3,500

Total Contractual \$17,770

During the second fiscal year, in-depth reports by private consultants on selected topics will require an additional \$200,000.

4. Commodities - office supplies, etc. \$2,000

Total Commodities \$ 2,000

5. Equipment - six desks and chairs, filing cabinets and one typewriter \$3,476

\$ 3,476

6. Inflation will be approximately six percent per year.

Total First Year Expenses \$204,901

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

*DPDP Head  
Grant Proposal  
Sally Rue / Dona Lila*

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

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

100.2 Telecommunications Planning

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

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

Program Subcategory 100.3 Regional Planning in the Unorganized Borough \*

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

*how does this differ from what OSEA/ACU is doing?*

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

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

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

While this local initiative is laudable, it poses questions with significant ramifications, including the relationship of these planning commissions to the activities of federal and state agencies in the region and the relationship of these new entities to existing local governments organized under state law.

The division proposes to work jointly with legislative committees on this issue, and to develop an official policy in regard to regional planning in the unorganized borough and the structure through which sustained local involvement can be obtained.

*Work w/ DCA or their local planning study*

100.3 Regional Planning in the Unorganized Borough

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

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

PROGRAM CATEGORY 200.0 Budget Process Development

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

Problem Statement

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

PROGRAM CATEGORY

400.0

Service Delivery  
Patterns in Alaska

\*

Objectives:

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

*but what is goal? to assess quality of serv. delivery? to regionalize st. gov't. by identifying*

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

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

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

- 1) Literature Survey

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

- 2) Inventory of Services and Facilities

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

- a) transportation services and facilities, accessibility; DOT
- b) communication services and facilities; DOT
- c) health, education services and facilities; HSS, DOE
- d) commercial services and facilities; CED
- e) general government services and facilities; DPOP, DOT, Admin
- f) energy and power services and facilities; EOD
- g) water, sewer, and other public services and facilities; and OFC, CKA
- h) population distribution and projections. DOL

3) Evaluation and Analysis

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

4) Mapping

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

5) Periodic Update

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

6) Decisionmaking

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

400.0 Study of Service Delivery Patterns

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

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

PROGRAM CATEGORY 500.0 Index on the Status of Alaska

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

*1-1981 planning*

Original sponsor: Gardiner

Offered: 5/1/79

*See p. 2  
re previous version*

1 IN THE HOUSE

BY THE FREE CONFERENCE COMMITTEE

2

FREE CONFERENCE CS FOR HOUSE BILL NO. 359

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to salmon enhancement."

7

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8

\* Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

9

(1) efficiently enhancing the salmon fisheries will result in a substantial contribution to increased food production and is an appropriate use of the resource;

12

(2) efficiently enhancing the common property salmon fisheries will result in a general benefit to the state and in a greater direct benefit to the commercial, subsistence, and sport fisheries;

15

(3) a direct economic benefit to the commercial fisheries results from efficient salmon enhancement and includes enhanced economic return to those persons commercially harvesting the resource;

18

(4) efficient salmon enhancement will result in increased economic benefit to the coastal and interior regions of the state;

20

(5) regional user involvement in salmon enhancement planning and production will promote maximum benefit to the users as well as maximum resource protection;

23

(6) fisheries commerce in the coastal and interior regions of the state overlap many local government boundaries, is not tied to local government boundaries, and is primarily in the unorganized borough;

26

(7) it is impracticable for the framework of local government in the state to be the vehicle for efficient aquaculture development;

28

(8) regional organizations comprised of user groups will effectively promote aquaculture development in the state;

29

1 (9) the most equitable and nondiscriminatory method for providing  
2 revenues for regional salmon enhancement is to authorize regional associa-  
3 tions to assess percentage royalty shares against those persons commercially  
4 harvesting the resource within the region.

5 (b) It is the purpose of AS 16.10.375 - 16.10.620 to provide for con-  
6 tinuing efficient aquaculture development in the coastal and interior regions  
7 of the state in a manner which equally affects and benefits all persons  
8 similarly situated and to encourage the development of small, private, non-  
9 profit hatcheries that may provide important benefits to the state through  
10 increased employment, educational training, and research opportunities.

11 \* Sec. 2. AS 16.10.380 is amended by adding a new subsection to read:

12 (c) A qualified regional association, when it becomes a nonprofit  
13 corporation under AS 10.20, is established as a service area in the  
14 unorganized borough under AS 29.03.020 for the purpose of providing  
15 salmon enhancement services.

16 \* Sec. 3. AS 16.10.440(b) is amended to read:

17 (b) The Board of Fisheries may, after the issuance of a permit by  
18 the commissioner, amend by regulation adopted in accordance with the  
19 Administrative Procedure Act (AS 44.62), the terms of the permit re-  
20 lating to the source and number of salmon eggs, the harvest of fish by  
21 hatchery operators, and the specific locations designated by the depart-  
22 ment for harvest. The Board of Fisheries may not adopt any regulations  
23 nor take any action regarding the issuance or denial of any permits  
24 required in [PROMULGATE REGULATIONS NECESSARY TO IMPLEMENT] AS 16.10.-  
25 400 - 16.10.470.

26 \* Sec. 4. AS 16.10.470(b) is amended to read:

27 (b) A person who holds a permit for the operation of a salmon  
28 hatchery under AS 16.10.400 - 16.10.470 and each regional association  
29 levying a royalty assessment under AS 16.10.530 shall submit an annual

1 financial report to the Department of Commerce and Economic Development  
2 on a form to be provided by the Department of Commerce and Economic  
3 Development.

4 \* Sec. 5. AS 16.10.510(9) is amended to read:

5 (9) make grants for organizational and planning purposes to  
6 qualified regional associations which have formed a nonprofit corpora-  
7 tion, in amounts not exceeding \$100,000 per region and up to an addi-  
8 tional \$100,000 on a 50/50 cash matching basis with the regional associ-  
9 ations which have an authorized royalty assessment under AS 16.10.530 or  
10 AS 16.10.540. The state portion of the matching share shall be avail-  
11 able when a final vote for assessments is made under AS 16.10.530 or  
12 AS 16.10.540. This provision also applies to qualified regional asso-  
13 ciations which have formed a nonprofit corporation before June 24, 1977.

14 \* Sec. 6. AS 16.10.520(b) is amended to read:

15 (b) Loans for the total project costs may be made if the commis-  
16 sioner determines that the applicant has sufficient financial resources  
17 to insure the establishment of an equity position in the project equal  
18 to 10 per cent of the loan within six years or less, either through  
19 a royalty [AN] assessment levied under AS 16.10.530 or AS 16.10.540 or  
20 other means approved by the commissioner. For purposes of this subsec-  
21 tion, "total project costs" includes planning and construction costs for  
22 the facility and the cost of operations for not more than the first six  
23 years. The costs for operations shall be loaned on an annual basis.

24 \* Sec. 7. AS 16.10.520(c) is amended to read:

25 (c) All loans must be secured by collateral satisfactory to the  
26 commissioner, including but not limited to a first deed of trust, assign-  
27 ment of lease and leasehold improvements, sale of surplus fish from the  
28 hatchery, or royalty assessments from fishermen levied under AS 16.10.-  
29 530 - 16.10.540.

1 \* Sec. 8. AS 16.10.530 is amended to read:

2       Sec. 16.10.530. ROYALTY ASSESSMENT ON SALE OF SALMON. (a) The  
3 commissioner, on request of the qualified regional association for the  
4 area in which the royalty assessment is to be levied, [AND] after consul-  
5 tation with the commissioner of fish and game and after reaching any  
6 necessary agreements with local governments, shall establish areas in  
7 which a royalty [AN] assessment shall be levied on the sale of one or  
8 more species of salmon caught by persons holding entry permits  
9 [LICENSED] under AS 16.43.010 - 16.43.380 [AS 16.05.540 - 16.05.600], in  
10 the area in which the royalty assessment is to be levied. A request by  
11 the qualified regional association shall include a description of com-  
12 pliance with (e) of this section. The commissioner shall determine  
13 whether the procedural requirements under (e) of this section were  
14 followed and whether the proposed assessment is reasonable. A royalty  
15 [AN] assessment levied under this section shall be for the purpose of  
16 providing revenue for the qualified regional association for the area in  
17 which the royalty assessment is made. The rate and conditions of  
18 royalty assessments, including species to be involved, shall be stated  
19 by the appropriate qualified regional association in conjunction with  
20 the request to the commissioner under this subsection. The royalty  
21 assessment may be equal to either two or three per cent of the fair  
22 market value of the fish but may not exceed three per cent of the fair  
23 market value of the fish.

24 (b) (repealed)

25 (c) The commissioner and the appropriate qualified regional asso-  
26 ciation must agree on a means of collection of the royalty assessment  
27 and the commissioner may, by regulation, require its collection by  
28 buyers of the salmon upon the sale of which a royalty [AN] assessment is  
29 levied.

1 (d) The royalty assessment shall terminate

2 (1) upon request of the qualified regional corporation when  
3 all financial obligations relating to the royalty assessments have been  
4 met; or

5 (2) upon majority vote at an election held under (h) of this  
6 section, in the area in which the royalty assessment is levied either  
7 before any financial obligations relating to the royalty assessment  
8 have been incurred or after all financial obligations relating to the  
9 royalty assessment have been met.

10 (e) Before a royalty [AN] assessment is made under this section,  
11 the qualified regional association for the area in which the royalty  
12 assessment is to be levied shall hold an initial public meeting to  
13 explain and discuss the necessity for the royalty assessment and to  
14 explain the registration procedure established under (f) of this sec-  
15 tion. Reasonable public notice of the meeting shall be sent to all  
16 limited entry permit holders actively participating in a fishery in the  
17 area, posted in at least three centrally located public places in the  
18 area, and published in at least one newspaper of general circulation at  
19 least one time a week for three consecutive weeks in the area, if one  
20 exists. The notice shall briefly state the amount of the royalty assess-  
21 ment and a short general description of the purposes for which the  
22 royalty assessment money will be used. A ballot shall be mailed to all  
23 limited entry permit holders actively participating in a fishery in the  
24 area at least 20 days before the initial public meeting and contain a  
25 copy of the notice and ask the question whether a royalty [AN] assess-  
26 ment shall be imposed. At the public meeting the returned ballots shall  
27 be counted by a special committee appointed by the regional association  
28 for that purpose, and a vote by written ballot shall be taken on the  
29 question from among the limited entry permit holders present at the :

1 initial public meeting. After the vote is taken at the initial meeting  
2 a second public meeting shall be held, upon the limited notice of publi-  
3 cation in a newspaper of general circulation, each day for five consecu-  
4 tive days and the mailing of personal notice to all limited entry permit  
5 holders who actively participate in a fishery in the area at least  
6 14 days before the second public meeting, to give those who did not vote  
7 by written ballot at the initial public meeting an opportunity to vote.  
8 These votes shall be counted with the votes counted at the initial  
9 meeting. A majority vote for the royalty assessment is required from  
10 the combined total of the returned ballots and the votes by ballot cast  
11 at both public meetings, before a royalty [AN] assessment may be im-  
12 posed. No person may vote twice.

13 (f) The qualified regional association shall establish standard  
14 registration procedures for voting on royalty assessments under this  
15 section.

16 (g) A limited entry permit holder who would be qualified to vote  
17 on a royalty assessment levied by a regional association may request the  
18 commissioner to reduce or terminate a royalty assessment in the region.  
19 The commissioner may terminate or reduce the royalty assessment if he  
20 finds the royalty assessment to be unreasonable or to be no longer needed  
21 by the regional association to meet the purposes of AS 16.10.372 - 16.-  
22 10.620.

23 (h) Upon receipt of a petition requesting termination of the  
24 royalty assessment and signed by not less than 10 per cent of the number  
25 of persons qualified to vote under (e) of this section in the election  
26 levying the royalty assessment in the area, the commissioner shall  
27 determine if there are any outstanding financial obligations relating  
28 to the royalty assessment. If the commissioner determines that there  
29 are no outstanding financial obligations relating to the royalty assess-

1 ment, the commissioner shall notify the qualified regional association  
2 for the area of his determination. The qualified regional association  
3 shall, within two months after receiving notice of the commissioner's  
4 determination, hold public meetings and, mail ballots in accordance  
5 with (e) of this section. The ballots shall ask the question whether  
6 the royalty assessment for the area shall be continued. Only a person  
7 who is qualified to vote in accordance with (e) of this section may  
8 receive and cast a ballot under this subsection.

9 \* Sec. 9. AS 16.10.540(a) is amended to read:

10 (a) In place of or in addition to an assessment levied under  
11 AS 16.10.530, an association of persons who hold entry permits [LI-  
12 CENSED] under AS 16.43.010 - 16.43.380 [AS 16.05.540 - 16.05.600], which  
13 consists of at least 51 per cent of the persons holding entry permits  
14 [SO LICENSED] and actively participating in a fishery to be benefited by  
15 a hatchery program, may levy and collect an assessment from among its  
16 members for the purpose of securing and repaying a loan made under  
17 AS 16.10.510.

18 \* Sec. 10. AS 44.62.330(a) is amended by adding a new paragraph to read:

19 (46) Department of Commerce and Economic Development con-  
20 cerning the Fisheries Enhancement Loan Program (AS 16.10.500 16.10.-  
21 620).  
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1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 585

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a local government study com-  
7 mission; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. LOCAL GOVERNMENT STUDY COMMISSION. There is established  
10 in the Department of Community and Regional Affairs a temporary local gov-  
11 ernment study commission.

12 \* Sec. 2. MEMBERSHIP OF COMMISSION. The commission has the following  
13 members:

14 (1) the commissioner of community and regional affairs or his  
15 designee;

16 (2) the chairman of the senate community and regional affairs  
17 committee;

18 (3) the chairman of the house community and regional affairs  
19 committee;

20 (4) four municipal officials appointed by the governor, one of  
21 whom must be from an organized borough or unified municipality, one from a  
22 first-class or home rule city located within an organized borough, and two  
23 from cities located within the unorganized borough;

24 (5) two residents of the unorganized borough, outside cities,  
25 appointed by the governor.

26 \* Sec. 3. POWERS AND DUTIES OF THE COMMISSION. (a) The commission  
27 shall make recommendations to the governor and the legislature concerning  
28 the sufficiency of the existing local government structure and measures by  
29 which it may be improved, and toward that end, it shall

1 (1) study and evaluate existing and alternative means of local  
2 government finance;

3 (2) study and evaluate the differences between governmental  
4 services and burdens in organized boroughs and the unorganized borough;

5 (3) study and evaluate the relationships between the state and  
6 local governments;

7 (4) study and evaluate existing and alternative local government  
8 structures;

9 (5) hold public hearings in organized boroughs, cities and the  
10 unorganized borough;

11 (6) after one year of study, submit an interim report to the  
12 governor and the legislature;

13 (7) after two years of study, submit a final report with find-  
14 ings and recommendations to the governor and the legislature.

15 (b) In exercising its powers and fulfilling its responsibilities, the  
16 commission may:

17 (1) establish sub-committees to study each of the subjects set  
18 out in (a)(1) through (4) of this section;

19 (2) contract through the Department of Community and Regional  
20 Affairs for the professional services it considers necessary to prepare its  
21 final report.

22 \* Sec. 4. DISSOLUTION OF COMMISSION. After presenting its final re-  
23 port, the commission is dissolved.

24 \* Sec. 5. STAFF. The Department of Community and Regional Affairs  
25 through the division of local government assistance shall provide the staff  
26 for the commission.

27 \* Sec. 6. EFFECTIVE DATE. This Act takes effect July 1, 1978.  
28  
29

Introduced: 3/7/78  
Referred: Community & Regional  
Affairs and Finance

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2 HOUSE BILL NO. 874

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to a study of provision of local  
7 government services in the unorganized borough."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. FINDINGS. (a) Article X of the Constitution of the State  
10 of Alaska provides for local government in the state. It states: "The  
11 purpose of this article is to provide for maximum local government with a  
12 minimum of local government units, and to prevent duplication of tax-levying  
13 jurisdictions." It also establishes a local boundary commission and requires  
14 establishment in the executive branch of the state government of an agency to  
15 advise and assist local government.

16 (b) The constitution became operative on January 3, 1959. Although  
17 boroughs have been established in certain areas of the state and cities exist  
18 in the unorganized borough, the purpose of the local government article has  
19 not otherwise been implemented, leaving large areas of the state without  
20 functioning local governments. As a result of the need for services and  
21 desirability for local control of provision of these services, single purpose  
22 agencies funded entirely by the state have been created to fill the vacuum.  
23 These agencies sometimes have overlapping boundaries thereby diluting  
24 responsiveness to the public.

25 (c) The factual basis for more fully implementing the constitutional  
26 mandate is not available. A study by the Local Boundary Commission, aided by  
27 the Department of Community and Regional Affairs and an advisory committee  
28 with public participation, would provide needed data.

29 \* Sec. 2. STUDY. The Local Boundary Commission shall conduct a study on

1 provision of local government services in the unorganized borough. The study  
2 shall consider

3 (1) whether there are areas which should be incorporated as local  
4 government units;

5 (2) whether there are areas that should be annexed to existing  
6 local government unit

7 (3) whether there are areas which should be established by the  
8 legislature as service areas, and, if so, what services should be provided to  
9 each area;

10 (4) whether the legislature should consider establishing new  
11 classes of local government in the state, or should make changes in existing  
12 forms;

13 (5) methods of financing newly created local government units from  
14 both state and local finances;

15 (6) other matters the commission considers relevant.

16 \* Sec. 3. STAFF SUPPORT. The Department of Community and Regional  
17 Affairs shall provide staff services to the Local Boundary Commission for  
18 performance of the study, but the commission may, within appropriations  
19 available for the purpose, contract with other persons for development of  
20 data or recommendations on specific matters.

21 \* Sec. 4. ADVISORY COMMITTEE. An advisory committee to the Local Bound-  
22 ary Commission for the study is established. The committee is composed of  
23 the chairmen of the senate and house community and regional affairs commit-  
24 tees, three members who reside in the unorganized borough outside cities, two  
25 members representing municipalities in the unorganized borough, one member  
26 representing school boards in borough or city school districts in the unor-  
27 ganized borough, and one member representing school boards in regional edu-  
28 cational attendance areas. The committee shall elect its own chairman. The  
29 committee shall review recommendations proposed by the commission, comment to

1 the commission on each proposed recommendation, and perform other duties as  
2 assigned by the Local Boundary Commission.

3 \* Sec. 5. PUBLIC HEARING. The Local Boundary Commission in conjunction  
4 with the advisory committee shall hold public hearings within the unorganized  
5 borough. At least one hearing shall be held in each judicial district of the  
6 state and other hearings may be held at the discretion of the commission.

7 \* Sec. 6. REPORT. The Local Boundary Commission shall prepare a final  
8 report with findings and recommendations and submit the report and recommen-  
9 dations to the governor and, through the Legislative Council, to the legis-  
10 lature on or before September 1, 1979.

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

Introduced: 3/7/78  
Referred: Community & Regional  
Affairs and Finance

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

1 IN THE HOUSE

2 HOUSE BILL NO. 874

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4 TENTH LEGISLATURE - SECOND SESSION

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*File  
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FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. HB 874  
 Title "An Act relating to a study of provision of local government services..."  
 Requested by House Community & Regional Affairs Date 3/7/78

II. FISCAL DETAIL  
 Agency Affected Department of Community and Regional Affairs  
 Program Category Affected Development  
 Budget Request Unit(s) Affected Local Boundary Commission

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			*	*		

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND			*	*		
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

\*The Department of Community and Regional Affairs has not estimated the cost of this bill because the Local Boundary Commission has not had an opportunity to review and comment on it.

IV. DATE 3/14/78 PREPARED BY Bruce Aronson  
 AGENCY Community & Regional Affairs  
 PHONE 465-4707  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Rural Alaska  
Community Action Program, Inc.

File in  
HB 585 File  
(Local Gov. Comm.)

January 24, 1978

Honorable Lisa Rudd, Chairperson,  
House Community & Regional Affairs Committee  
Pouch V  
Juneau, Alaska 99811

Re: HB 585, "An act establishing a local government study commission; and providing for an effective date."

Dear Lisa:

We have noted with interest the initiative of the Administration in submitting this bill for legislative consideration. Rural CAP has been interested in the establishment of effective and responsive local and regional governments in the Unorganized Borough for years.

As you may recall, the basic idea of a "Local Government Study Commission" was first introduced in the spring of 1975 (SB 136). At that time, proponents of the idea were looking for some method to create appropriate regional governments in the Unorganized Borough to assume the educational powers which, at the time, were being exercised by the Alaska State Operated School System. In the First Session of the Ninth Legislature, HB 35 was passed, regionalizing the ASOSS into the present configuration of 21 REAA's. This action effectively mooted the primary necessity (as it was seen at that time) for the passage of SB 136.

In working on the concepts embodied in the original version of SB 136, this organization, AFN, the Citizens' Participation Conference, and other rural residents and organizations generally agreed that some needed changes were indicated, to wit:

1. Control of the Commission should be more in the hands of officials who reside in the Unorganized Borough, in order to obviate the tendency to merely recommend that the status quo be extended to include the Unorganized Borough.
2. Also, it was felt that some form of "incentive grant" should be provided to local and regional groups who wanted to study the creation of local government on their own terms. Accordingly, through the initiative of Senators Sackett and Ferguson, the bill was amended to authorize up to \$250,000 for the incentive grants program.

As indicated above, the Legislature decentralized ASSOSS and effectively mooted the perceived need for this Commission. Also, at that time, the Administration was not supportive of SB 136 (either as originally submitted, or as amended to include the grant program). In light of these two factors, the bill died when the Ninth Legislature adjourned in the Summer of 1976.

I believe that one of the things that has generally been overlooked in the debate surrounding the creation of regional governments in the unorganized borough is that there are a wide variety of government services which are demonstrably best conducted by a regional structure (whether that be government, a non-profit corporation, an REAA or whatever). Merely decentralizing the educational function throughout the State did not solve the myriad governmental problems experienced in rural Alaska. Among these are such things as coastal zone management, planning and zoning functions, local taxation, localization of the A-95 Clearinghouse procedure etc. All of these functions are most appropriately handled at a local or regional level.

Our position on HB 585, therefore, is that it is a good step in the right direction. However, we would again request that the membership on the council be expanded to include more residents of the Unorganized Borough. As well, I believe that it is most important that the incentive grants program be reinserted into the bill. As you well know, no local government is going to succeed unless and until the people who are to be governed agree that the form and structure of the government is appropriate to their needs. I am quite concerned that, if HB 585 is passed in its present form, the Commission (staffed by the Department of Community and Regional Affairs) will merely recommend minor adjustments to Title XXIX, submit their recommendations to the Legislature, and thereby impose a form of regional government on the Bush which is neither appropriate, needed, nor wanted.

The time has most certainly come to "turn the process around." If the Legislature were to create an incentive grants program, and give state-wide control of the program to a structure in which a reasonable amount of control were granted to residents of the Unorganized Borough, then local people, acting through their local and regional organizations, could request funding for a study, identify and hire their own staff to conduct the study, and have ultimate "sign-off" on the recommendation presented to the Legislature. I believe that this process would be more effective because it would provide the Legislature with recommendations more closely attuned to the wishes of local people.

In my opinion, one of the main reasons that most of Alaska's land mass is presently "unorganized" is that the present Title XXIX is simply inappropriate to rural Alaskan governmental needs. Although the passage of the "Third Class Borough Bill" during the last session of the Legislature presented a few more options for rural residents, the Administration has done virtually nothing to implement either the mandate or the intent of that piece of legislation. Therefore, I suggest that the time has come to put the process into the hands of the people and to permit them to conduct their own studies, come up with their own recommendations, and live by their own decisions.

Honorable Lisa Rudd  
January 24, 1978  
Page Three

Please excuse this rather hasty analysis. Due to time constraints, I haven't had the opportunity to present a well-documented and researched set of recommendations. Neither have I yet had an opportunity to discuss this issue, in depth, with rural residents. Be assured that, as those opportunities present themselves, we'll be in touch.

Finally, I would request that your Committee take no final action on the bill until its merits are discussed at the Citizens' Participation Conference. As you know, the CPC is scheduled to meet in Juneau on the 23, 24 and 25 of February; and local government issues will be on the agenda.

Thank you very much for your consideration of these remarks.

Sincerely,



Phil Smith,  
Executive Director

cc: Palmer McCarter, Director, Division of Local Government Affairs  
Department of Community and Regional Affairs

Ross Soboleff, Rural CAP Legislative Liaison

PS/jw

M E M O R A N D U M

TO: The Honorable Jay S. Hammond  
Governor

FROM: Avrum M. Gross  
Attorney General

RE: Attached bill for establishment of a local government  
study commission  
Our File: J-77-015-78

Attached is a draft bill to establish a local government study commission. The bill is described in greater detail in the following draft transmittal letter:

DRAFT

Under the authority of art. III, Sec. 18, of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill to establish a temporary local government study commission in the Department of Community and Regional Affairs.

The study commission, which will include the chairmen of the community and regional affairs committees, is intended to be a blue-ribbon panel, the task of which will be to make a thorough, two-year study and analysis of all aspects of local government in Alaska and to make specific recommendations for change.

Ours is a strong tradition of local self-government. We have consistently sought to achieve our constitutionally stated goal of maximum local self-government with a minimum of local government units. The study commission's goal will be to see if we can do even better <sup>and</sup> to bring us specific recommendations toward that end.

The proposed bill has the Department of Community and Regional Affairs top priority. I urge its favorable consideration.

Sincerely,

Jay S. Hammond  
Governor

ANG:pjg:RWP



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

7/10/79

DISPLAY MATERIALS  
LOCAL GOVERNMENT SYMPOSIUM

## MAPS/OVERLAYS

1. Service Areas
2. Administrative Units
3. Land Status
  - (a) Federal
  - (b) State
  - (c) Native
4. Cities and Boroughs
5. Quasi Jurisdictional Boundaries (Native Corp. boundaries)
6. Miscellaneous (Transportation, Communication, Renewable/nonrenewable Resources)

## MATRICES

1. Local Government Structures
2. Service Areas and Administrative Units (characteristics)
3. Requests Made of Local Boundary Commission
4. Land Statistics
5. Chronology related to traditional, non-traditional, and quasi-governmental native methods of organization for local and regional self government.
6. Municipal League Survey results

Introduced: 1/10/78  
Referred: Community &  
Regional Affairs and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 585

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a local government study com-  
7 mission; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. LOCAL GOVERNMENT STUDY COMMISSION. There is established  
10 in the Department of Community and Regional Affairs a temporary local gov-  
11 ernment study commission.

12 \* Sec. 2. MEMBERSHIP OF COMMISSION. The commission has the following  
13 members:

14 (1) the commissioner of community and regional affairs or his  
15 designee;

16 (2) the chairman of the senate community and regional affairs  
17 committee;

18 (3) the chairman of the house community and regional affairs  
19 committee;

20 (4) four municipal officials appointed by the governor, one of  
21 whom must be from an organized borough or unified municipality, one from a  
22 first-class or home rule city located within an organized borough, and two  
23 from cities located within the unorganized borough;

24 (5) two residents of the unorganized borough, outside cities,  
25 appointed by the governor.

26 \* Sec. 3. POWERS AND DUTIES OF THE COMMISSION. (a) The commission  
27 shall make recommendations to the governor and the legislature concerning  
28 the sufficiency of the existing local government structure and measures by  
29 which it may be improved, and toward that end, it shall

1 (1) study and evaluate existing and alternative means of local  
2 government finance;

3 (2) study and evaluate the differences between governmental  
4 services and burdens in organized boroughs and the unorganized borough;

5 (3) study and evaluate the relationships between the state and  
6 local governments;

7 (4) study and evaluate existing and alternative local government  
8 structures;

9 (5) hold public hearings in organized boroughs, cities and the  
10 unorganized borough;

11 (6) after one year of study, submit an interim report to the  
12 governor and the legislature;

13 (7) after two years of study, submit a final report with find-  
14 ings and recommendations to the governor and the legislature.

15 (b) In exercising its powers and fulfilling its responsibilities, the  
16 commission may:

17 (1) establish sub-committees to study each of the subjects set  
18 out in (a)(1) through (4) of this section;

19 (2) contract through the Department of Community and Regional  
20 Affairs for the professional services it considers necessary to prepare its  
21 final report.

22 \* Sec. 4. DISSOLUTION OF COMMISSION. After presenting its final re-  
23 port, the commissio. is dissolved.

24 \* Sec. 5. STAFF. The Department of Community and Regional Affairs  
25 through the division of local government assistance shall provide the staff  
26 for the commission.

27 \* Sec. 6. EFFECTIVE DATE. This Act takes effect July 1, 1978.  
28  
29

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

Rural Alaska  
Community Action Program, Inc.

File in  
HB 585 File  
(Local Gov. Comm.)

January 24, 1978

Honorable Lisa Rudd, Chairperson,  
House Community & Regional Affairs Committee  
Pouch V  
Juneau, Alaska 99811

Re: HB 585, "An act establishing a local government study commission; and providing for an effective date."

Dear Lisa:

We have noted with interest the initiative of the Administration in submitting this bill for legislative consideration. Rural CAP has been interested in the establishment of effective and responsive local and regional governments in the Unorganized Borough for years.

As you may recall, the basic idea of a "Local Government Study Commission" was first introduced in the spring of 1975 (SB 136). At that time, proponents of the idea were looking for some method to create appropriate regional governments in the Unorganized Borough to assume the educational powers which, at the time, were being exercised by the Alaska State Operated School System. In the First Session of the Ninth Legislature, HB 35 was passed, regionalizing the ASOSS into the present configuration of 21 REAA's. This action effectively mooted the primary necessity (as it was seen at that time) for the passage of SB 136.

In working on the concepts embodied in the original version of SB 136, this organization, AFN, the Citizens' Participation Conference, and other rural residents and organizations generally agreed that some needed changes were indicated, to wit:

1. Control of the Commission should be more in the hands of officials who reside in the Unorganized Borough, in order to obviate the tendency to merely recommend that the status quo be extended to include the Unorganized Borough.
2. Also, it was felt that some form of "incentive grant" should be provided to local and regional groups who wanted to study the creation of local government on their own terms. Accordingly, through the initiative of Senators Sackett and Ferguson, the bill was amended to authorize up to \$250,000 for the incentive grants program.

Honorable Lisa Rudd  
January 24, 1978  
Page Two

As indicated above, the Legislature decentralized ASSOSS and effectively mooted the perceived need for this Commission. Also, at that time, the Administration was not supportive of SB 136 (either as originally submitted, or as amended to include the grant program). In light of these two factors, the bill died when the Ninth Legislature adjourned in the Summer of 1976.

I believe that one of the things that has generally been overlooked in the debate surrounding the creation of regional governments in the unorganized borough is that there are a wide variety of government services which are demonstrably best conducted by a regional structure (whether that be government, a non-profit corporation, an REAA or whatever). Merely decentralizing the educational function throughout the State did not solve the myriad governmental problems experienced in rural Alaska. Among these are such things as coastal zone management, planning and zoning functions, local taxation, localization of the A-95 Clearinghouse procedure etc. All of these functions are most appropriately handled at a local or regional level.

Our position on HB 585, therefore, is that it is a good step in the right direction. However, we would again request that the membership on the council be expanded to include more residents of the Unorganized Borough. As well, I believe that it is most important that the incentive grants program be reinserted into the bill. As you well know, no local government is going to succeed unless and until the people who are to be governed agree that the form and structure of the government is appropriate to their needs. I am quite concerned that, if HB 585 is passed in its present form, the Commission (staffed by the Department of Community and Regional Affairs) will merely recommend minor adjustments to Title XXIX, submit their recommendations to the Legislature, and thereby impose a form of regional government on the Bush which is neither appropriate, needed, nor wanted.

The time has most certainly come to "turn the process around." If the Legislature were to create an incentive grants program, and give state-wide control of the program to a structure in which a reasonable amount of control were granted to residents of the Unorganized Borough, then local people, acting through their local and regional organizations, could request funding for a study, identify and hire their own staff to conduct the study, and have ultimate "sign-off" on the recommendation presented to the Legislature. I believe that this process would be more effective because it would provide the Legislature with recommendations more closely attuned to the wishes of local people.

In my opinion, one of the main reasons that most of Alaska's land mass is presently "unorganized" is that the present Title XXIX is simply inappropriate to rural Alaskan governmental needs. Although the passage of the "Third Class Borough Bill" during the last session of the Legislature presented a few more options for rural residents, the Administration has done virtually nothing to implement either the mandate or the intent of that piece of legislation. Therefore, I suggest that the time has come to put the process into the hands of the people and to permit them to conduct their own studies, come up with their own recommendations, and live by their own decisions.

Honorable Lisa Rudd  
January 24, 1978  
Page Three

Please excuse this rather hasty analysis. Due to time constraints, I haven't had the opportunity to present a well-documented and researched set of recommendations. Neither have I yet had an opportunity to discuss this issue, in depth, with rural residents. Be assured that, as those opportunities present themselves, we'll be in touch.

Finally, I would request that your Committee take no final action on the bill until its merits are discussed at the Citizens' Participation Conference. As you know, the CPC is scheduled to meet in Juneau on the 23, 24 and 25 of February; and local government issues will be on the agenda.

Thank you very much for your consideration of these remarks.

Sincerely,



Phil Smith,  
Executive Director

→ cc: Palmer McCarter, Director, Division of Local Government Affairs,  
Department of Community and Regional Affairs

Ross Soboleff, RurAL CAP Legislative Liaison

PS/jw

*file  
local gov. comm.*

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 874  
 Title "An Act relating to a study of provision of local government services..."  
 Requested by House Community & Regional Affairs Date 3/7/78

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs  
 Program Category Affected Development  
 Budget Request Unit(s) Affected Local Boundary Commission

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			*	*		

FUNDING (Thousands of Dollars)

GENERAL FUND			*	*		
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

\*The Department of Community and Regional Affairs has not estimated the cost of this bill because the Local Boundary Commission has not had an opportunity to review and comment on it.

IV. DATE 3/14/78 PREPARED BY Bruce Aronson  
 AGENCY Community & Regional Affairs  
 PHONE 465-4707  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

M E M O R A N D U M

TO: The Honorable Jay S. Hammond  
Governor

FROM: Avrum M. Gross  
Attorney General

RE: Attached bill for establishment of a local government  
study commission  
Our File: J-77-015-78

Attached is a draft bill to establish a local government study commission. The bill is described in greater detail in the following draft transmittal letter:

DRAFT

Under the authority of art. III, Sec. 18, of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill to establish a temporary local government study commission in the Department of Community and Regional Affairs.

The study commission, which will include the chairmen of the community and regional affairs committees, is intended to be a blue-ribbon panel, the task of which will be to make a thorough, two-year study and analysis of all aspects of local government in Alaska and to make specific recommendations for change.

Ours is a strong tradition of local self-government. We have consistently sought to achieve our constitutionally stated goal of maximum local self-government with a minimum of local government units. The study commission's goal will be to see if we can do even better <sup>as</sup> to bring us specific recommendations toward that end.

The proposed bill has the Department of Community and Regional Affairs top priority. I urge its favorable consideration.

Sincerely,

Jay S. Hammond  
Governor

AMG:pjg:RWP

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 585  
Title "An Act creating a local government commission"...  
Requested by Office of the Governor Date 11/29/77

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs  
Program Category Affected Development  
Budget Request Unit(s) Affected Local Government Assistance Division

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES			157.6	167.1		
200 TRAVEL			24.0	25.4		
300 CONTRACTUAL			17.8	218.9		
400 COMMODITIES			2.0	2.1		
500 EQUIPMENT			3.5			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			204.9	413.5		

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND			204.9	413.5		
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME			6	6		
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III) Assumptions:

- Six staff members would be employed for the duration of the commission's existence. The staff members would include:
  - One Local Government Specialist IV (Range 19) - supervises, coordinates and directs other staff members, advises commission on fiscal and legal matters of existing and future local governments, completes analysis of data and provides recommendations, responsible for technical reports and public information materials and is responsible for conduct of public hearings. (Monthly Salary (\$2,322) + benefits (\$578) x 12 months = \$34,800)
  - Four Local Government Specialists II (Range 15) - will investigate and collect data on the existing local government's fiscal capacity, intergovernmental relationships, alternative local government structures, draft reports, etc. (Monthly Salary (\$1,727) + benefits (\$475) x 12 months x 4 = \$105,712)
  - One Clerk Typist III (Range 8) - responsible for typing of reports, correspondence, filing and miscellaneous duties. (Monthly Salary (\$1,092) + benefits (\$337) x 12 months = \$17,143)

IV. DATE 11/29/77 PREPARED BY Bruce Aronson  
AGENCY Department of Community and Regional Affairs  
PHONE 465-4700

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

Total Personal Services \$157,655

Travel has been computed as follows:

= 9 commission members plus one staff member x average cost per trip per person  
(includes per diem) x eight trips per annum  $10 \times \$300 \times 8 = \$24,000$

Total Travel \$24,000

3. Contractual expenses have been computed as follows:

A. Telephone - 6 phones @ \$35/month x 12 months = \$ 2,520  
- long distance = 2,000

B. Rent - 650 square feet x \$1.25 per square foot per month x 12 months = 9,750

C. Postage, printing, advertising of hearings and miscellaneous 3,500

Total Contractual \$17,770

During the second fiscal year, in-depth reports by private consultants on selected topics will require an additional \$200,000.

4. Commodities - office supplies, etc. \$2,000

Total Commodities \$ 2,000

5. Equipment - six desks and chairs, filing cabinets and one typewriter \$3,476

\$ 3,476

6. Inflation will be approximately six percent per year.

Total First Year Expenses \$204,901

Introduced: 1/27/78  
Referred: Community & Regional  
Affairs and Finance

BY DANKWORTH, ANDERSON, AKERS,  
COWPER, GRUENING, GUY, HAYES,  
KELLY, LETHIN, MILES, OSTERBACK  
AND PHILLIPS

1 IN THE HOUSE

2 HOUSE CONCURRENT RESOLUTION NO. 94

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 Requesting the Department of Community and  
6 Regional Affairs to conduct a preliminary  
7 study of governmental services provided to  
8 Bethel and Kotzebue.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 WHEREAS a decentralized governmental structure can best meet the special  
11 needs of the people in bush areas of Alaska; and

12 WHEREAS state agencies located in Juneau, Anchorage, and Fairbanks may  
13 be currently serving Bethel and Kotzebue at costs that could be significantly  
14 reduced if offices and personnel were moved to those communities, since  
15 travel, communication, and other related expenses could be largely elimi-  
16 nated; and

17 WHEREAS regionalization of governmental services would help to alleviate  
18 the acute unemployment that continues to burden these areas; and

19 WHEREAS access to government is the key to an informed and responsive  
20 citizenry;

21 BE IT RESOLVED that the Alaska State Legislature respectfully requests  
22 the Governor to direct the Department of Community and Regional Affairs to  
23 conduct a preliminary study of government services presently being provided  
24 to Bethel and Kotzebue by agencies located in Juneau, Anchorage, Fairbanks,  
25 or other urban areas, to determine the best method of regionalizing these  
26 services and employees so that a comprehensive plan can be developed to fully  
27 establish Bethel and Kotzebue as a regional economic, cultural and govern-  
28 mental center.

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