

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86/2

204 SCOMM 9: HOUSE SPEC. COMM. ON PERMANENT FUND 1977-78

struction were the blue collar workers. Although every occupational group favored the present funding system — to some degree — 42% of the blue collar workers favored it, compared to 29% of the professional/technical workers and 26% of the white collar workers.

In the different age group distributions, those people under 25 and over 55 favored the present system more than other age groups.

In meetings, most people were inclined to accept the present method of funding. However, those people who were aware that the school bond approved in the last election would not cover all the new school construction costs talked of a heavier commitment on the part of the unorganized borough to bear some of these costs.

This feeling was also repeated in the Anchorage meetings where several people wrote on their forms that they would be more inclined to accept the present system of funding if there was some sort of contribution the local communities could make — even if it were only some in-kind contributions.

To follow up on the meeting results, a large percentage (32 per cent) of all meeting-goers opted for the "other" option. One recurring alternative in the "other" category was to cover the cost of construction with the oil and gas monies. One man from Eagle River wrote: "In Question One, we're all millionaires and you can't give the money to us fast enough. Now, as I read on, you're sneaking up to pounce on us for a sales

or income tax increase. What gives here? Couldn't we use some bucks from up there (arrow points to Question One) and plug it in down here?" An overwhelming 68 per cent of Talkeetna's good-sized turnout voted to use the new oil and gas revenues for building public schools.

Three of the Anchorage workshop meetings came to the same conclusion, but all reiterated the need for some kind of local control and local contribution from every community.

Property tax, including a property tax on homes in rural communities was a second option for most people no matter what their age, sex or occupational category. Very little comment was generated in support of this measure, however.

A sales tax or income tax increase was an unpopular avenue for funding school construction. Besides the familiar argument that a sales tax is a regressive tax that most affects the people who are least able to pay, several people just crossed that option out completely on their questionnaire.

In a few of the local meetings, a suggestion was voiced to make exemptions for people without children so they would not have to share the burden with people with children. Ironically, in Homer, a father of seven brought up the idea at which time he was answered by a 45-year-old woman who was married and had no children. She simply said, "Children are one resource we all will have to live with in the future whether I choose to have them or not."



# Southeast

*"Alaskans are really no different than many people in other states—they want all the amenities of life at the front door and wilderness at the back door."*

Juneau

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## **Q.** What should be the primary objective for managing Alaska's land?

### **A.** Questionnaire Results Number of Respondents: 395

- 4% To raise revenues for the state
- 40% To provide land for public needs.\*
- 44% To promote renewable resource development
- 10% To promote industrial growth and development
- 2% Other: Multiple Use
- \* See Appendix

### Meeting Results

1. To provide land for public\* needs.
2. To promote renewable resource development.

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Southeasterners led the way for the rest of the state in selecting land for public needs and renewable resource development as the two most important land management schemes for Alaska.

Land to a Southeasterner is a very valuable commodity. Small and large communities alike are surrounded by the waterways of the Inside Passage and mountains covered by national forests. They are locked in and there is no room for expansion. But that is what they want; not tremendous growth or development, but personal expansion. As a young teacher at the Ketchikan workshop put it in a question to the governor: "I'm asking the basic question, when am I and fellow people, fellow 'I's' going to get five acres to raise chickens and a garden on? We don't want a handout. We don't want to be subsidized. I'll buy it. When can I count on buying it?"

Despite the extremes in Southeast geography, there is some land that can be used for homesites. This land presently belongs to the U. S. Forest Service. However, the state, through the Statehood Act, has the right to select acreage in these forested areas and this indeed would solve much of the problem that participants outlined at the Public Forum. Consequently, it is not surprising that one of the recurring themes throughout most of the Southeast meetings was to get on with state land selection in Forest Service areas.

Maybe it should be noted at this point that the results of the tabulated questionnaires differ only slightly, but they do differ from the results of meeting discussions. Renewable resource land management was selected as the first choice of people filling out questionnaires; however, land for public needs was the preference of people at meeting after meeting.

### Land for Public Needs:

At the Ketchikan workshop, most of the participants favored managing Alaska's land to meet public needs. In many cases, people marked "other" and wrote in "multiple use." They then went on to define multiple use as largely homesite and recreational land uses, reiterating the issues in the option to manage the land to meet public needs.

Here, as in most of Southeast, participants went on to decry the lack of lands for homesites, the slowness of state land selection in the region and the state's failure to rid the public of land speculators. This last was a major concern as an outspoken 55-year-old legal assistant protested: "Large real property investors from the lower 48 should be precluded from buying up tracts of land, developing it and selling it back to us for huge profits. Let's keep our land for Alaskans."

The people in Wrangell suggested that land be sold at a reasonable cost, but that length of residency be

required as a safeguard against speculation and a rush of people from outside.

In Petersburg, people echoed this theme recommending that land should be set aside specifically for resident Alaskans.

With the exception of Juneau, Haines and Metlakatla, every Southeast community chose lands for public needs as their first option, further indicating the need for land on which to build a home. The most emphatic cry came from Sitka, where the problem has been severe for some time. Angoon participants suggested that if land were available for public needs, there might be fewer complications over the lands set aside for Natives through the Land Claims Settlement Act.

Thorne Bay people had difficulty relating to this question. The community is a logging camp and a company town whose land is under lease from the U. S. Forest Service. Although people expressed a real interest in buying a piece of the land for a homesite, there appear to be many obstacles along the way.

#### Land for Renewable Resource Development:

The second option chosen by workshop participants in Ketchikan was the management of lands for renewable resources, referring generally to fishing, timber and tourism, the renewable resource industries that are the economic mainstays in Southeast.

The people in Juneau indicated that renewable resource management was their first priority because as a participant said: "Local resources are, in fact, also public needs."

Most of the communities in Southeast chose this option as their second choice in meetings although as already mentioned, they voted for it as a first priority when filling out the questionnaire. Although the people of Angoon suggested this should be a third priority for land management after raising revenues for the state, they did urge that subsistence needs be protected

in conjunction with the development of renewable resources.

#### Land for Industrial Development:

This option prompted the most controversy. In Ketchikan, there was a minority concern that the state promote industry which immediately stirred up those people who insisted on preserving the traditional Alaskan way of life.

So it went throughout much of Southeast, several people supporting the opinion of a 56-year-old, 14-year Alaskan resident who makes her living through rentals. "There is the need to open up more land for additional industrial development," she said. "Alaska is such a large state with such a small population, that all living costs are higher than in the South 48. More people would generate more money in the economy thereby lowering the cost of living."

Conversely, others supported the thinking of the 36-year-old Juneau biologist who has lived in Alaska for nine years. "Why industrial development?" he asked. "It benefits few Alaskans for a short time and cheats all of us who came here to escape the environmental destruction and population expansion that is absolutely inevitable with it."

People attending Public Forum meetings in the communities of Craig and Haines supported industrial development among their top choices. Both groups stressed the need for more employment opportunities and suggested this could be done by developing renewable resources industries and diversifying their local economies.

The issue of land management was perhaps the most important to people attending the Public Forum in Southeast and their direction is fairly clear. However, as a 17-year Alaska resident from Juneau said, "Alaskans are really no different than many people in other states — they want all the amenities of life at the front door and wilderness at the back door."



# North

*"Industrial development? Sure we're in favor of it—in Anchorage."*

*Kotzebue*

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**Q.** What should be the primary objective for managing Alaska's land?

**A.** Questionnaire Results  
Number of Respondents: 100

- 18% To raise revenues for the state
- 30% To provide land for public needs.\*
- 41% To promote renewable resource development
- 11% To promote industrial growth and development

\* See Appendix

Meeting Results

1. To promote renewable resource development.
2. Land for public needs.\*

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Generally, the tabulated responses on questionnaires supported the meeting discussions which, in both instances, indicated a preference for managing state lands to promote renewable resource development and to meet public needs.

In the North, these two categories are very similar. Renewable resources provide an income for people who fish commercially during the summer or herd reindeer, but more important in this area, the fish, reindeer, the caribou and sea mammals are the food — subsistence for most people. That makes it not only a livelihood but a "public need."

Here it is interesting to see that among the people responding to this question, long-term residents gave 45% of their vote to the renewable resource option whereas newcomers to the state gave the same answer only a 12% vote.

Land for Renewable Resource Development and Public Needs:

The dual role of renewable resources and public needs was stressed by participants at the Kotzebue workshop. It was further pointed out that "Native life styles must be considered with land use." One local resident reported that his group felt: "The land belongs to the individuals of the state and, it should be treated as theirs by concentrating primarily on renewable resources. This can be done in the areas of agriculture, reindeer herding and such things that would not necessarily damage the land and then, the

same land could be enjoyed and used by the public."

On the issue of public needs, a familiar comment, and one reminiscent of Southeast, was made by Kotzebue workshop participants. "It's ridiculous to have so much land available and not be able to build a house on one little portion of it," protested a young social worker.

In Nome, participants were fairly evenly divided between using the land for renewable resource development and using it for public needs. In Barrow, however, participants rated managing the land for public needs slightly higher than renewable resource development which they placed second. Repeatedly, Barrow people referred to public needs as the preservation of a subsistence life style.

In several of the smaller meetings, the options were the same. In Stebbins, people recommended that the first priority for managing state lands should be to provide for public needs and its second concern should be for renewable resource development. Unalakleet selected the same two priorities but in reverse order.

Land for Industrial Development:

This issue was brought up at several meetings throughout the North. There were two divergent views coming out of the Kotzebue workshop. A long-time Alaskan and teacher in the Northwest indicated: "I was very emotional about this and I carried the group along with me. We could have industries for tanning of hides, mineral development, oil from belugas, making

dog and cat food. These items could be hauled back with every carrier that leaves here empty and it would make it cheaper for the items coming up here," he added.

A second group at the same workshop wanted it known they vehemently opposed industrial development. Or, as one middle-aged man said: "Industrial development? Sure, we're in favor of it — in Anchorage."

These sentiments were echoed in Barrow by a young subsistence hunter who was concerned that industrial growth could be a "conflict of interest with our subsistence form of hunting and the type of pollution industrial development provides has a natural habit of wiping out our game and their habitat."

On the other hand, people in the communities of Gambell and St. Michaels recommended that the land be managed for industrial development which more closely translated to public works projects, i.e., people in St. Michaels were anxious to build a connecting road between that village and neighboring Stebbins.

#### Other:

Several other interesting suggestions came out of the discussions on land. In Nome, participants suggested

that the state promote cooperative management of lands with federal interests as long as many federal priorities will impact heavily on state policies.

This idea was repeated in Barrow only the perimeters were extended to include Native landowners. Here, participants encouraged a cooperative arrangement between state, federal and Native interests.

In Nome there were a series of suggestions included under "other" which ranged from creating a land bank to preserving game areas and included promoting tourism as well as leaving the land alone.

In Barrow, a sense of regionalism prevailed that was particularly evident in this question. The comments included one from a concerned woman who asked, "Is it possible that after you're [the State] through mining or whatever, you can give the land back . . . to local governments?"

Another participant expressed concern that revenues from the land would go into an amorphous state General Fund and the region that produced the wealth for the state would not have its needs met when the money came out the other side of that fund. Her solution? "My priority would be to use the lands both in an economic way and in a land use way that would promote regional private enterprise."

## Southcentral

*"It would be such a waste to see Spenard Road extended through state lands from the Anchorage Borough to the Mat Valley Borough through the new capital and beyond."*

*Anchorage*

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### **Q.** What should be the objectives for managing Alaska's land?

#### **A.** Questionnaire Results

Number of Respondents: 1,579

- 7% To raise revenues for the state
- 34% To provide land for people's needs
- 26% To promote renewable resource development
- 9% To promote industrial growth and development
- 19% To preserve the natural environment
- 5% Other: Multiple Use

\* See Appendix

#### Meeting Results: Anchorage

1. To provide land for\* people's needs
2. To promote renewable resource development
3. To preserve natural environment

#### Outside Anchorage:

1. To provide land for\* people's needs
  2. To promote renewable resource development
  3. To preserve natural environment
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### Land for People's Needs:

"With all this land in Alaska, why is it that we can't have any of it to build a home or to use for ourselves?"

This question tells the story on the land issue for almost every meeting and most of the questionnaires. People in different parts of Southcentral may have had varying definitions of how they would use the land for "people's needs," but meet that need was the resounding answer, regardless of the participants' location, age, occupational classification, sex or length of residency within the state.

To the people in the Anchorage area, people's needs meant getting a piece of the state to be able to build a home and raise a family. "But, we need some insurance that this disbursement of state land does not end up in the cutthroat real estate market where the land gets speculated out of our means. Now, I don't mean I want a giveaway program or free land. I'd be willing to pay for it," stated a 38-year-old pipeline worker who has been in the state for eight years.

The Palmer people wanted to look into the possibility of agricultural homesteading, which would combine the first and second priorities listed above. Both Palmer and Talkeetna respondents criticized the "Hippy Homestead Bill" designed to give small tracts of two acres to Alaskan citizens: "Fat load of farming you can do on two acres," chided one Talkeetna farm man as the crowd guffawed in agreement. To some at the Kenai meeting, "people's needs" meant some small park land tracts and land for bike trails.

One person who attended the Dimond High School meeting in Anchorage said he sat beside a few environmentalists "who, to my surprise, weren't arguing for preserving the natural environment. They seemed to believe that a lot of the federal withdrawal lands were going to be used for that, so they, too, opted for people's needs first," he said.

### Land for Renewable Resource Development:

Renewable resources was also a familiar response for people throughout the area. Every age group, except those under 25, favored renewable resources as the second alternative for use of the lands. Blue and white collar workers, as well as those in the nonworking category ranked this second.

### Land to Preserve the Natural Environment:

The people under 25, especially those who were professional or technical workers favored preserving the natural environment as their second choice. There also was a direct correlation between how long one had been in the state and how strongly she or he felt about preserving the natural environment. Those who were in the state less than three years ranked preserving the natural environment as their second priority by 37%. Those in the state from four to 10 years gave 24% of their support to preserving the natural environment. And those who have been here more than 10 years gave 14% of their support to environmental preservation.

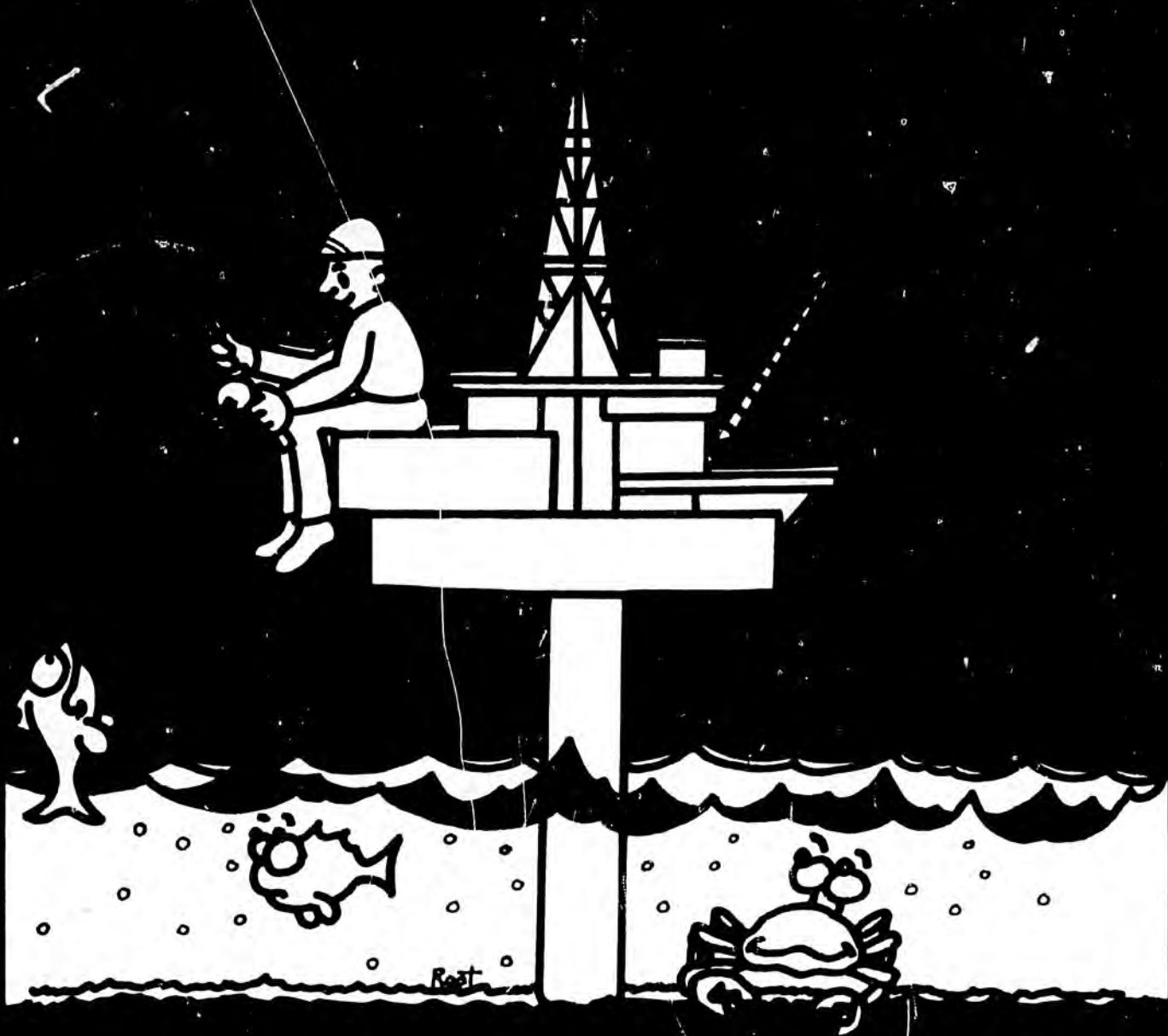
In Homer and Talkeetna, preserving the environment was a major priority. Those who attended the meeting in Homer also voiced their concern over offshore oil and gas activity. Talkeetna protested being "capital-ized and dam-ized to death" (the capital move and Devils Canyon Dam), as one local government employee put it. The people explained that time and effort should be taken to insure the land is kept environmentally sound — no matter what the future might bring.

Land was a sensitive issue at the Matanuska Valley meeting. Several people voiced their opposition to the State decision not to transfer lands over to the borough immediately. "How can you come up here and ask us what we want the State to do with the lands," asked the Borough Mayor, "when the State won't give us what we are already entitled to?"

### Other:

The majority of people who voiced an option of "other" wrote or talked about using the land in multiple use schemes.

Several people who wrote comments on their questionnaires specifically mentioned the need for regional planning and a statewide land-use plan. "With the impending capital move, it will become more important than ever to have some definite state land plans that stretch over the borders of one borough to another," said an Anchorage dentist. "It would be such a waste to see Spenard Road extended through state lands from the Anchorage Borough to the Matanuska Valley through to the new capital and beyond," he said.



# Southeast

*"Do Alaskans really have any choice or say in the oil or gas policies or will Federal demands and monetary gains by industry override citizen's desires?"*

Sitka

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## **Q.** What should be the state's policy on future oil and gas lease sales?

### **A.** Questionnaire Results Number of Respondents: 468

- 5% It should sell leases as fast as possible to maximize its oil and gas revenues
- 60% It should sell leases at a moderate rate to assure a steady flow of income for a long period of time.
- 7% It should lease when the state needs large sums of money to meet public needs
- 22% It should do ~~no~~ further leasing and make the best use of present income
- 6% Other: Environmental and community safeguards

### Meeting Results

1. It should sell leases at a moderate rate to assure a steady flow of income for a long period of time.

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The overwhelming choice in Southeast meetings and questionnaire responses for Question Five was to sell leases at a moderate rate to assure a steady flow of income over a long period of time. Here, as well as almost every other region, this answer was given with some reservation for the most part related to community and environmental impacts. In Southeast, people also felt that some of the resource wealth should be saved for future generations.

From the tabulated questionnaires, it appears that these secondary concerns were very important to some of the people and could explain in part the number of participants who supported the option to do no further leasing but make the best use of present income. The tabulations also point out that younger people between the ages 25-34 were most in favor of doing no further leasing while people in the age brackets of 35 and over heavily supported moderate leasing.

#### Sell Oil Leases at a Moderate Rate:

Although this option was selected as a top priority in both the workshop and community meetings, it did not happen without much discussion. In Ketchikan people defined the term "moderate rate." As a middle-aged lodge owner from Admiralty Island summarized: "We want to keep the oil flowing for 50 years and with

it a moderate rate of income figured for the same 50-year period . . . we want all to see some left for future generations, but we still want to get a moderate rate over 50 years."

Some participants wanted it made clear that they felt moderate rate should mean minimizing the negative aspects of development. As one participant said: "We do not want another Prudhoe Bay situation where great numbers of people come in and upset the life style."

Although people who attended community meetings supported the Ketchikan results, there were several additional comments worth noting on the subject of selling at a moderate rate.

In Wrangell, people thought this would be the best solution for overcoming Alaska's history of boom or bust. In Petersburg, participants urged cooperation between federal and Native leasing policies adding that the state should have more of a say in federal leasing decisions affecting Alaska. This was part of the same concern for a nurse in Sitka who asked on the Public Forum questionnaire: "Do Alaskans really have any choice or say in the oil or gas policies, or will federal demands and monetary gains by industry override citizens' desires?"

People in Skagway suggested that the state should

base its policy on national needs as well as what's best for Alaska, but went on to support gradual leasing.

#### Sell Leases to Maximize Revenues:

In the Ketchikan workshop, in Juneau, in Metlakatla, and to some extent in Skagway, people indicated a preference for maximizing revenues but deleted the part of the option referring to the rate at which this is done. In Juneau, participants specifically recommended that the state minimize hazards and sell when the market is right.

#### Do No Further Leasing:

This option was an undercurrent throughout all the meetings in Southeast. Sitka participants alone made it

their priority, but added that if the state must lease they should work closely with and respect the needs of local communities.

An 83-year-old halibut fisherman from Petersburg explained his feelings on his questionnaire: "One of the world's richest fisheries must remain undamaged in this global exploding population increase."

#### Lease Only When the State Needs Revenues:

This option was not well received in meetings and fared only slightly better on the questionnaire responses. One of the major concerns over this leasing method was that if the state waits until it needs the money, it might very well sell in a panic and receive less than the land was worth.

## North

*"The social impact of oil development on native peoples has reached deep into their lives to an extent not seen or readily accepted. Due to the differences in environment past and present, cultures and 'sudden' change, the true natives of rural Alaska are unheard. Please listen. Subsistence living is a way of life that we wish to continue with."*

Barrow

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**Q.** What should be the state's policy on future oil and gas lease sales?

**A.** Questionnaire Results  
Number of Respondents: 126

- 5% It should sell leases as fast as possible to maximize its oil and gas revenues
- 51% It should sell leases at a moderate rate to assure a steady flow of income over a long period of time
- 15% It should lease only when the state needs large sums of revenue to meet public needs
- 13% It should do no further leasing and make the best use of present income
- 15% Other: (Community and Environmental impact)

#### Meeting Results

1. Sell leases at a moderate rate to assure a steady flow of income over a long period of time with maximum safeguards against impact on communities and fish and game.
2. Above all, involve local communities at all times.

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As the issue of land in Southeast was an intensely personal concern to the people of that region, so it was with the issue of oil exploration to the people attending Public Forum meetings in the North.

In both the Nome and Barrow meetings, participants singled out aspects of leasing and exploration activities

that concerned them most and listed them as separate items under regional issues in Question Seven.

Although the overwhelming preference of people in the North was to pursue a moderate leasing policy, the following information appeared in the tabulated responses. It appears that more men than women

prefer to lease rapidly, while older individuals seem more interested in leasing moderately than younger people. (Those over 45 years of age prefer moderate leasing by as much as 68 per cent while those under 34 only tallied 46 per cent.) A moderate leasing policy is also more heavily supported by people who have lived here for longer periods of time.

#### Lease Only When the State Needs Revenues:

A small group of Kotzebue workshop participants supported this option, unlike Nome participants who specifically cautioned against selling leases only when the state needs money. "If we sit back and wait for a time when the state is damned near broke," protested a middle-aged construction worker in Nome, "and have a lease sale then, we end up with no money from it because it's going to go right in the [General] Fund and be spent immediately."

#### Do No Further Leasing:

On this option, Barrow participants added the phrase "until technological and environmental impacts have been studied." The village of Unalakleet also recommended that the state do no further leasing and make the best use of present income, while the village of Gambell suggested that the state lease only after safeguarding environmental concerns.

#### Other:

The participants at Barrow recommended an option unique to that region suggesting that the state follow a policy of leasing on shore rather than off shore. This response came very clearly from people who rely heavily on the harvesting of sea mammals for their livelihood. If these mammals are placed in jeopardy, the people of the North Slope will suffer the consequences. As one Native man observed: "I think that would be the best deal (to drill on shore rather than off shore) because when you drill in the water, you're going to lose the mammals that we've had for centuries. They have already been disrupted now — we've seen that this fall. We didn't see any small whales. All we saw was big ones and we had to go so far out, we couldn't even save the meat. By the time we got in here, they got bloated."

Barrow participants also proposed the idea that the state function as an oil company itself to break its dependency on the industry and keep 88% of the money instead of the 12½% royalty share. This same thought was brought up and dismissed by Southeast and Southcentral participants who felt that the state

had enough trouble managing its services now, and certainly would find the oil industry a difficult area to manage.

Question Five caused concern in several small community meetings. Specifically, the communities of Shungnak, Kobuk and Kivalina felt unprepared to answer this question until they had more information on what actually happens to a community once a lease is sold.

#### Sell Oil Leases at a Moderate Rate:

Generally, people were in agreement that the state should lease its oil and gas lands at a moderate rate but participants went on to add a series of cautions. Most of these recommended that the local communities be involved in all activities, that there be provisions for local hire and that every effort be made to see that fish, wildlife and other subsistence needs are not disturbed by the process . . . if it's not too late.

A 27-year-old subsistence hunter from Barrow made his plea on the questionnaire he sent to the Public Forum: "The social impact of oil development on Native peoples has reached deep into their lives, to an extent not seen or readily accepted. Due to the differences in environment, past and present cultures, and 'sudden' change, the true Natives of rural Alaska are unheard. Please listen. Subsistence living is a way of life that we wish to continue with."

At the Kotzebue workshop, most of the participants favored selling leases at a moderate rate. There were a number of recommendations to study affected areas and work with the communities who would suffer the most impact from leasing activities. One group suggested locating all support services in a separate area, away from any villages so that the disturbance to local life would be minimal.

In Kotzebue people recommended that local persons be trained for jobs in the oil industry if development is to take place on their doorstep.

In Nome, although participants agreed that the state's policy should be to sell leases at a moderate rate, they stressed their concern for local communities affected by these activities. Nome urged that studies and planning activities for the Norton Sound area begin as soon as possible to offset any severe impact from outer continental shelf exploration scheduled for shortly after 1980. As a middle-aged businessman said: "We need impact help now to move smoothly through some rough times ahead. We can't wait till Front Street in Nome becomes another Second Avenue in Fairbanks. And it will be just the same if we don't look ahead and get some help now."

# Southcentral

*"There's got to be some local control over these sales. We have to live with the impact before, during and long after the damn oil rigs are in place."*

*Seldovia*

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**Q.** What should be the state's policy on future oil and gas lease sales?

**A.** Questionnaire Results  
Number of Respondents: 1,609

- 2% It should sell leases as fast as possible to bring in a lot of money immediately.
- 62% It should sell leases at a constant pace to assure a steady flow of income for a long period of time
- 8% It should sell leases when the state needs large sums of money to meet public needs
- 14% It should do no further leasing and make the best use of present income
- 14% Other: Involvement of impacted communities

Meeting Results: Anchorage

1. It should sell leases at a constant pace to assure a steady flow of income over a long period of time.
2. It should do no further leasing.

Outside Anchorage:

1. It should sell leases at a constant pace to assure a steady flow of income over a long period of time.
2. It should do no further leasing.

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A moderate leasing plan that would take into account Native and federal leasing programs polled strongest throughout the Southcentral area — regardless of whether the participant was young or old; male or female; a white collar or blue collar worker; short-term or long-time Alaska resident, in both urban and rural settings.

"In fact, I rather thought this question was like 'when did you stop beating your wife?'" explained a librarian from Anchorage. "Of course, the most rational plan is to do it at a moderate, constant pace."

Anchorage residents along with the Matanuska Valley participants opted for a leasing plan that would stretch for many years. But, while the Anchorage and Valley residents tallied over 62 per cent majorities for a constant leasing pace, the people on the Kenai Peninsula and Susitna Valley wanted the pace to be slow to none at all. And, in fact, at the meetings held in Homer and Talkeetna, a majority of the people preferred to end leasing altogether.

Generally, those under 35 years of age, while supporting a moderate leasing schedule, preferred it by a smaller margin than did those over 35. A growing

number wanted to stop the leasing for at least the time being.

Many people throughout the region mentioned plans by the Native corporations and the federal government to begin oil exploration within the next few years. One federal employee in Anchorage explained his idea of cooperation with the federal and Native leasing plans: "The cooperation should mean that we cooperate and sell our leases next to the feds and Native leasing platforms whereby we should place our drilling straws into the adjoining oil they are trying to siphon off of us."

Almost every person who took time to write a suggestion regarding this question mentioned the need for community involvement long before the date of the actual lease sale. Several people wanted the state to hold off leasing any tracts until the local communities could sign off and approve the sale. "There's got to be some local control over these sales. We have to live with the impact before, during and long after the damn oil rigs are in place," a Seldovia woman wrote.

The vast majority of participants had little use for either a fast leasing schedule or one that implied panic selling whenever the state needs money.





# Southeast

*"The best use of Alaska's royalty oil and gas would be to use whatever portion is necessary to make Alaska independent from the rest of the country (world) regarding fuel oil and gas..."*

Gustavus

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## **Q.** What is the best use of Alaska's royalty oil and gas?

### **A.** Questionnaire Results

Number of Respondents: 459

- 37% The state should take its royalties in money or substance to sell for a financial gain
- 19% The state should use its royalty oil and gas primarily for the purpose of promoting industrial development in the state
- 31% The state should provide in-state residential use of the royalty oil and gas
- 13% Other: Combination of option 1 and 3

### Meetings Results

1. The state should take its royalties in money or substance to sell for financial gain.

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### Sell Royalties for Financial Gain:

Southeast people in general, chose to use the oil and gas royalties for financial gain and by selecting this response they differed from Public Forum participants in other regions of the state. Southeasterners often put forth this recommendation supported by the comment of a 45-year-old bartender that "None of that oil and gas will get down to this part of the state anyway."

Participants in Ketchikan, concerned over the limited access they have to the state's oil and gas, suggested that Southeast consider getting its gas from northwest Canada rather than Alaska through British Columbia. "It might be cheaper," recommended a middle-aged accountant from Wrangell. This same concern appears in Question Seven when participants looked into alternate energy sources for Southeast.

There was also much support for the option to provide oil and gas for in-state residential use and many people chose this by checking "other" where they penciled-in "a combination of options (a) and (c)."

A young fisherman from Gustavus explained his thinking this way: "The best use of Alaska's royalty oil and gas would be to use whatever portion is necessary to make Alaska independent from the rest of the country [world] regarding fuel oil and gas. The remaining royalty oil or gas could then be sold to provide money for the state's General Fund."

Most of these participants in Ketchikan and in other community meetings went on to recommend that whether the oil and gas stays in-state or is sold outside,

it should provide some financial gain.

Other comments on the issue of oil and gas royalties ranged from using the revenues to develop alternate energy sources, an idea coming out of the Ketchikan and Craig meetings, to support of the all-Alaska gas pipeline by Thorne Bay participants.

### Royalties for Industrial Development:

There was some support for the idea of using the royalty oil and gas for industrial uses, particularly in the community of Haines, but this appeared to be a reflection of the current employment crisis and people's interest in diversifying the local economy in that town.

Other communities vehemently opposed the use of oil and gas for industrial development, specifically the people of Sitka. Although Sitkans supported residential in-state use of royalties, they were very much opposed to the industry which might accompany this in-state use. This thought was broadened by the people in Wrangell and Petersburg, who hesitated to approve the use of the royalties for in-state use at all, claiming that the industry necessary to refine the crude oil was not worth the gain by the state or its residents. As a participant in Wrangell said: "It could seriously affect the quality of life here in Alaska."

Some communities such as Juneau reached no consensus. Juneau participants ended by recommending a combination of all the concerns while expressing a caution against unwanted industrial growth.

# North

*"If pipelines can replace oil barges they may pay for themselves in short order."*

Nome

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## **Q.** What is the best use of Alaska's royalty oil and gas?

### **A.** Questionnaire Results

Number of Respondents: 127

- 24% The state should take its royalties in money or substance to sell for financial gain
- 11% The state should use its royalty oil and gas primarily for the purpose of promoting industrial development in the state
- 53% The state should provide in-state residential use of the royalty oil and gas
- 12% Other: Combination of the above

### Meeting Results

1. The state should provide in-state residential use of the royalty oil and gas

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As the chart above indicates, participants at Public Forum meetings provided the same solution to Question Six as those who responded through the questionnaires. This issue was particularly significant in the northern communities because of the high prices people pay for fuel. Generally, participants discussed oil and gas royalties as a method of reducing the price of oil in rural Alaska. A 32-year-old Native leader from Nome suggested: "If pipelines can replace oil barges, they may pay for themselves in short order."

### Sell Royalties for Financial Gain:

Despite the regional findings, however, Kotzebue Public Forum participants selected residential in-state use of royalties as their second choice. Instead, people leaned toward the option of selling the royalties for financial gain as their first priority, often indicating that the state should not encourage the industrial development connected with the petro-chemical industry. The people in Stebbins also recommended using the oil and gas to sell for financial gain.

A Northwest resident and civil engineer suggested the following use for the royalty oil and gas. "Why not model it after the Alaska Native Claims Settlement Act and give each Alaskan 100 shares for a certain portion of the royalties and establish a corporation," he said. "Give each Alaskan 10% in cash."

### Royalties for In-State Residential Use:

Kotzebue workshop participants indicated that they might find this option acceptable if the state could do something about the present inequities in the cost of fuel oil. It was brought out that the people in Shungnak must pay \$83 for a drum of oil and that people in Anchorage pay something closer to \$25 a drum. Participants suggested that the state might equalize the prices by using its royalty shares, and by subsidizing the cost of its transportation.

In Nome, participants recommended using royalty oil and gas for all three of the options with preference for in-state residential use and then in-state industry, i.e., to aid some of the mining activities in the Nome area. They suggested the state sell the remainder, if there is any, at the highest market price.

In Barrow, participants also chose to use the royalty oil and gas for in-state residential use, indicating a preference for the state to distribute the oil and gas at the regional level where it could then be further allocated by the regional government based on the needs of the people.

In the smaller communities of Shungnak, Gambell and St. Michael, comments supported the idea that the state should use its oil and gas royalties for in-state residential use. In Unalakleet, people suggested the state use the royalties to meet all in-state residential needs and sell whatever was left over.

# Southcentral

*"...I think it's important to cut us into that oil and gas market directly—even if the price doesn't go down. At least we'll have the resource."*

Kenai

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## **Q.** What is the best use of Alaska's royalty oil and gas?

### **A.** Questionnaire Results

Number of Respondents: 1,620

- 14% The state should take its royalties in money or substance to sell for financial gain
- 25% The state should use its royalty oil and gas primarily for promoting industrial development in the state
- 42% The state should provide in-state residential use of the royalty oil and gas
- 19% Other — combination of the above with environmental considerations

### Meeting Results: Anchorage

- 1. In-State use
- 2. Other

### Outside Anchorage:

- 1. In-State use
- 2. To make money

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The preference among participants of what to do with the state's 12½% of royalty oil and gas was clearly to use the petroleum products within the state. The first priority was to use the oil and gas for residential use.

The younger the participant, the stronger the preference to use the oil and gas for residential use as opposed to promoting industrial development which was more heavily supported by older participants.

"You would think," said a worker from the Kenai Cook Inlet oil fields, "that if we mandated the oil and gas stay within the state, that would mean that your and my gas and oil prices would go down. That's probably not necessarily so. But, in any event, I think it's important to cut us into that oil and gas market directly — even if the price doesn't go down. At least we'll have the resource!"

A borough assemblyman from Talkeetna opted for increasing the royalty cut for Alaska to somewhere between 40 and 65 per cent "as the Arab states do." Nearly 70 per cent of the meeting-goers agreed and added the stipulation — with "in-state use."

Where the Greater Anchorage Area people wanted to make sure the oil and gas stayed within the state for residential use, they were not as sure as the people from the Matanuska Valley and the Kenai Peninsula. Anchorage came up with only a 39% preference compared with the Valley's 61% in favor of residential use.

Peninsula people tallied a 45% preference for in-state use.

The questionnaires filled out by participants in their own homes favored the in-state residential use. But, in the meetings, where several innovative plans were discussed, the majority opted for the "other" alternative.

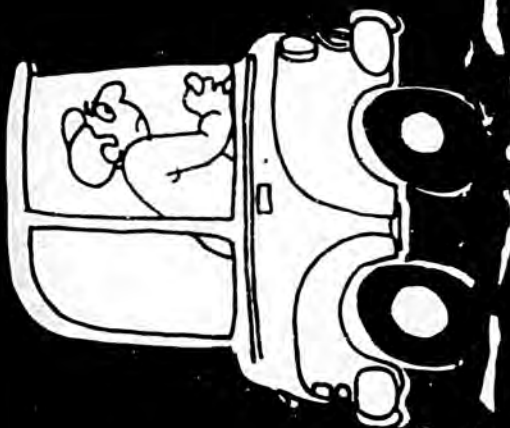
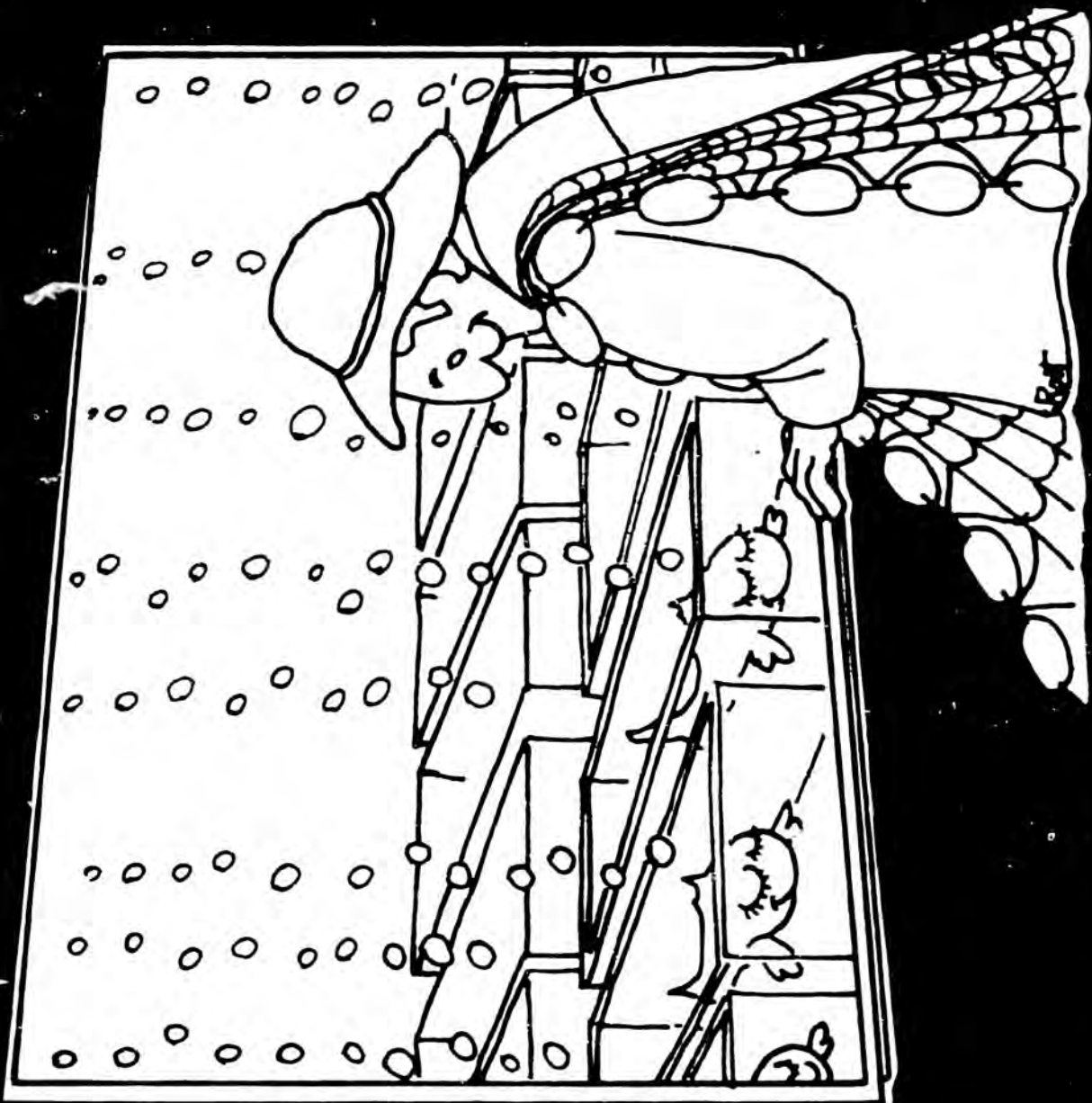
### Other:

Some of these plans indicated there should be a "mixed-bag" policy of using the oil and gas royalties. If just the railbelt were to profit in lower prices through development and refining of oil and gas, then Southcentral participants felt there should be some compensation for other parts of the state which did not have ready access to the refined products.

There were words of caution, especially by people in the Homer area, that without assurances of lower oil and gas prices, development and refineries should not be allowed.

Almost everyone who checked the "other" category asked that stringent environmental precautions be taken before development began on any refinery.

"It sounds enticing to us all to be really independent and produce our own products from our own resources, but if we become just another conduit for big oil production with little control or benefit, then we really won't accomplish much at all," said one economist working in Kenai.



# Southeast

*"That ferry system is our road to the south and you keep reading in the paper about the profit it's making or money that they're losing. There ain't no talk about the profits they're making or how much money that they're losing on the roads into Anchorage and Fairbanks."*

Ketchikan

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**Q.** What other state problems do you feel should be considered?

**A.** Questionnaire Results

1. Renewable Resources
2. Health and Social Services
3. Land and the Environment
4. Alternative Energy
5. Nonrenewable Resources
6. Transportation
7. Communications
8. Government Operations
9. Economic Issues
10. Capital Move
11. Alaskan Life Styles
12. Education

Meeting Results

1. Transportation
2. Fisheries Rehabilitation
3. Alternate Energy Sources
4. Communications

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The three local issues Ketchikan workshop participants chose to discuss were transportation, fisheries rehabilitation and alternate energy sources. These concerns remained consistent at most of the smaller community meetings throughout Southeast and only communications stood out as a new topic to be added to the Ketchikan list.

Transportation:

This subject proved to be the major concern among Southeasterners. At the Ketchikan Public Forum, participants discussed the ferry system in some depth and road and air service as secondary transportation problems. A number of criticisms were leveled at the Marine Highway system, among them inappropriate schedules and unacceptable sanitary standards. More than this, participants repeatedly echoed the sentiments of a middle-aged logger who said: "That ferry system is our road to the south and you keep reading in the paper about the profit it's making or how much money you're losing. There ain't no talk about the profit they're making or money that they're losing on the roads into Anchorage and Fairbanks. I think that this ferry system is our road and it should be treated that way and people should stop talking about the profit and loss."

This theme was repeated throughout Southeast in Sitka, Wrangell, Petersburg, Skagway, Haines and others. Metlakatla participants explained their problem with the Marine Highway. "We've got nothing but that little Chilkat ferry coming in here four days a week," explained a middle-aged fisherman. "It carries up to 40 people and with one full van on it there's no room for cars."

In Skagway, people continued the criticism of the ferry system. As a young teacher said, "We have four or five ferries a week in the winter and that sounds real good, but three of them are on Sunday." At the meeting in Thorne Bay participants added the recommendation that the state look into the use of hydrofoils to transport people and goods throughout the region. People in other areas of the region suggested the use of hydrofoils as well.

There were comments on the inadequacies of air transportation and particularly the need to upgrade the navigational aides at the Southeast airports. On the subject of roads, people in several areas thought that smaller communities might be better serviced if there were some connecting roads between them. Thorne Bay and Klawock participants added the need for improving those small roads that already exist. Several people suggested that logging roads might be upgraded

and incorporated into the public highway system. Additionally, people in the Petersburg-Wrangell area were anxious that the state complete the road linking them to Canada.

A final note on transportation was the wide sweeping concern that local communities be included in any transportation plans that will affect them.

#### Fisheries Rehabilitation:

On the issue of fisheries, there was a reaffirmation of the region's commitment to rehabilitate the struggling industry through more planning, research and technical assistance.

There was support for hatcheries. "We have a pattern of destroying and then trying to build after the damage is done. Why can't we use sensible management now?" demanded a frustrated Craig fisherman. "I don't think that there's a fisherman in this country that wouldn't pay his fair share. I personally have signed an agreement with the Aquaculture Association to take three per cent of my catch next year and put it into hatchery rehabilitation . . . but what I'm trying to say is that it's my job to catch fish; I want to go on and do my job, but I also want to make sure . . . someone isn't going to point a finger at me 20 years from now and say, 'that guy was a fisherman and he used to catch lots of fish, but the fish are gone because he caught them all.'"

There was criticism of the Department of Fish and Game. Said another long-time Southeast fisherman, "I want to know that when the Fish and Game are telling me I can go fish that they're right and I can leave something for posterity — myself and my children."

A final, quiet appeal of an Angoon fisherman for the fishing industry in his village, left the Ketchikan workshop audience visibly moved. "You know, the Fish and Game, they spend a lot of money to print their regulation books for us fishermen to go by. Now, at the Fish and Game they got the areas, Sitka, Ketchikan, Juneau, and so forth. But some of our fishermen . . . went out fishin' and they are really fishing legal according to the book. But the Fish and Game in that area, they say it was closed and they arrested three boats. They went to court twice and Fish and Game Department are asking them to plead guilty but they are not guilty and their case is still in

the air and this is bad.

"Now when we want to go and fish, the state sells us our gear, license, boat license, commercial license and makes us sit on the beach and watch the fish go by . . . you know, to me it's a bit of discrimination. We've been hollerin' but it seems like Angoon is just forgotten."

There was great concern over the rapidly disappearing herring runs, important because the herring is the primary food of the sought-after salmon. "Do you know what they (Fish and Game) do?" questioned an outspoken Ketchikan fisherman. "They go out all over the State of Alaska and sell these herring with the eggs to Japan. What are you going to feed the fish when you get rid of all the herring? You're going to have less fish and the ones you got will be smaller . . ."

At the Angoon meeting, participants discussed the abuse of herring fishing in the waters off their village. The conversation was long and heated and ended with a petition to the Governor. (This petition was subsequently honored and herring fishing in the Angoon area has been stopped.)

#### Alternative Energy Sources:

On the subject of alternative energy sources, Southeasterners at the Ketchikan workshop voiced a strong concern that the state begin to work on hydroelectric power to service the region. There were suggestions of tidal and wind power research but hydroelectric power was recommended most often. New energy sources for local use was also the subject of meetings in Craig, Klawock and Juneau.

#### Other Concerns:

In Juneau, people provided a list of concerns with the capital move at the head. They went on in turn to discuss the need for long-range comprehensive state planning; problems with transportation, fisheries, boom and bust economy, communications, and maintaining the Alaskan quality of life. In several meetings, communications was mentioned as a problem for Southeasterners. "Develop a state-owned communications network system to bring Alaska's people together!" suggested a 35-year old systems analyst who has lived in the state for eight years. In Metlakatla and Haines, the participants recommended that the state expand its Telecommunications system.



# North

*"We've got to plan now. We've got to make sure that the facilities they put in are high quality so that we know we won't be left with a pile of junk when everybody pulls out."*

Nome

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## A. What other state problems do you feel should be considered?

### Q. Questionnaire Results

1. Oil and Gas Exploration
2. Renewable Resources
3. Alcoholism
4. Land and the Environment
5. Alternate Energy Resources
6. Communications
7. Government Responsiveness
8. Economic Issues (Cost of living, taxation, industrial development)
9. Alaskan Life Styles (subsistence)
10. Education

### Meeting Results

1. Renewable Resources & Subsistence Living
2. Oil and Gas Exploration
3. Transportation
4. Community Development
5. Alcoholism

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Throughout the meetings in northern communities, several important themes emerged in the areas of oil and gas exploration impact, and state outreach to isolated rural communities. It is not surprising then that most of the comments both on the questionnaire and at meetings focus on these areas. Beyond these, three other major concerns surfaced: transportation, communications and alcoholism.

#### Alcoholism, Communications, Fisheries:

At the Kotzebue workshop, participants elected to discuss the issues of alcoholism, transportation, communications and fisheries. They went over these at length, recommending that a tax be placed on alcoholic beverages to rehabilitate the alcoholic (also see Question Two — the North). This suggestion was repeated throughout other regions of the state, but it was perhaps the most urgent recommendation made by the 100 participants in Kotzebue.

Other comments were brought up by Northwest people at the regional workshop. One young Native man suggested there is a lot of need for education on alcoholism, not only on the part of the state, but local communities have through statutes such as limiting the hours a bar may be open. With enough pressure, "perhaps," he suggested, "Municipalities would close the bars at two o'clock, rather than five."

On the issue of communications, participants indi-

cated the need for more than one phone in a village and the desire to have television expanded to bush communities. They also discussed the flow of information as a communications problem to people living in isolated areas. One participant said in December, "I'm still receiving election news and at last count Carter and Ford were running head to head."

Finally, on the issue of fisheries, there was discussion of developing fish hatcheries to insure a regular harvest of fish. As a middle-aged Northwest resident outlined the problem: "I get out in these villages and I see there's no salmon coming up streams and that they should be full of salmon. This should be eliminated, but there has to be some planning and some effort and some money spent. This money is returnable when the fish come in. It will create jobs. There can be a percentage or a price-per-pound of fish that come back to repay the money spent to develop a hatchery in the first place."

#### Transportation:

This was selected as a major concern at the Kotzebue, Nome and Gambell meetings.

Kotzebue criticism was leveled primarily at the air service and the apparent abuse of freight and mail delivery. Specifically, participants voiced concern over airport maintenance in the smaller villages, citing that second-hand, inoperable or nonexistent equipment in

villages can mean weeks without plane service when the air strips are icy or muddy. Others went on to criticize the location of the air fields, indicating that planes often have to land and take off in dangerous cross-winds. Further, people mentioned the need for runway lights to expedite medical evacuations.

People in the Nome area also indicated that air freight was a major concern and participants felt the state should play a major role in solving this problem. Air schedules and routing drew fire as people protested that there is no direct flight to Anchorage. "A poor patient," said one participant, "is left laying in the plane for three or four hours at a time when they should be right in Anchorage at the medical center."

A 42-year-old laborer from Gambell reiterated the needs of that community. "We very much need transportation and mail service like freight and packages at Gambell."

#### Oil and Gas Exploration Activities:

In Nome, Public Forum participants expressed concern over the social, cultural and economic impacts of outer continental shelf exploration on Norton Sound communities. They echoed many of the statements made by people discussing the state's oil and gas leasing policies (please see Question Five). Chief among their concerns was that Nome, as well as other affected communities, receive impact aid as soon as possible so that they can anticipate and offset any environmental and social disruptions. Participants urged careful study before any leasing is done and further recommended that the local communities participate in the leasing and exploration process to every extent possible.

"We've got to plan now," said one construction worker. "We've got to make sure that the facilities they put in are high quality so that we know we won't be left with a pile of junk when everybody pulls out."

A final concern voiced by the people in Nome centered around the proper management of fish and wildlife. People felt that some control should exist to make sure that there are always resources for those on subsistence. "If the animals are hurt, the villages are hurt," said a Nome participant.

In Barrow, the major concerns of the people centered around the distribution of oil and gas revenues and fear of offshore leasing impacts. Most often people questioned what further leasing might mean for them, "Now it seems our land is producing that money — \$3

billion," said an elderly Native man. "I guess we would like to know what percentage of that money we might be getting."

In response to this point, participants urged that the state give more of its revenues to regions that actually produce the oil to offset the costs they incur from exploration impact. Another Native Barrow resident posed a second problem: "As time goes on, we will have our taxes so high to pay that we will run out of money and eventually (Native lands) will revert to state or federal lands . . . why should we lose our land on which we are producing the biggest money?" From this point came the recommendation that oil money should go to local governments to reduce property taxes of landowners.

The participants recommended that the state try to minimize the impact of oil and gas development in Pet 4. Further, they suggested that the state lease onshore rather than offshore to save the sea mammal population for subsistence needs, but added if there was offshore exploration, the state should research the effects of OCS activities on sea mammals first. (See Question Five.) Barrow participants went on to recommend that the state work to coordinate its outer continental shelf development with Canada, which has already begun work in the Beaufort Sea. And, finally, participants urged that local people be more involved in game management, particularly in determining the number and distribution of caribou permits, if the state continues to limit caribou hunting in the future.

#### Community Development:

Another major concern for people in the north involved community development issues. People in several villages such as Barrow and Deering raised this issue. They discussed unemployment, poor quality of health care and the need for sewer systems in the villages. All communities recommended that the high cost of living be considered in revenue sharing formulas.

The people of Deering talked of the need for a seawall to protect the village and that community, along with others, urged that state officials respond to the problems of isolated communities, "Weeks and often months go by with no word on grant or information requests," advised the city clerk, "We can't do anything."

# Southcentral

*"There's just too many new people coming up here and getting a free ride; normally, I wouldn't mind, except it appears that I'm the one that has to provide some of the free transportation."*

Homer

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**Q.** What other state problems do you feel should be considered?

**A.** Questionnaire Results  
Number of Respondents: 546

1. Government Efficiency
2. Economic Growth Throughout Alaska
3. Transportation
4. Land and Environmental Issues
5. Crime and Judicial System
6. Health and Social Service Problems
7. Education
8. Capital Move
9. Renewable Resources
10. Alternative Energy Sources
11. Labor Issues and Control
12. Natives and Subsistence Life Styles
13. Nonrenewable Resources
14. Housing

Meeting Results: Anchorage

1. Government Efficiency and State Growth
2. Transportation
3. Criminal Justice System

Outside Anchorage:

1. Government Efficiency
2. Alternative Energy
3. Transportation

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## Government Efficiency:

The growth of state government and the efficiency of its operation were the most popular new questions brought out by the Southcentral participants. "Government's just getting too big," was a comment written over all the question boxes on a few of the questionnaires. The old attitude of government stepping in and doing more than the people think it should be doing, "just goes against what I thought Alaska was supposed to be all about — a little bit of independent freedom," wrote a railroad worker from Palmer.

"I look around me and see two pages of state offices here in Anchorage in the telephone book and yet I just want to find out where to get an income tax form and nobody can help me," said a 35-year-old woman from Spenard.

At all of the meetings, government inefficiency was a topic people kept coming back to, whether the groups were discussing what to do with the Permanent Fund or what their human need priorities were. A Kenai eye doctor cautioned that nothing be done with the Permanent Fund until the state sets a limit on how

many new people would be hired to take care of the fund. "I hate to suggest any new and needed programs because it would only add another level to the bureaucratic structure," a Susitna Valley grocer objected.

## State Growth:

The growth of the state — whether its economy or its population — was mentioned as the region's second priority in this open field of questions.

"There's just too many new people coming up here and getting a free ride; normally I wouldn't mind that, except it appears that I'm the one that has to provide some of the free transportation they get," said one old-time barkeeper from Homer.

Several people expressed concern over how to best control growth so that it doesn't get out of hand. The Matanuska Valley and Kenai Peninsula residents often wrote on their questionnaire that limits should be placed on the new people that would be allowed to settle here, "especially if they're just going to take jobs away from Alaskans or land on the unemployment rolls," offered a grocer from Anchorage.

### Transportation:

The potholes in front of a participant's home, the lack of ferry service to Anchorage, the question of whether or not to open the North Slope haul road, expansion of the present road system and upgrading other roads were all concerns Southcentral people had about transportation. In fact, most people who identified more than one problem under Question Seven, wrote down one that was transportation-related. Miners from the Valley wanted new roads into the mining-rich areas there; Anchorage Sand Lake residents wanted to be able to get to work in the morning in less than 40 minutes, and Kenai-area people wanted more off-the-beaten-track accesses.

"It just galls me that there appears to be so much money going to come into the state with the oil pipeline and yet I can't get the roads sanded for weeks at a time," said one trucker from Anchorage.

Transportation planning and more mass transportation were touched on, but mostly people just wrote "Transportation — a big problem."

### Land:

Land issues which included homesiting, land speculation problems, air and water pollution and fish and game management were all voiced as issues by participants. People on the Kenai Peninsula cautioned about spending so much time talking about oil and gas-related issues. They were more concerned about preventing pollution from the development. Anchorage-area people concerned about the environment mentioned air quality frequently. They also referred to their concern over the rising cost of land which was speculated out of their reach.

### Criminal Justice:

Within the Anchorage area, crime, criminal justice and the general operations of the judicial system were key topics at all the Anchorage workshop meetings. However, especially in those areas that do not now have police powers (i.e., outside the old city limits and Spenard), people were concerned about the lack of police protection and the enforcement of penalties imposed on criminals.

One man simply stated that he thought the judicial system was breaking down with "a lot of the hardened criminal types either not being prosecuted or getting off with an easy sentence and then getting back on the streets to strike again."

### Other:

Health and Social Services problems included a need for more and better child care with an extra effort directed at enforcing the present-day care standards. Alcoholism, which was also detailed in Question Two, was mentioned again in this open question. Drug abuse and control of drugs were discussed, some by older participants. Welfare abuses and a need for more vocational training programs to get people off the welfare rolls was also a recurring topic under this question.

Education, especially reforms in post-secondary education including the University of Alaska, was highlighted in a few questionnaires. A few people at the Anchorage meetings voiced the need for making education a more relevant force in the community through vocational education, updated curricula and quality rather than expensive programs.

Only about 50 people mentioned the capital move as an issue they thought should have been discussed at the Public Forum meetings. Of that group, 29 people wanted to get on with the move and eight opposed it. The rest of the people provided comments like those of one participant who offered, "Wouldn't it be nice to sit down and talk to neighbors like this from the Peninsula and the Valley about what kind of a capital we all want to see here in Willow?" Only Talkeetna voted unanimously to abort that move, claiming it threatens their desired life style.

Renewable resource concerns of timber, fishing, agriculture, herding, tourism and wildlife were spotlighted by a majority of the participants as was alternative energy resource development. For example, many people in Homer wanted to see a percentage of money made from nonrenewable resources go to research efforts for other energy methods such as solar, tidal and wind energy.





# Summary

Alaska Public Forum participants were asked to come up with answers to seven questions on major state issues. They were provided with six questions chosen by the Governor, legislators, state officials, people throughout the state and ultimately, based on all these suggestions, the Alaska Growth Policy Council. (The Alaska Public Forum is a program of the Alaska Growth Policy Council, an eleven-member citizen participation group set up by Governor Hammond.) Participants in the program then choose a seventh question — an area of state concern that they wished to discuss. All the questions (except 7) have a number of proposed choices, from which participants

may choose an answer. They may also select "other" and provide their own answer.

What follows is a summary of question recommendations from the first half year of the Alaska Public Forum program in Southeast, the North and Southcentral. The information is based on the comments and suggestions recorded at meetings as well as the answers provided in the mail-in questionnaires. Since the base of background information and time spent on each choice is different in every case, it is strongly recommended that you consider both the meeting summaries and the questionnaire statistics before reaching any conclusions.

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## Question 1

*"I know we're talking about more money than I can ever conceive of but if I get to put my two cents worth in regarding the investment of the state's two billion dollars, then no matter what gets done with it, I'll have the feeling it's more mine."*

Anchorage

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### QUESTION 1 — OIL AND GAS WEALTH

#### SOUTHEAST

##### Uses of the oil and gas revenues

- Renewable resources
- Community development
  - a) Loans
  - b) Grants and revenue sharing
- Save it and tax cuts

#### NORTH

##### Uses of the oil and gas revenues

- Community grants and revenue sharing
- Renewable resources
- Save it

#### SOUTHCENTRAL

##### A. Investment of Permanent Fund

- Renewable resources
- Save it

##### B. Uses of surplus revenues

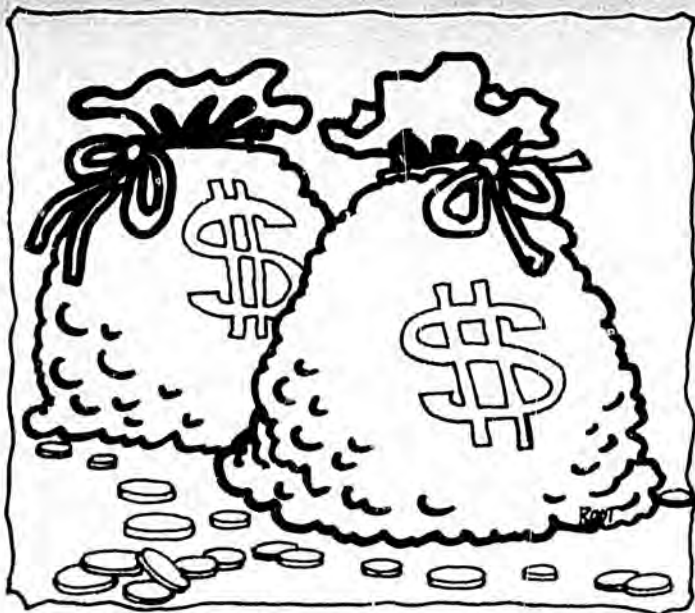
- Tax cuts
- Renewable resources

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The first question asked, "How should the state use its new oil and gas money in the future?" The options were to: Save it; Loan it to 1) communities 2) industrial development 3) renewable resource industries, 4) individuals; Use it for 1) tax cuts, 2) community revenue sharing and grants 3) more state services; and other. Common to all three regions were the recommendations to promote renewable resource in-

dustries with oil and gas revenues and to save the money with Southeast and the North recommending community assistance efforts ahead of the suggestion to save.

For the Southcentral region, the question was divided into two parts because of some confusion in Southeast and the North over the role of the Permanent Fund in the original question as stated above.



Then, Question 1A asked, "How should the Permanent Fund money be invested?" and the options were the same as the first five mentioned above. Question 1B is the one asked in Southeast and the North — "How should the state use its new oil and gas money?" and the options were also the same nine with the inclusion of using the new wealth for cash payments to Alaskans or increasing the amount in the Permanent Fund. It is incorrect, however, to compare the second part of Question One in Southcentral with the question used in the first two regions despite the same wording because people in Anchorage and surrounding communities accurately viewed the answer to the second part of the question as surplus or extra oil and gas monies. People in Southeast and the North were more reluctant to do so and provided answers which reflect a concern for investments and future security more in tune with

solutions to the Permanent Fund issue.

Interestingly, whether people were specifically investing in the Permanent Fund, or using the new oil and gas wealth, there was across-the-board concern for the future of the *renewable resource industries* — fishing, timber and agriculture with tourism and varying combinations of the above spread throughout the three regions.

The option of using the new oil and gas money for *community revenue sharing and community grants* was the first choice of people in the North with *renewable resources* close behind. In Southeast, participants supported community assistance as their second choice although they were divided between using *community revenue sharing and grants* for this purpose or providing *loans to communities*. In Southcentral, an area with far fewer isolated, rural communities this option which rated so high in the Southeast and the North fell to fourth position.

Southcentral participants chose instead, to *save* the Permanent Fund money by investing in safe securities with guaranteed returns, or by increasing the size of the Fund itself. They also thought that the state should provide *tax cuts* with the new oil and gas wealth once the concern for renewable resources was met. Although tax cuts received a clear majority, largely as a result of Anchorage mail-in participants, most of the same people chose renewable resources as their first option for Permanent Fund investment and gave it second priority for uses of new oil and gas money. This would appear to give added weight to the renewable resource issue.

*Save it* as an option for investment of the Permanent Fund question in Southcentral received a great deal of support. It was also selected as a third priority for using oil and gas money in both Southeast and the North, indicating statewide support.

## Question 2

*"You can't get a job without a good education...and a lot of times if you don't have a job other things don't follow."*

*Barrow*

---

### QUESTION 2 — HUMAN NEEDS

#### SOUTHEAST

- Education
- Employment
- Alcoholism

#### NORTH

- Education
- Alcoholism
- Health

#### SOUTHCENTRAL

- Employment
  - Education
  - Alcoholism
-

The second question asked, "What areas of human need do you feel require the most attention?" The options were alcoholism, care of children, education, programs for the elderly, employment, health, housing, income maintenance, rehabilitation, and other. The



responses to these were similar in all three regions. Both *education* and *alcoholism* appeared a priority in each region. *Employment* also ranked among the top three choices in Southeast and Southcentral but was replaced by *health care* in the North.

Education received the highest ranking in Southeast and the North and generally younger people were more

concerned about education than older Public Forum participants. Employment ranked first in Southcentral. There, as well as Southeast, it was usually chosen by participants in the occupational categories of white collar and blue collar workers and those not in the labor force, but not as often by professional-technical people.

Alcoholism sparked the most discussion and comment. It ranked very high among people's top choices in both meetings and questionnaire tabulations, although when it was averaged with all seven human needs, its ranking fell. Perhaps the one consistent thought coming out of Public Forum meetings was the recommendation that an added tax be placed on alcoholic beverages to pay for the cost of rehabilitating alcoholics. A secondary suggestion encouraged local control and management of alcohol rehabilitation programs.

Health care was an important concern for people living in isolated communities in the North. There, lack of medical assistance in villages and extreme distances from hospitals and clinics, were repeatedly brought up as major concerns. Health was ranked fourth in Southeast and Southcentral.

The other human needs areas were generally the same throughout all three regions, with care of children, and programs for the elderly falling in behind the four issues mentioned above. In the North housing was high among people's needs and tied with employment as a fourth priority in that part of the state. It should be mentioned at this point that most of the choices for this question received very close ratings, perhaps supporting people's contention in meetings that it was difficult isolating one concern from another.

## Question 3

*"Children are one resource we all will have to live with whether I chose to have them or not."*

Homer

### QUESTION 3 -- FINANCING SCHOOL CONSTRUCTION

#### SOUTHEAST

- Continue the Present System

#### NORTH

- 100% funding from the General Fund

#### SOUTHCENTRAL

- Continue the Present System

Question Three asked, "How should public school construction be financed in both the organized and unorganized boroughs?" The answers included an increase in the state income tax, a statewide sales tax, local property taxes throughout the state, to continue

the present system or fund entirely out of the General Fund. Behind the question is the requirement to build a number of schools throughout rural Alaska in the near future and the Public Forum options try to suggest methods of financing this construction.



Initially, Southeast and Northern participants were presented with the option of financing school buildings

through the General Fund. This option was later dropped in Southcentral and subsequent regions because it did not specify a method by which the General Fund will get the money to build schools.

Both Southeast and Southcentral chose to *continue the present system which provides for property taxes plus supplemental state funding in organized boroughs and 100% state funding in the unorganized borough*. Interestingly enough, to continue this method places a heavier financial burden on organized boroughs such as those found throughout Southeast and Southcentral.

The North on the other hand chose to *fund school construction from the General Fund*. With the exception of the North Slope Borough, most of this region has its school buildings financed entirely by the state. Nonetheless, they chose to recommend that the state pay for not only their needs but the needs in organized boroughs (such as Southeast and Southcentral) as well.

In each region, the top choice was recommended by a 10 to 20 percent margin. Suggestions of other financing methods such as a statewide sales tax or an increase in the state income tax were generally received unfavorably.

## Question 4

*"I'm asking the basic question, when am I and fellow people, fellow 'T's' going to get five acres to raise chickens and a garden on. We don't want a handout. We don't want to be subsidized. I'll buy it. When can I count on buying it?"*

*Ketchikan*

### QUESTION 4 — LAND MANAGEMENT

#### SOUTHEAST

- Renewable Resources
- Public Needs

#### NORTH

- Renewable Resources
- Public Needs

#### SOUTHCENTRAL

- People's Needs\*
- Renewable Resources

*\*Language change a result of questionnaire revision. (See Appendix)*

Question Four asked: "What should be the objectives for managing Alaska's land?" The options included to raise revenues for the state, to provide for public or people's needs, to promote renewable resource development, to promote industrial development, to preserve the natural environment and other. In every region the responses were the same — *promote renewable resource development and manage the land to meet people's needs.*"

In Southeast and the North, people supported the option of *renewable resource development* for land management as their first choice. In both regions, renewable resources were explained as the economic mainstay of the area and in the North, a chief food source. In Southcentral, the people of that region gave renewable resources a strong second priority position.

*Land for people's needs* was a favorite topic in all three regions, particularly land poor Southeast, but it



was Southcentral participants who ranked it as their first priority. In all areas, people generally spent a great deal of time discussing the need for more land for homesites at less expensive rates and with built-in safeguards against speculators.

In the North, the subject of people's needs was often interwoven with subsistence and renewable resource concerns as participants indicated that fish and game resources were the people's needs. There was some support among the non-native population in the North for homesite land under this option.

In Southeast and the North, there were recommendations to *preserve the natural environment* which was often written in as an *other* suggestion. In Southcentral, where it was listed as an option, natural environmental preservation ranked third behind people's needs and renewable resource development.

## Question 5

*"We need impact help now to move smoothly through some rough times ahead. We can't wait till Front Street in Nome becomes another Second Avenue in Fairbanks. And it will be just the same if we don't look ahead and get some help now."*

*Nome*

### QUESTION 5 - LEASING OIL AND GAS LANDS

#### SOUTHEAST

- Sell leases at a moderate rate

#### NORTH

- Sell leases at a moderate rate with safeguards

#### SOUTHCENTRAL

- Sell leases at a constant pace\*

*\*Language change a result of questionnaire revision. (See Appendix)*

Question Five asked, "What should be the state's policy on future oil and gas lease sales?" The options were to sell leases as fast as possible to make a lot of money, to sell at a moderate rate for a steady flow of income, to sell when the state needs a large sum of money, to do no further leasing, and other. The response throughout all three regions was the same — *sell leases at a moderate rate to assure a steady flow of income for a long time.*

Despite the large response to the option to lease at a moderate rate, participants from every region felt the need to tack on addendums to their answers. In almost every case, their attachments expressed concern over environmental and community impact stemming from oil exploration activities. Participants urged state lead-

ers to involve the local community in any leasing activities and train local people for petroleum-related jobs. Over and over again, people from communities in Southeast, the North and Southcentral recommended that monies be made available in advance of severe impact. Further, they urged that the lives of people, and the preservation of the state's fish, game and environmental resources be given priority over the revenues to be gained from leasing activities.

There was some sporadic support for the option to *do no further leasing* but not enough to make much of a dent in the majority opinion discussed above. Finally, participants thought the state should steer away from *leasing only when it needs money* which, people felt, could only lead to panic selling.

## Question 6

*"It sounds enticing to us all to be really independent and produce our own products from our own resources, but if we become just another conduit for big oil production with little control or benefit, then we really won't accomplish much at all."*

Kenai

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### QUESTION 6 – ROYALTY OIL AND GAS

#### SOUTHEAST

- Sell it for financial gain

#### NORTH

- Provide in-state residential use

#### SOUTHCENTRAL

- Provide in-state residential use
- 

Question Six asked, "What is the best use of Alaska's royalty oil and gas?" The options were to sell the royalties to make money, to use them for promoting industrial development in-state, to provide in-state residential use, and other. The responses in the North and Southcentral proved similar — use it to provide in-state residential use of royalty oil and gas. In Southeast, people recommended that the state sell it for financial gain.

In the two regions, the North and Southcentral, where there is a better likelihood that oil and gas royalties can be used for individual needs by residents, this option was the top priority. Southeasterners, however, because of their physical separation from the main body of the state often felt that it would be too expensive to get the oil and gas to them and it would make more sense for the state to sell its royalties for financial gain instead. However, there was a good deal of secondary support throughout the region for using the oil and gas to meet individual needs within the state.

Many participants in all regions indicated a preference for several of the options, specifically, to use what is needed in-state and then sell the rest.

There was also widespread concern over the inequities in the price of oil within the state today and many participants, particularly in the North, suggested

using the royalty oil and gas to equalize prices by subsidizing transportation or selling shares of the royalties throughout the state.

Many felt that any revenues to be derived from the royalty oil and gas sales or the refining of the product should go to develop alternative energy resources, especially solar, tidal and wind energy.



## Question 7

*"....What I'm trying to say is that it's my job to catch fish; I want to go on and do my job, but I also want to make sure someone isn't going to point a finger at me 20 years from now and say 'that guy was a fisherman and he used to catch lots of fish, but the fish are gone because he caught them all.'"*

Craig

## QUESTION 7 - REGIONAL CONCERNS

### SOUTHEAST

- 1) Transportation
- 2) Fisheries (renewable resources)
- 3) Alternate Energy Sources

### NORTH

- 1) Transportation
- 2) Oil and Gas Exploration
- 3) Subsistence/Renewable Resources

### SOUTHCENTRAL

- 1) Government Efficiency
- 2) Transportation
- 3) State Population and Economic Growth

Question Seven provided the opportunity for Alaska Public Forum participants to discuss subjects they wanted recognized as problem areas. The question asks: "What other state problems do you feel should be considered?" The one concern that all three regions shared in common was *transportation*. Beyond this, the focus in the different regions varied.

Transportation spanned all three regions as a major concern, but in each area the needs were different. In Southeast, participants directed their criticism at the ferry system requesting that schedules and service be improved and that no attempt be made to run the Marine Highway system as a profit-making venture. Southeasters voiced the secondary concern that air service schedules and airport maintenance be improved throughout the region.

Air transportation was also the focus of much discussion in the North. Criticism was leveled at federal regulations which limit service in that region to one air carrier company and complaints of poor freight delivery seemed to head everyone's list. There was also concern over the poor maintenance of air fields in small communities which can isolate a village for weeks at a time.

Transportation in Southcentral was largely an issue of road improvement whether in front of people's homes or on major highways outside of the city of Anchorage. People also discussed transportation planning, the North Slope haul road, and the possibility of extending the existing highway system as secondary transportation problems.

In Southeast, people went on to discuss methods of *rehabilitating the struggling fishing industry* and *developing hydroelectric power* for the region.

In the North, Public Forum participants discussed their growing concern over "oil and gas exploration impact" in that area — whether it was Norton Sound or the Beaufort Sea. Their needs, while largely the same as those itemized in Question Five, were important enough for participants to repeat in this question.

Closely tied in with this were the reactions through-

out the North that "fish and game management" be handled carefully and with local involvement to protect subsistence activities and renewable resource interests.



In Southcentral, participants in almost every area of that region decried the extravagant size of state government and its less-than-effective performance. There were concerns of people who didn't know where to turn for help and those who felt state government has become inefficient. Tied into this theme was the concern over rapid state growth and the fact that too many people are arriving, ill-equipped to participate in Alaska's life and end up supported by the state.

There were many other concerns brought up in each region and for a more complete discussion, please see the section on Question Seven. However, these appear to be the major problem areas voiced by Alaska Public Forum participants.

## Secondary Suggestions

In this last section, we have attempted to capsule the thoughts and recommendations of all the people who have participated in one way or another in the Alaska Public Forum in three regions of the state — Southeast, the North and Southcentral. If we suggested at the beginning of the report that some imaginative ideas might slip by for the sake of brevity, this is even more true for the summary of recommendations.

In an attempt to fit in a few more pieces before we end, we set forth some secondary concerns brought up by many of the Public Forum participants. Some of these suggestions are already being met through existing programs or legislation. We repeat them nonetheless because we heard them from the people of the state. Other concerns may be new and again, because we heard them, we thought you too might want to know.

- Place an added tax on alcoholic beverages to pay for the cost of rehabilitating alcoholics.
- Provide land for homesiting with safeguards against speculators.
- Review fish and game management patterns and include more local involvement on policy decisions from opening and closing of fishing seasons to caribou hunting permits.
- Provide for Outer Continental Shelf impact assistance *before* the leases are finalized.
- Establish means now of involving local communities in oil and gas exploration activities.
- Provide job training for employment on oil and gas exploration projects.
- Provide an emergency fund for oil spills and have it available *before* the spill so that it may be put to use immediately if needed.
- Take steps to improve government sensitivity and outreach to rural areas of the state.
- Improve transportation:
  1. the ferry system and air service in Southeast;
  2. air service and airport maintenance in the North;
  3. road improvements and upgrading in Southcentral and wherever roads exist
- Encourage local involvement both financially and educationally in schools around the state and move toward equal educational opportunities for all areas.
- Develop hydroelectric power for Southeast and reassess the Devils Canyon Dam project in Southcentral.

# Evaluation

All participants at regional workshops were asked to respond to a series of evaluation questions about the Alaska Public Forum. A form was designed to allow members of the Growth Policy Council and the staff to identify areas where the workshops could be improved. We would like to share some of the most representative comments with you.

## Was the workshop beneficial to you? If so, in what way?

"It gave me a chance to evaluate Alaskan problems with many different points of view and draw from it. It was gratifying that people were able to speak and be listened to." (Ketchikan)

"Helped bring my ideas on the issues into focus." (Ketchikan)

"We'll see what comes out of it." (Kotzebue)

"Wonderful to have state government interested in both urban and rural Alaska and especially rural Alaska." (Kotzebue)

"Yes, the workshop gave me a lot of information that I normally would not have had. It gave me the opportunity to meet people I normally wouldn't have known." (Anchorage)

"It was a diversion, but I'm cynical enough to doubt that it will have any effect." (Anchorage)

"Being a student I have learned the reasoning that goes into the more conservative school of thought." (Anchorage)

"To know that the executive branch of the state government wants my opinions has been beneficial to me so that I feel important in the overall state decision-making process." (Barrow)

"Education on fundamental issues in Alaska." (Barrow)

## What did you expect from the workshop? and Were your expectations met?

"More commitment from Governor that results will become reality. I did not expect, really, that the Governor would listen to the public and he has not done so (nor will he)." (Ketchikan)

"At worst — little." "Wait and see." (Kotzebue)

"Nothing. I was surprised. The Public Forum people really seem interested in our input." (Kotzebue)

"Unknown. But hoped we could influence the way our state is managed. Only time will tell . . . ." (Anchorage)

"Yes and even more so. It was exciting to me that the

Governor, Lt. Governor and representatives took the time to listen to each person's ideas, no matter how off-the-wall some seemed to be, and then to *respond*. I have left the workshop with a renewed interest in doing something personally to see that the state is wisely led through the growth and changes it is going through, and even more important, the feeling that I can help and do count as an individual in terms of state policy." (Anchorage)

"Unknown. I had no information other than the date and time and place prior to the meeting. That depends on whether my opinions will be incorporated into the plan." (Barrow)

## Other comments.

"It will be interesting to see what effect, if any, these workshops have on governmental policies. Would it be possible to have same people on follow-up next year to evaluate year's progress and do another projection?" (Ketchikan)

"Forum must be ongoing with follow-up. If there is government implementation of forum recommendations then the public will be more encouraged and utilize forum more: A self-reinforcing process of education-input-action. Good out-of-town attendance — keep it up." (Ketchikan)

"I think this is an excellent idea and I was happy to have participated. State government is often unresponsive to *ordinary* people and this is a step in the right direction. I hope it has direct results in state policy." (Kotzebue)

"Come again from time to time." (Kotzebue)

"Well-run workshop. Please listen to our recommendations or we will vote you out of office." (Anchorage)

"Sunday morning is a busy time to hold the wrap-up session for those of us who have a basic religious conviction we wish to honor." (Anchorage)

"You need to show people their participation is to be used if you expect to motivate people to participate." (Anchorage)

"I thought the choices presented were too narrow — Do you want to die by fire or drowning, etc. For instance, who will fund, not who will control or what kinds of lands, not whether we want state-controlled lands at all." (Barrow)

"For a place like Barrow, so distant physically from centers of government and financial power; such a forum is a great way to exchange information on public issues. The question is, will policy-makers remember to act on what they have heard . . . ?" (Barrow)

# Appendix

## Question Change

### Question 1

Question 1 experienced the greatest change between the first and second printing of the newspaper. Originally the question asked: "How should the state use its new oil and gas money in the future?" This proved to be too open-ended and respondents were unsure whether the question included Permanent Fund monies or simply the surplus oil and gas wealth. Therefore, the issue was broken into a two-part question for the second newspaper. It now reads: 1A "How should the Permanent Fund money be invested? and 1B "How should the state use its new oil and gas money? (All revenues except those invested in the Permanent Fund)." It was hoped that by discussing the Permanent Fund directly, the confusion would be eliminated.

Additionally, in the first printing of the newspaper, the boxes in which participants indicated their recommendations were slightly out of alignment. Because of this, Question One was recoded for the Southeast and Northern regions to verify the percentages. On this second run, only the top priority was coded. Whenever a potentially ambiguous code was found, responses to Questions Two-Seven were read and a response consistent with the total questionnaire was chosen. For example, if Question One could have been either industrial development or renewable resources, responses to Question Four and Question Five and Question Seven usually pointed to a meaningful choice for Question One. The tabulated responses to Questions Four and Five measured against Question One further supported this check.

#### QUESTION 1 Old Newspaper

#### The Question:

How should the State use its new oil and gas money in the future? (Please select your four choices; rank them 1 through 4, with #1 most important.)

# 1.

- |                                                                           |                                                                                    |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <input type="checkbox"/> Save it                                          | <input type="checkbox"/> Use it for tax cuts for Alaskans                          |
| <input type="checkbox"/> Loan it to communities                           | <input type="checkbox"/> Use it for community revenue sharing and community grants |
| <input type="checkbox"/> Loan it for industrial development               | <input type="checkbox"/> Use it for more State services and public facilities      |
| <input type="checkbox"/> Loan it to develop renewable resource industries | <input type="checkbox"/> Other _____                                               |
| <input type="checkbox"/> Loan it to individuals                           | <input type="checkbox"/> _____                                                     |

#### QUESTION 1 New Newspaper

# 1.

#### The Question:

### A.

How should the Permanent Fund money be invested? (Please rank your choices 1 through 4, with 1 the most important)

- ☐ a. Save it
- ☐ b. Loan it to communities
- ☐ c. Loan it for industrial development
- ☐ d. Loan it to develop renewable resource industries
- ☐ e. Loan it to individuals
- ☐ f. Other \_\_\_\_\_

### B.

How should the State use its new oil and gas money? (All revenues except those invested in Permanent Fund.) (Please rank your choices 1 through 4 with 1 the most important)

- ☐ a. Use it for tax cuts for Alaskans
- ☐ b. Use it for cash payments to Alaskans
- ☐ c. Use it for community revenue sharing and community grants
- ☐ d. Use it for more State services
- ☐ e. Save it by increasing the Permanent Fund
- ☐ f. Loan it to communities
- ☐ g. Loan it for industrial development
- ☐ h. Loan it to develop renewable resource industries
- ☐ i. Loan it to individuals
- ☐ j. Other \_\_\_\_\_

## Question 2

This question in the first newspaper asked people to prioritize nine areas of human needs and rate the effectiveness of the state's service. It seems significant that people repeatedly informed us that they didn't have enough information to make the program evaluation so the latter portion, part (b), was dropped in the

second printing. Therefore, in the following discussion, we will deal only with part (a) to achieve consistency.

Similarly, two items, rehabilitation and income maintenance were dropped in the second newspaper questionnaire because the terms were confusing.

### QUESTION 2 Old Newspaper

| The Question:                                                                                                       |                          | a. What human needs do you think are most important? (Please rank your answers #1 through #10 in order of importance, with #1 as the most important need.) |                          |                          |                          |                          |
|---------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| b. And how would you rate the present State efforts in these same areas of human needs? (Check the appropriate box) |                          |                                                                                                                                                            |                          |                          |                          |                          |
| Priority (1-10)                                                                                                     |                          | Adequate                                                                                                                                                   | Poor Quality             | Needs Expansion          | Not Necessary            | I Don't Know             |
| 2.                                                                                                                  | Alcoholism               | <input type="checkbox"/>                                                                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|                                                                                                                     | Care of Children         | <input type="checkbox"/>                                                                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|                                                                                                                     | Education                | <input type="checkbox"/>                                                                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|                                                                                                                     | Programs for the Elderly | <input type="checkbox"/>                                                                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|                                                                                                                     | Employment               | <input type="checkbox"/>                                                                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|                                                                                                                     | Health                   | <input type="checkbox"/>                                                                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|                                                                                                                     | Housing                  | <input type="checkbox"/>                                                                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|                                                                                                                     | Income Maintenance       | <input type="checkbox"/>                                                                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|                                                                                                                     | Rehabilitation           | <input type="checkbox"/>                                                                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|                                                                                                                     | Other                    | <input type="checkbox"/>                                                                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### QUESTION 2 New Newspaper

| The Question:  |                                                      | What areas of human need do you feel require most attention? (Please rank your answers #1 through #8 in order of importance with #1 as the most important need.) |  |
|----------------|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Priority (1-8) |                                                      |                                                                                                                                                                  |  |
| 2.             | <input type="checkbox"/> a. Alcoholism               | <input type="checkbox"/> e. Employment                                                                                                                           |  |
|                | <input type="checkbox"/> b. Care of Children         | <input type="checkbox"/> f. Health care                                                                                                                          |  |
|                | <input type="checkbox"/> c. Education                | <input type="checkbox"/> g. Housing                                                                                                                              |  |
|                | <input type="checkbox"/> d. Programs for the elderly | <input type="checkbox"/> h. Other                                                                                                                                |  |
|                |                                                      |                                                                                                                                                                  |  |
|                |                                                      |                                                                                                                                                                  |  |
|                |                                                      |                                                                                                                                                                  |  |
|                |                                                      |                                                                                                                                                                  |  |

## Question 3

Question 3 experienced a major change as well. One option — "100% state funding from the General Fund" — was dropped in the revised newspaper because it did not answer the question of *how* the General Fund would get the additional money to fund school con-

struction. Unlike the other options this one provides no source of revenue to cover building costs.

When the question was revised the option to increase the state income tax was included in place of the above alternative.

**QUESTION 3**  
Old Newspaper

**The Question:**

How should public school construction be financed in both organized and unorganized boroughs? (Please check the appropriate box)

**3.**

100% State funding from the General Fund. ☐

100% State funding from a statewide sales tax. ☐

Local property taxes in all areas and supplemental funding where needed. ☐

Continue the present system which provides for land taxes plus supplemental State funding in organized areas, and 100% State funding in unorganized areas. ☐

Other \_\_\_\_\_ ☐

☐  
☐  
☐

**QUESTION 3**  
New Newspaper

**The Question:**

How should public school construction be financed in both organized and unorganized boroughs? (Please check the appropriate box.)

**3.**

☐ a. 100% State funding through an increase in the State Income tax.

☐ b. 100% State funding from a statewide sales tax.

☐ c. Local property taxes throughout the State and supplemental funding where needed.

☐ d. Continue the present system which provides for property taxes plus supplemental State funding in organized boroughs and 100% State funding in the unorganized borough.

☐ e. Other \_\_\_\_\_

**Question 4**

The revised newspaper added a fifth option to the question on land — "To preserve the natural environment." It also changed the second option from "public needs" to "people's needs." This option is explained in the text as land that "could be set aside for homesites, for future hunting and fishing use, for public access

and parks and recreation areas. The interest would be determined by the people and the management would provide for the greatest use by all Alaskans. Here state profits would take second place to people's needs." The other answers remain unchanged.

**QUESTION 4**  
Old Newspaper

**The Question:**

What should be the primary objective for managing Alaska's land? (Please rank your choices #1 through #4 with #1 most important)

**4.**

To raise revenues for the State. ☐

To provide land for public needs. ☐

To promote renewable resource development. ☐

To promote industrial growth and development. ☐

Other \_\_\_\_\_ ☐

☐  
☐  
☐

QUESTION 4  
New Newspaper

**The Question:**

What should be the objectives for managing Alaska's land? (Please rank your choices 1 through 5, with 1 the most important.)

**4.**

- |                                                                       |                                                                          |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------|
| <input type="checkbox"/> a. To raise revenues for the State           | <input type="checkbox"/> d. To promote industrial growth and development |
| <input type="checkbox"/> b. To provide land for people's needs        | <input type="checkbox"/> e. To preserve the natural environment          |
| <input type="checkbox"/> c. To promote renewable resource development | <input type="checkbox"/> f. Other _____                                  |

**Question 5**

This question experienced several word changes. Based on participants' dissatisfaction with the words "moderate rate" in option b, they were replaced by

the words "constant pace." Subsequent use of the newspaper indicates that now people often cross out the word "constant" and pencil in "moderate."

QUESTION 5  
Old Newspaper

**The Question:**

What should be the State's policy on future oil and gas lease sales? (Please check the appropriate box.)

**5.**

- |                                                                                                                       |                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> It should sell leases as fast as possible to maximize its oil and gas revenues.              | <input type="checkbox"/> It should do no further leasing and make the best use of present income. |
| <input type="checkbox"/> It should sell leases at a moderate rate to assure a steady flow of income over a long time. | <input type="checkbox"/> Other _____                                                              |
| <input type="checkbox"/> It should lease only when the State needs large sums of revenue to meet public needs.        |                                                                                                   |

QUESTION 5  
New Newspaper

**The Question:**

What should be the State's policy on future oil and gas lease sales? (Please check the appropriate box.)

**5.**

- |                                                                                                                                   |                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> a. It should sell leases as fast as possible to bring in a lot of money immediately.                     | <input type="checkbox"/> d. It should do no further leasing and make the best use of present income. |
| <input type="checkbox"/> b. It should sell leases at a constant pace to assure a steady flow of income for a long period of time. | <input type="checkbox"/> e. Other _____                                                              |
| <input type="checkbox"/> c. It should lease when the State needs large sums of money to meet public needs.                        |                                                                                                      |

## Question 6

The first option in Question Six was simplified from "The state should take its royalties in money or substance to sell for financial gain" in the first news-

paper to "The state should sell its royalties to make money" in the second edition of the Public Forum paper.

### QUESTION 6 Old Newspaper

|                      |                                                                                                                                                   |                                                                                                        |                          |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|--------------------------|
| <b>The Question:</b> |                                                                                                                                                   | What is the best use of Alaska's royalty oil and gas? (Please check the appropriate box).              |                          |
| <b>6.</b>            | <input type="checkbox"/> The State should take its royalties in money or substance to sell for financial gain.                                    | <input type="checkbox"/> The State should provide in-state residential use of the royalty oil and gas. | <input type="checkbox"/> |
|                      | <input type="checkbox"/> The State should use its royalty oil and gas primarily for the purpose of promoting industrial development in the State. | Other _____                                                                                            | <input type="checkbox"/> |
|                      |                                                                                                                                                   | _____                                                                                                  |                          |
|                      |                                                                                                                                                   |                                                                                                        |                          |

### QUESTION 6 New Newspaper

|                      |                                                                                                                                       |                                                                                                           |  |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--|
| <b>The Question:</b> |                                                                                                                                       | What is the best use of Alaska's royalty oil and gas? (Please check the appropriate box).                 |  |
| <b>6.</b>            | <input type="checkbox"/> a. The State should sell its royalties to make money.                                                        | <input type="checkbox"/> c. The State should provide in-state residential use of the royalty oil and gas. |  |
|                      | <input type="checkbox"/> b. The State should use its royalty oil and gas primarily for promoting industrial development in the State. | <input type="checkbox"/> d. Other _____                                                                   |  |
|                      |                                                                                                                                       | _____                                                                                                     |  |
|                      |                                                                                                                                       |                                                                                                           |  |

## Question 7

Question Seven has been included in the Public Forum agenda so that people may discuss what the state is or is not doing that concerns them personally, locally, or regionally as the participant chooses. In regional meetings, Question Seven usually consists of three of four concerns selected by the participants as a group dealing with subjects above and beyond those discussed in Questions One through Six.

The tabulated questionnaires, however, seem to

indicate that people responding alone often chose to use the space to reinforce their thoughts on something in Questions One through Six, rather than to list new concerns. This could explain the wide range of responses to Question Seven when filled in on the questionnaire. In meetings, this part of the agenda usually includes no more than three or four issues and they are "new" concerns.



# Behind the Scenes

## ALASKA GROWTH POLICY COUNCIL MEMBERS

Lt. Governor Lowell Thomas, Jr., Chairman  
Reverend Mark A. Boesser  
John Borbridge, Jr.  
Tim Bradner  
Frank M. Homan  
David R. Klein  
Leonard Lane  
Harold E. Pomeroy  
Lidia Selkregg  
Herb Smelcer  
Diana Tillion

## STAFF

Barry Quinn, *Executive Director*  
Jane Angvik, *Program Manager*  
Diane Burgin, *Information/Education Coordinator*  
Pam Barber, *Administrative Assistant*  
Olivia Delaney, *Secretary*  
Ruth Skagerberg, *Secretary*

### *Southeast Regional Coordinators:*

Corrine David  
Sue Harris

### *North Regional Coordinators:*

June Nelson, Mauneluk, Inc.  
Mary Schaeffer, Mauneluk, Inc.  
Evelyn Tuzroyluk

### *Southcentral Regional Coordinators:*

Cathy Allen  
Tim Buckley

### *Consultants:*

Doug McConnell — *Program Development*  
Justin Osteen — *Research*  
Tom Shackle — *Video*  
Alaska Sound Labs — *Audio*  
Institute of Social and Economic Research — *Research and Analysis*  
Snow Goose Productions — *Print Matter*

*This report was written and edited by Diane Burgin.  
The Southcentral portion was written by Cathy Allen.*

*Layout by Snow Goose Productions.*

*Tabulation and analysis of questionnaires by Jack Kruse, Institute of  
Economic and Social Research, University of Alaska.*

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STATEWIDE ANALYSIS

Table of Contents

Part 1 - Statewide Analysis, Questions 1-6

Part 2 - Statewide Frequencies and Weighted Responses

A. Statewide Frequencies

Due to changes in the questionnaire after workshops in the Southeast and the North, questions 1a and 1b could only be viewed statewide, based on five regions - Southcentral, Southwest, Gulf Coast, Interior, and Copper River.

As question 4 was also changed to include "Preserve the Natural Environment" option, it was tabulated on the basis of five regions. However, we did compute it statewide with no "environment" option.

B. The Weighted Responses

Public Forum questionnaires were more heavily weighted in the professional-technical category as compared to that segment of the population reflected in the 1970 census. Jack Kruse assigned different weights to each of the Forum responses, in an effort to more accurately portray attitudes statewide based on occupation and sex. He promises to send a short paper illuminating the validity of that experiment.

Part 3 - Meeting versus Mail-In Responses Statewide (based on 5 regions)

A comparison of Meeting and Mail-In Responses, perhaps has value in determining the affect of Public Forum workshops. There are notable instances where votes radically differed. Example: tax cuts (question 1b)

## STATEWIDE ANALYSIS

### Who Participated

To paint a visual image of the 3,714 Alaskans from Metlakatla to Barrow who addressed the current issues facing their state this year through the Public Forum workshops or questionnaire would be nearly impossible.

They were as diverse as the spectrum. The youngest was 13 years old. The oldest was 94. They were whalers, doctors, teachers, school-children, government workers, homesteaders, bookkeepers, fishermen, waitresses. The responses were weighted most heavily in the professional-technical category. And twice as many men as women participated.

Length of residency seemed a strong indicator of commitment to the state and its future. Nearly two-thirds of the Public Forum participants had been residents of the state for ten years or more. And at least a third have lived in Alaska over 20 years. Overwhelmingly it was this segment of the population who chose to speak, and desired to be heard by the men and women who have some influence in the decision-making process.

Questions 1a and 1b.

- a. How should the Permanent Fund money be invested?
- b. How should the state use its new oil and gas money?

Throughout Alaska there was resounding concern for renewable resource industries. They were ranked, by a wide margin, as the highest priority for Permanent Fund money and the second highest priority for all additional oil and gas wealth. This concern transcended community, regional and professional boundaries.

While Alaskans were eager to support what many described as a potentially "risky" business with only long-term benefits---i.e., making loans to renewable resources----they also wanted immediate, tangible proof of our wealth.

They opted heavily for tax cuts. Under the issue of surplus oil and gas revenues not included in the Permanent Fund, this was the only option which superceded "Loans to Renewable Resource Industries" in popularity.

Interestingly, tax cuts received the highest bid from those who did not attend the Public Forum workshops but merely filled out a forum questionnaire.

This seemed to indicate that when people gathered to bounce ideas back and forth, they tended to relinquish personal desires for communal benefits. The wide discrepancy in percentages on tax cut votes between questionnaire respondents and meeting-goers was made up in the workshops by stronger support for loans to communities, community revenue sharing, community grants and loans to renewable resources.

Savings played an important role in this issue. The option to "save" the Permanent Fund money rather than invest it through loans,

was the second favorite choice behind renewable resource industries. It also ranked behind renewable resources under the question of surplus oil and gas riches.

Such an option is obviously the cautious, conservative approach. It reflects, perhaps, a certain skepticism in the past expenditures of government. Once before, Alaska allowed a small fortune (i.e. \$900 million) to slip through its fingers, and some people seemed determined to prevent that happening again.

Each of the five regions expressed differing degrees of concern for the options listed under the Permanent Fund question. (Table #2)

While loans to renewable resources drew substantially high votes across the board, it was clearly the coastal respondents who out-distanced all others in their support for this option. Considering their economic base, that interest may be equated with fishing, and possibly, forestry activities.

The Southwest had a higher percentage of people who marked "Loans to communities" as their first choice. Along with Copper River, a larger percentage of Southwest participants desired "Loans to Individuals" or the "Save it" option.

Like hand in glove, Interior and Southcentral followed each other closely in the degree of importance they attached to each option for Permanent Fund monies. (See Table #2). On the whole, they tended to be far more supportive of industrialization which was not a large vote-getter statewide.

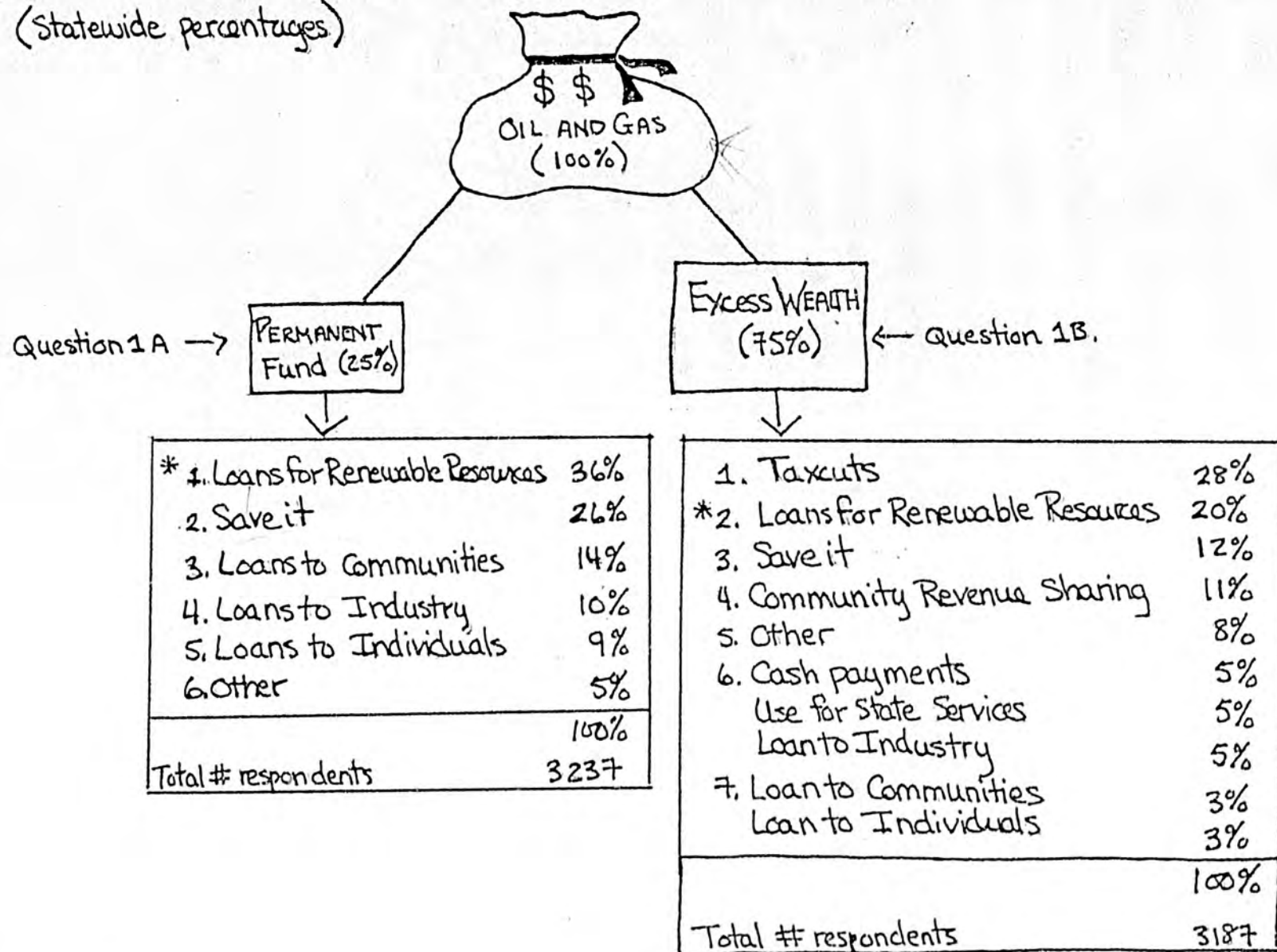
If the people's mandate was closely followed by decision-makers, how would the entire bundle of oil and gas riches be allocated?

For example, look at "Loans to Renewable Resource Industries". The quick mathematics below shows that support for renewable resource industries equal one fourth of the total oil and gas revenues.

Renewable Resources=36% of Permanent Fund=9% of Total Oil and Gas Revenues  
+  
Renewable Resources=20% of Excess Wealth=15% of Total Oil and Gas Revenues  
Renewable Resources= 24% of Total Oil and Gas Revenues

Thus, the blueprint of special interests, region to region, as shown in Table #2 might prove helpful in targeting subsequent loans, investments and expenditures.

TABLE 1  
OIL AND GAS REVENUES  
(Statewide percentages)



\* See page 3

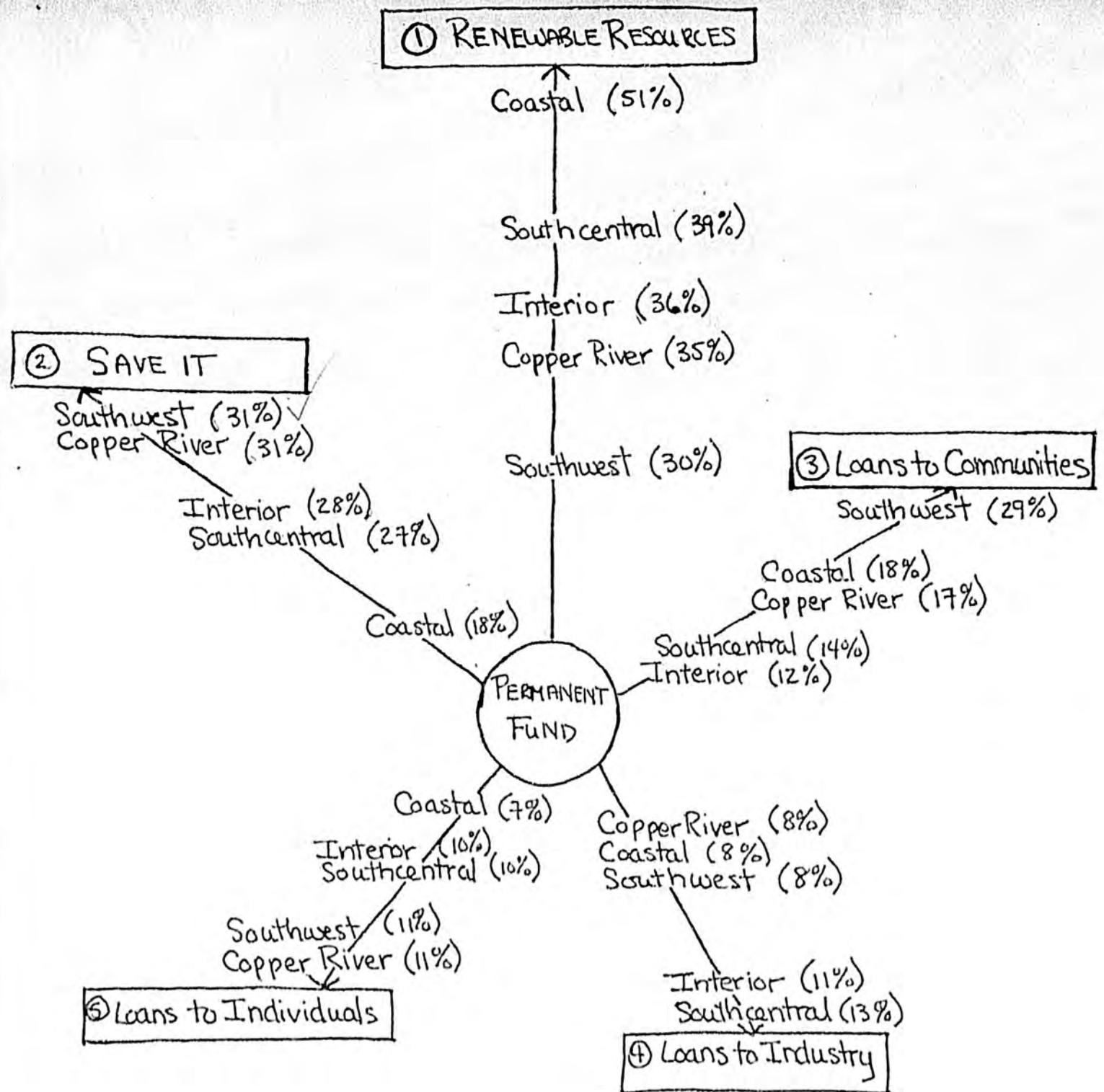


TABLE # 2  
 ALLOCATION OF PERMANENT FUND  
 REGIONAL PREFERENCES  
 (Percent Distributions)

## Question 2

What areas of human need to you feel require the most attention?

For Alaskans participating in the Public Forum, education and employment were the broad social concerns. The two are inextricably linked. Education provides the knowledge and skills which lead to more challenging jobs, better salaries and a higher standard of living.

The pie chart (Table #3) illustrates how participants state-wide viewed critical human needs. The arrows indicate the degree of importance residents from region to region placed on these issues.

For instance, a higher percentage of people in Copper River supported education compared to the percentage of people favoring that option in Southcentral. This does not mean that Southcentral was not supportive of education, as can be seen by Table #4. It merely means they were less concerned overall than Copper River with channeling our energies in that direction. Southcentral ranked highest on employment - pointing, perhaps, to a larger concentration of unemployed or transient workers.

State-wide, who are the people who expressed a greater degree of concern for employment? They are white and blue collar workers. They have lived in Alaska more than ten years. And the older they get the more importance they placed on this problem. (See Table #6.)

Many in the blue collar category were fishermen, construction workers, some farmers and lumberjacks. Their work is often seasonal. Thus, with the advent of winter, jobs taper off and summer incomes must be stretched over the winter months. Blue collar votes seemed to indicate interest in year-round employment opportunities.

It is interesting that a significant percentage of those over 45 years of age leaned more heavily towards the employment issue than younger participants. One deduction might be that as the individual gets older he has a more difficult time finding work. This is also the age that many women who have finished raising families attempt to enter the job market.

While education and employment were the major concerns state-wide, the social issues which received a lower percentage of votes should not be overlooked.

Here there is considerable value in comparing each issue region by region. (Tables #3 and #4.)

Health care and alcoholism programs were more important to inhabitants of the North and Southwest than in other regions. Alcoholism is viewed as a severe problem state-wide, but it seems to have more destructive impact on the smaller communities.

Throughout the State a slightly higher percentage of those under 25 years and those over 55 years tended to list alcoholism as their number-one priority. Alcohol abuse touches all ages. The very young may suffer with an alcoholic parent. The adolescent must cope with the widespread use of drugs and alcohol among peers. The elderly perhaps turn to alcohol to escape infirmities or loneliness.

Understandably, programs for the elderly were more popular the closer the participants were to the twilight of their years. A higher percentage of respondents in Southcentral and Copper River were concerned with this option. The degree of interest here was at the low end of the scale for the Southwest and the North. The old tend to be taken care of within the traditional family framework.

The care of children issue had a somewhat puzzling twist. In comparing this issue on the basis of age, it was found that a higher percentage of those over 55 voted for child care as their first option. One would imagine that people in the 25-30 years of age category, who would be the ones most likely to have small children, would have had a stronger voice here. That was not the case.

Finally, although housing was only favored by 5% of the total number of respondents state-wide, it was of great importance to the Gulf Coast. In that region, housing tied with employment (Table #4 ). Yet it was the option of least importance to the Copper River region.

# HUMAN NEEDS (Statewide Percentages and regional comparison)

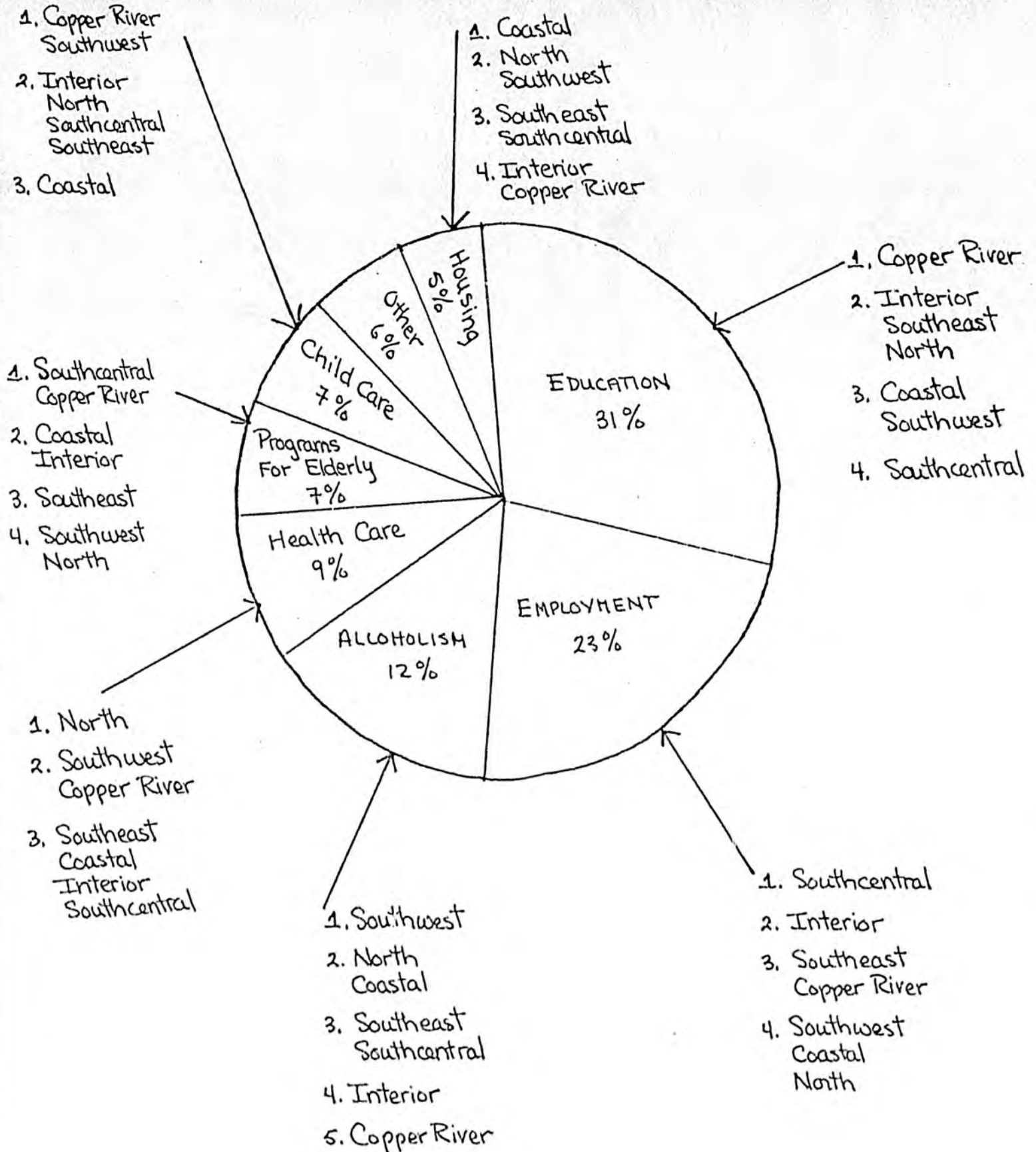


TABLE #4

HUMAN NEEDS QUESTION  
BY REGION  
(Percent Distributions)

|                      | Coastal | Copper R. | Interior | North | South<br>Central | South<br>East | South<br>West |
|----------------------|---------|-----------|----------|-------|------------------|---------------|---------------|
| Alcoholism           | 14%     | 7%        | 10%      | 14%   | 13%              | 13%           | 18%           |
| Care of Children     | 5%      | 11%       | 8%       | 7%    | 7%               | 7%            | 10%           |
| Education            | 32%     | 43%       | 38%      | 37%   | 29%              | 38%           | 31%           |
| Programs For Elderly | 8%      | 9%        | 8%       | 3%    | 9%               | 6%            | 3%            |
| Employment           | 16%     | 19%       | 24%      | 15%   | 28%              | 21%           | 17%           |
| Health Care          | 9%      | 10%       | 9%       | 14%   | 9%               | 9%            | 11%           |
| Housing              | 16%     | 1%        | 3%       | 10%   | 5%               | 6%            | 10%           |
|                      | 100%    | 100%      | 100%     | 100%  | 100%             | 100%          | 100%          |
| Total # respondents: | 164     | 140       | 708      | 123   | 1729             | 426           | 235           |

TABLE #5

# Employment Option Under Question Two (Percent Distributions)

## A. Employment by Occupation

|                                               | Prof-Tech. | White Collar | Blue Collar | Not In Labor Force |
|-----------------------------------------------|------------|--------------|-------------|--------------------|
| Employment                                    | 22%        | 32%          | 33%         | 25%                |
| All other first choice options for Question 2 | 78%        | 68%          | 67%         | 75%                |
|                                               | 100%       | 100%         | 100%        | 100%               |
| Total # respondents:                          | 979        | 602          | 651         | 596                |

## B. Employment By Length of Residence

|                                               | 3 Years or Less | 4 to 10 Years | More Than 10 Yrs. |
|-----------------------------------------------|-----------------|---------------|-------------------|
| Employment                                    | 21%             | 26%           | 30%               |
| All other first choice options for Question 2 | 79%             | 74%           | 70%               |
|                                               | 100%            | 100%          | 100%              |
| Total # Respondents:                          | 539             | 844           | 1644              |

## C. Employment By Age

|                                               | Under 25 | 25-34 | 35-44 | 45-54 | 55+ over |
|-----------------------------------------------|----------|-------|-------|-------|----------|
| Employment                                    | 19%      | 20%   | 26%   | 39%   | 34%      |
| All other first choice options for Question 2 | 81%      | 80%   | 74%   | 61%   | 66%      |
|                                               | 100%     | 100%  | 100%  | 100%  | 100%     |
| Total # Respondents:                          | 336      | 938   | 649   | 597   | 492      |

### Question 3

How should public school construction be financed in both organized and unorganized boroughs?

This issue did not arouse the interest, energy or controversial debates among participants that the other five topics seemed to kindle.

A third of the participants state-wide chose the status quo - meaning that they were content to continue with the present system of financing public school construction.

A region-by-region comparison, however, provides a couple of interesting insights. A far greater percentage of participants in the North than in any other region voted for a state income tax solution to the problem. A good portion of the North, as designated by the Public Forum, lies within the boundaries of the North Slope Borough. Thus, under the present system, that borough is responsible for supporting 50% of school construction. While participants favored local control, they wanted the school construction funds to come from outside their borough.

In Southcentral and Interior, which predominantly represent the opinions of the Anchorage and Fairbanks areas, a higher percentage of respondents wanted to see the instigation of local property taxes throughout the State. It is these two urban areas which probably carry the heaviest burden for financing school construction in rural Alaska. In addition, for these two regions, local funds seemed synonymous with local interest and control.

#### Question 4

What should be the objectives for managing Alaska's land?

Overwhelmingly, the demand was for "land to meet the people's needs". This translated as land for individual homesites. In addition, Public Forum participants wanted land for future hunting and fishing use, and parks and recreation areas.

The degree of interest in this option increased with the age of the respondent and also with his or her length of residency in the state. (Table 6b).

Copper River residents placed a greater degree of importance on this issue than those in other regions. (Table 6a). This may be viewed in light of the federal and native land withdrawals in the Copper River Valley. Communities there have little room for expansion.

Once again, renewable resources had staunch support statewide. Under the land issue, it was the second priority. The longer a respondent had lived in Alaska the greater was his or her concern for protecting the future of these resources. (Table 6b).

Interestingly, the Coastal region, while exceptionally strong in its support for renewable resource industries in Question #1, was much less adamant in advocating this option for the land question. Here Southeast took the lead. Since timber is the economic mainstay of the panhandle this was not a surprise. But it does point out that the Coastal region tended to equate renewable resources with fishing which is obviously perceived as not being dependent on the land.

\*\*For the sake of comparing all seven regions on this question, it was impossible to include the option "Preserve the Natural Environment" since it was added to the questionnaire following workshops in Southeast

and the North. However, compared on the basis of five regions, it received substantial support. Approximately one-fifth of the participants in Southwest, Southcentral, Coastal and Interior regions voted for this choice as their top priority.

THE TWO TOP CHOICES IN QUESTION #4  
COMPARED BY  
Region and Length of Residency  
(Percent Distributions)

A.

|                                                | Coastal | Copper R. | Interior | North | S. Central | Southeast | Southwest |
|------------------------------------------------|---------|-----------|----------|-------|------------|-----------|-----------|
| 1. Manage Lands to Meet People's Needs         | 44%     | 59%       | 43%      | 25%   | 38%        | 39%       | 40%       |
| 2. Manage Lands to Promote Renewable Resources | 28%     | 20%       | 26%      | 37%   | 27%        | 41%       | 23%       |
| All other options under Question 4             | 28%     | 21%       | 31%      | 38%   | 35%        | 20%       | 37%       |
|                                                | 100%    | 100%      | 100%     | 100%  | 100%       | 100%      | 100%      |
| Total # of participants                        | 166     | 135       | 725      | 122   | 1802       | 419       | 185       |

B.

| Length of Residency -                        | 3 Yrs. or Less | 4-10 Yrs. | More than 10 Yrs. |
|----------------------------------------------|----------------|-----------|-------------------|
| 1. Meet People's Needs                       | 34%            | 40%       | 42%               |
| 2. Renewable Resources                       | 24%            | 27%       | 30%               |
| All other options listed under Question 4... | 42%            | 67%       | 72%               |
|                                              | 100%           | 100%      | 100%              |
| Total # participants                         | 595            | 938       | 1900              |

## Question 5

### What should be the State's policy on future oil and gas lease sales?

The cautious, moderate approach to oil and gas leasing was by far the most popular.

Nearly 60% of Public Forum participants agreed that the State should sell leases at a constant pace to assure a steady flow of income.

Only a few were intrigued by the idea of quick sales and thus quick bucks. And there was no significant support for the state's current modus operandi.

While the preponderance of votes advised moderation, the "No further leasing" option provided an interesting and important difference. Eighteen per cent of respondents preferred that the state not sell any more leases.

There may be a correlation between the desire to place a moratorium on lease sales and potential OCS activities, such as tanker travel or impact on fishing areas. (Table 7)

The Gulf Coast was the strongest vote here, seconded by Southeast and Southwest. The high percentage of participants in the Interior (Fairbanks area predominantly) who voted for this option as first priority, reflects a cautious attitude towards future development.

Age, length of residency, and occupation also seemed to influence the way people voted.

A higher percentage of those under 35 years of age marked "don't sell" as their first priority for state policy on leasing. Ultimately it is the young who will have to live with any adverse impacts that oil and gas development causes.

Of all the occupational categories, blue collar workers were more leary of leasing. It is possible this may reflect the vote of fishermen who see real conflicts between the pursuit of their own livelihood and the course of the oil industry.

Finally, it was the newer residents of Alaska, those who had been here less than 10 years, who were more inclined to vote "don't sell".

Table # 7

OIL AND GAS LEASING SCHEDULE  
COMPARISON BY REGION  
(percent distributions)

|                          | Coastal | Copper R. | Interior | North | S. Central | Southeast | Southwest |
|--------------------------|---------|-----------|----------|-------|------------|-----------|-----------|
| SELL FAST                | 1%      | ---       | 1%       | 8%    | 2%         | 5%        | 6%        |
| SELL AT<br>CONSTANT RATE | 43%     | 100%      | 53%      | 51%   | 61%        | 60%       | 49%       |
| SELL WHEN<br>NEED \$     | 3%      | 10%       | 9%       | 14%   | 8%         | 7%        | 12%       |
| DON'T SELL               | 30%     | 11%       | 21%      | 13%   | 15%        | 23%       | 23%       |
| OTHER                    | 23%     | 19%       | 16%      | 14%   | 14%        | 5%        | 10%       |
|                          | 100%    | 100%      | 100%     | 100%  | 100%       | 100%      | 100%      |
| Total # Respondents      | 166     | 135       | 713      | 116   | 1774       | 488       | 185       |

## Question 6

### What is the best use of Alaska's royalty oil and gas?

Nearly half of the Public Forum participants felt that the state should provide in-state residential use of the royalty oil and gas.

It is noteworthy that in the regional comparison, Southeast and the North participants voted more highly for selling the royalties to make money than did other regions. Basically many in those regions felt that they wouldn't get the use of the oil or gas royalties in kind so they would rather make a profit from them.

Conversely, a higher percentage of residents in the Coastal region voted for in-state use of the oil and gas. Close to areas of oil exploration, they are most likely to reap the benefits.

Table #8

Use of Royalty Oil and Gas  
By Region  
(Percent Distributions)

| Royalty Oil + Gas           | Coastal | Copper R. | Interior | North | S. Central | Southeast | Southwest |
|-----------------------------|---------|-----------|----------|-------|------------|-----------|-----------|
| Sell for \$                 | 8%      | 8%        | 9%       | 26%   | 14%        | 37%       | 16%       |
| Sell<br>To Get Industry     | 11%     | 20%       | 19%      | 10%   | 24%        | 20%       | 20%       |
| Sell<br>For Residential Use | 69%     | 54%       | 51%      | 51%   | 42%        | 31%       | 55%       |
| Other                       | 12%     | 18%       | 21%      | 13%   | 20%        | 12%       | 9%        |
|                             | 100%    | 100%      | 100%     | 100%  | 100%       | 100%      | 100%      |
| Total # respondents         | 161     | 130       | 718      | 113   | 1765       | 462       | 179       |

## STATEWIDE ANALYSIS

### Demographic Characteristics

|                                 | <u>1970 Statewide<br/>Census Information</u> | <u>Alaska Public<br/>Forum Participants</u> |
|---------------------------------|----------------------------------------------|---------------------------------------------|
| <u>Age:</u>                     |                                              |                                             |
| Under 25                        | 32%                                          | 10%                                         |
| 25-34                           | 25%                                          | 30%                                         |
| 35-44                           | 19%                                          | 22%                                         |
| 45-54                           | 14%                                          | 20%                                         |
| 55 and over                     | 10%                                          | 18%                                         |
| <u>Sex:</u>                     |                                              |                                             |
| Female                          | 46%                                          | 32%                                         |
| Male                            | 54%                                          | 68%                                         |
| <u>Occupation:</u>              |                                              |                                             |
| Professional-Technical          | 11%                                          | 34%                                         |
| White Collar                    | 20%                                          | 22%                                         |
| Blue Collar                     | 25%                                          | 23%                                         |
| Not in the Civilian Labor Force | 44%                                          | 21%                                         |
| <u>Length of Residency:</u>     |                                              |                                             |
| 3 years or less                 | -                                            | 17%                                         |
| 4-10 years                      | -                                            | 27%                                         |
| over 10 years                   | -                                            | 56%                                         |

Total Number of Respondents: 3714

## STATEWIDE ANALYSIS

### Question 1A (Based on 5 regions)

How should the Permanent Fund money be invested?

|                             | <u>Statewide Analysis</u> | <u>Weighted Responses</u> |
|-----------------------------|---------------------------|---------------------------|
| Save                        | 26%                       | 26%                       |
| Loan to communities         | 14%                       | 15%                       |
| Loan to industry            | 10%                       | 11%                       |
| Loan to renewable resources | 36%                       | 35%                       |
| Loan to individuals         | 9%                        | 8%                        |
| Other                       | 5%                        | 5%                        |

Number of Responses: 3237

### Question 1B (Based on 5 regions)

How should the state use its new oil and gas money?

|                             |     |     |
|-----------------------------|-----|-----|
| Tax cuts                    | 30% | 31% |
| Cash Payments               | 6%  | 7%  |
| Community revenue sharing   | 12% | 12% |
| State services              | 5%  | 5%  |
| Save                        | 13% | 11% |
| Loan to communities         | 4%  | 4%  |
| Loan to industry            | 5%  | 5%  |
| Loan to renewable resources | 21% | 21% |
| Loan to individuals         | 3%  | 3%  |

Number of Respondents: 3187

### Question 2 (Based on all 7 regions)

What human needs do you think are most important?

|            |     |     |
|------------|-----|-----|
| Alcoholism | 12% | 11% |
| Child care | 7%  | 8%  |
| Education  | 31% | 30% |
| Elderly    | 7%  | 8%  |
| Employment | 23% | 23% |
| Health     | 9%  | 9%  |
| Housing    | 5%  | 5%  |
| Other      | 6%  | 6%  |

Number of Respondents: 3809

Question 3 (Based on all 7 regions)

How should school construction be financed...?

|              | Statewide<br>Analysis | Weighted<br>Responses |
|--------------|-----------------------|-----------------------|
| Income tax   | 15%                   | 15%                   |
| Sales tax    | 13%                   | 12%                   |
| Property tax | 18%                   | 17%                   |
| Status Quo   | 34%                   | 37%                   |
| Other        | 20%                   | 19%                   |

Number of Respondents: 3042

Question 4 (Based on all 7 regions)

What should be the primary objective for managing Alaska's land?

|                                |     |     |
|--------------------------------|-----|-----|
| Raise revenues                 | 8%  | 8%  |
| Provide land for people        | 47% | 44% |
| Promote renewable resources    | 33% | 31% |
| Promote industrial development | 10% | 9%  |
| Other                          | 2%  | 7%  |

Number of Respondents: 3042

Question 4 (Based on 5 regions)

What should be the primary objective for managing Alaska's land?

|                                |     |                                                   |
|--------------------------------|-----|---------------------------------------------------|
| Raise revenues                 | 6%  | (Question 4 was<br>not weighted a<br>second time) |
| Provide land for people        | 38% |                                                   |
| Promote renewable resources    | 25% |                                                   |
| Promote industrial development | 8%  |                                                   |
| * Preserve natural environment | 19% |                                                   |
| Other                          | 4%  |                                                   |

Number of Respondents: 3217

Question 5 (Based on all 7 regions)

What should be the state's policy on future oil and gas lease sales?

|                       |     |     |
|-----------------------|-----|-----|
| Sell leases fast      | 2%  | 2%  |
| Sell at constant rate | 58% | 60% |
| Sell when need \$     | 8%  | 9%  |
| No further leasing    | 18% | 18% |
| Other                 | 14% | 11% |

Number of Respondents: 3618

Question 6 (Based on all 7 regions)

Statewide  
Analysis

Weighted  
Responses

What is the best use of Alaska's  
royalty oil and gas?

Sell for money

16%

17%

Promote industrial development

21%

21%

Residential use

45%

46%

Other

18%

16%

Number of Responses: 3569

STATEWIDE ANALYSIS \*

Meeting vs. Mail-In  
(Percent Distributions)

| <u>Total # Respondents</u>                                              | <u>Meeting</u> | <u>Mail-In</u> |
|-------------------------------------------------------------------------|----------------|----------------|
| 3088                                                                    | 872            | 2216           |
| <u>Age</u>                                                              |                |                |
| Under 25                                                                | 14%            | 8%             |
| 25-34                                                                   | 31%            | 31%            |
| 35-44                                                                   | 21%            | 22%            |
| 45-54                                                                   | 19%            | 21%            |
| 55 and over                                                             | 15%            | 18%            |
|                                                                         | <u>100%</u>    | <u>100%</u>    |
| Number of Respondents                                                   | 784            | 2125           |
| <u>Sex</u>                                                              |                |                |
| Male                                                                    | 59%✓           | 71%✓           |
| Female                                                                  | 41%✓           | 29%            |
|                                                                         | <u>100%</u>    | <u>100%</u>    |
| Number of Respondents                                                   | 792            | 2146           |
| <u>Occupation</u>                                                       |                |                |
| Prof.-Tech.                                                             | 38%            | 34%            |
| White Collar                                                            | 21%            | 21%            |
| Blue Collar                                                             | 19%            | 24%            |
| Not in Labor Force                                                      | 22%            | 21%            |
|                                                                         | <u>100%</u>    | <u>100%</u>    |
| Number of Respondents                                                   | 741            | 1989           |
| <u>Length of Residence</u>                                              |                |                |
| 3 years or less                                                         | 17%            | 17%            |
| 4-10 years                                                              | 28%            | 28%            |
| More than 10 years                                                      | 55%            | 55%            |
|                                                                         | <u>100%</u>    | <u>100%</u>    |
| Number of Respondents                                                   | 788            | 2142           |
| <u>Question 1A How should the Permanent<br/>Fund money be invested?</u> |                |                |
| Save                                                                    | 26%            | 27%            |
| Loan to communities                                                     | 16%            | 14%            |
| Loan to industry                                                        | 10%            | 12%            |
| Loan to renewable resources                                             | 39%            | 37%            |
| Loan to individuals                                                     | 9%             | 10%            |
|                                                                         | <u>100%</u>    | <u>100%</u>    |
| Number of Respondents                                                   | 941            | 2152           |

|                                                                                                  | <u>Meeting</u> | <u>Mail-In</u> |
|--------------------------------------------------------------------------------------------------|----------------|----------------|
| <u>Question 1B How should the state use its</u><br><u>new oil and gas money?</u>                 |                |                |
| Tax Cuts                                                                                         | 18%            | 35%            |
| Cash payments                                                                                    | 4%             | 7%             |
| Community revenue sharing                                                                        | 16%            | 11%            |
| State services                                                                                   | 6%             | 5%             |
| Save                                                                                             | 17%            | 11%            |
| Loan to communities                                                                              | 6%             | 3%             |
| Loan to industry                                                                                 | 4%             | 5%             |
| Loan to renewable resources                                                                      | 25%            | 20%            |
| Loan to individuals                                                                              | 4%             | 3%             |
|                                                                                                  | <u>100%</u>    | <u>100%</u>    |
| Number of Respondents                                                                            | 822            | 2121           |
| <u>Question 2 What human needs do you think</u><br><u>are most important?</u>                    |                |                |
| Alcoholism                                                                                       | 14%            | 12%            |
| Child care                                                                                       | 6%             | 7%             |
| Education                                                                                        | 39%            | 29%            |
| Elderly                                                                                          | 6%             | 10%            |
| Employment                                                                                       | 18%            | 29%            |
| Health                                                                                           | 11%            | 8%             |
| Housing                                                                                          | 6%             | 5%             |
|                                                                                                  | <u>100%</u>    | <u>100%</u>    |
| Number of Respondents                                                                            | 884            | 2136           |
| <u>Question 3 How should school construction</u><br><u>be financed...?</u>                       |                |                |
| Income tax                                                                                       | 11%            | 13%            |
| Sales tax                                                                                        | 11%            | 14%            |
| Property tax                                                                                     | 18%            | 19%            |
| Status Quo                                                                                       | 26%            | 37%            |
| Other                                                                                            | 34%            | 17%            |
|                                                                                                  | <u>100%</u>    | <u>100%</u>    |
| Number of Respondents                                                                            | 807            | 2165           |
| <u>Question 4 What should be the primary objective</u><br><u>for managing Alaska's land?</u>     |                |                |
| Raise revenues                                                                                   | 5%             | 7%             |
| Meet people's needs                                                                              | 39%            | 40%            |
| Promote renewable resources                                                                      | 29%            | 24%            |
| Promote industry                                                                                 | 7%             | 9%             |
| Preserve nature                                                                                  | 20%            | 20%            |
|                                                                                                  | <u>100%</u>    | <u>100%</u>    |
| Number of Respondents                                                                            | 882            | 2193           |
| <u>Question 5 What should be the state's policy</u><br><u>on future oil and gas lease sales?</u> |                |                |
| Sell fast                                                                                        | 2%             | 2%             |
| Sell at constant rate                                                                            | 49%            | 60%            |
| Sell when need \$                                                                                | 5%             | 10%            |
| Don't sell                                                                                       | 18%            | 18%            |
| Other                                                                                            | 26%            | 10%            |
|                                                                                                  | <u>100%</u>    | <u>100%</u>    |

|                                                                                   | <u>Meeting</u> | <u>Mail-In</u> |
|-----------------------------------------------------------------------------------|----------------|----------------|
| Question 5 cont.                                                                  |                |                |
| Number of Respondents                                                             | 830            | 2183           |
| Question 6 <u>What is the best use of Alaska's</u><br><u>royalty oil and gas?</u> |                |                |
| Sell for money                                                                    | 13%            | 12%            |
| Sell to get industry                                                              | 18%            | 24%            |
| Residential use                                                                   | 39%            | 50%            |
| Other                                                                             | 30%            | 14%            |
|                                                                                   | <u>100%</u>    | <u>100%</u>    |
| Number of Respondents                                                             | 816            | 2185           |

\* Due to changes in the questionnaire, the Meeting vs. Mail-in Analysis could be tabulated only from responses in five regions (Gulf Coast, Copper River, Southwest, Southcentral and Interior) as opposed to all seven regions.

# Alaska State Legislature

SPECIAL COMMITTEE ON  
THE ALASKA PERMANENT FUND

(907) 276-3433

528 W. 5TH, SUITE 270  
ANCHORAGE, AK. 99501

[POUCH V, JUNEAU, AK. 99811]  
(907) 465-3873



## MEMBERS

REP. CLARK GRUENING, CHMN.  
REP. TERRY GARDINER, V. CHMN.  
REP. E. J. HAUGEN  
REP. RUSS MEEKINS  
REP. BILL MILES  
REP. LEO SCHAEFFER  
REP. RICK URION

## House of Representatives

September 26, 1977

The Honorable Bill Miles  
528 West Fifth  
Anchorage, AK 99501

Dear Bill:

Attached is a copy of the Alaska Public Forum's schedule. The Chairman has instructed me to tell you that the Committee will pay travel and per diem for any out of town meetings you will attend. For planning purposes, it would be greatly appreciated if you would notify this office of your plans to attend forum meetings.

Sincerely,

*Mike*

Mike Doogan  
Administrative Assistant

MD:LAD

Attachment

*Mike -  
Will probably  
move out. 22  
Dec. 3 meetings, if I  
have my documents and if  
necessary.  
Bill Miles*

| <u>DAY</u> | <u>DATE</u> | <u>LOCATION</u>       |           |
|------------|-------------|-----------------------|-----------|
| Mon/Tues   | Oct. 3/4    | Dillingham - Togiak   | Evening   |
| Wed        | Oct. 5      | Wainwright            | Evening   |
| Wed/Thurs  | Oct. 12/13  | Kotzebue - Noorvik    | Evening   |
| Sat        | Oct. 22     | Anchorage             | Day       |
| Wed/Fri    | Oct. 26/28  | Nunapitchuk - Emmonak | Evening   |
| Sat        | Nov. 5      | Fairbanks             | Day       |
| *Tues      | Nov. 8      | Chalkyitsik           | Evening   |
| Wed        | Nov. 9      | Kenai                 | Evening   |
| Fri        | Nov. 11     | AFN Convention        | Afternoon |
| Thurs      | Nov. 17     | Galena                | Evening   |
| *Sat       | Nov. 19     | Copper Center         | Day       |
| Tues       | Nov. 29     | Cordova               | Evening   |
| Wed        | Nov. 30     | Hoonah                | Evening   |
| Sat        | Dec. 3      | Ketchikan             | Evening   |

\*Absolute need for GPC

*Sheldon*

# Alaska State Legislature

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REP. BILL MILES  
REP. LEO SCHAEFFER  
REP. RICK URION

## House of Representatives

*Sent to all  
Committee members*

September 26, 1977

The Honorable Rick Urion  
4222 Pinnacle Circle  
Anchorage, AK 99504

Dear Rick:

Attached is a copy of the Alaska Public Forum's schedule. The Chairman has instructed me to tell you that the Committee will pay travel and per diem for any out of town meetings you will attend. For planning purposes, it would be greatly appreciated if you would notify this office of your plans to attend forum meetings.

Sincerely,

*Mike*

Mike Doogan  
Administrative Assistant

MD:LAD

Attachment

# Alaska State Legislature

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REP. E. J. HAUGEN  
REP. RUSS MEEKINS  
REP. BILL MILES  
REP. LEO SCHAEFFER  
REP. RICK URION

## House of Representatives

August 8, 1977

*to all committee members*

Dear

Committee members, working with representatives of the Alaska Public Forum, have drafted the enclosed questions on the Permanent Fund. The questions are intended for use by the Forum during its program of public meetings and information gathering.

I would appreciate any comments on or changes in these questions that you may have before these questions are made final and included in the Forum's questionnaire.

Sincerely,

Mike Doogan  
Administrative Assistant

Enclosure

## PERMANENT FUND GOALS QUESTION

In order to refine last year's Public Forum results regarding the use of Permanent Fund money, please indicate the area you would like to see emphasized for investment of part of the Permanent Fund.

1. Inside the state:

- A. Fisheries
- B. Alternative energy development
  - \_\_\_\_\_ large scale (industrial)
  - \_\_\_\_\_ small scale (residential)
- C. Agriculture
- D. Mineral extraction
- E. Tourism
- F. Timber
- G. Other industry

2. Outside the state

Now that you have indicated your preferred area, please tell us why you chose this area.

- 1. It would create more jobs.
- 2. It would give me an opportunity to make more money.
- 3. It would give the state the best return to be used to help pay for the operation of government.
- 4. It would not encourage more people to come to Alaska.
- 5. It would not harm the environment.
- 6. It would increase the availability of Alaska resources for in-state use.
- 7. It would promote more Alaskan ownership and control of business.
- 8. It would not encourage government to compete with business.
- 9. Other \_\_\_\_\_.

## PERMANENT FUND CONTROL QUESTION

In order to assist the legislature in creating a Permanent Fund structure responsive to your wishes, please indicate the Permanent Fund organization you prefer. For this question you should know the policy board would set broad guidelines for investment of Permanent Fund money but would not make specific investment decisions.

1. A board appointed by the governor and serving at his pleasure.
2. A board appointed by the governor for a specified length of service.
3. A board appointed by the governor and confirmed by the legislature.
4. A board chosen from various segments of the political spectrum (an example would be two members from the administration, two from the legislature, three from the general public).
5. A board directly elected by the public.
6. Other \_\_\_\_\_.

Now that you have indicated your preference, please tell us why you chose it.

1. I trust the governor to choose wisely.
2. I trust the legislature to choose wisely.
3. I trust the governor and legislature working together to choose wisely.
4. I want broad representation.
5. I think direct representation of political interests is good.
6. I want maximum opportunity to choose the board.
7. I want the board insulated from politics.
8. Other \_\_\_\_\_.

August 24, 1977

Barry Quinn  
Director  
Alaska Public Forum  
429 D  
Anchorage, AK 99501

Dear Mr. Quinn:;

Enclosed please find a copy of the Committee's revised schedule.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mike".

Mike Doogan  
Administrative Assistant

Enclosure

| <u>DAY</u> | <u>DATE</u> | <u>LOCATION</u>       |           |
|------------|-------------|-----------------------|-----------|
| Mon/Tues   | Oct. 3/4    | Dillingham - Togiak   | Evening   |
| Wed        | Oct. 5      | Wainwright            | Evening   |
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| Sat        | Dec. 3      | Ketchikan             | Evening   |

\*Absolute need for GPC

8/10/60

## Financial Management Questions

The Alaska State government is a several hundred million dollar enterprise, charged with the provision of a wide range of goods and services to the public. The goods and services provided Alaskans must be paid for from the State Treasury -- the repository of public funds. When an individual purchases a good or service from a private business, the cost and payment is direct and is reflected in the price of the purchase. The individual can look at the price of the good and see whether or not it is worth the expenditure and act accordingly. On the other hand, payment for government products is less direct, although quite as real and the benefits are less easily measured. Government operations are paid for through a combination of tax revenues, user fees, federal receipts and monies from the sale of State owned resources such as land or oil. Some State revenues are one-time receipts (for example, the \$900 million lease sale) while others are yearly collections from a continuing tax base (for example, corporate or personal income).

There is concern that our mineral sale revenues have, since statehood, been financing an increasing proportion of ongoing State expenditures. At present, approximately 60% of the ongoing operations are paid for with non-recurring revenues. Since oil and gas deposits are finite, this source of money is ultimately limited. The State is presently deliberating how to move from a dependence on this single unreplenishable source of funding to sources based on continuing State economic activity, without substantially reducing services, disrupting the growth of the Alaskan economy, or saddling the populace with a large tax burden.

Although substantial oil revenue seems assured for at least ten years (with possible interruptions such as pump station failures), how will we pay for government when revenue from mineral sources ultimately declines?

On the expenditure side, suggestions abound as to activities the State should undertake and services the State should provide, i.e. ways for the State to spend. As the population increases and costs rise, upward pressures are exerted against expenditure ceilings as attempts are made to maintain the current service levels. Further, as time passes there seem to be rising expectations of government and demands for ever higher levels of service. Examples of projects now pending may help clarify the dilemma being faced. Alcoholism and alcohol abuse are serious problems in Alaska. Many feel

that State involvement in the related areas of rehabilitation, education, medical care, and law enforcement should be expanded to deal with the impact of alcohol. But, if these programs are to be expanded, how are they to be paid for? There are several possibilities: spending in other areas could be reduced; general taxes could be increased; taxes specific to alcohol could be increased (user fees); or oil wealth could be used (i.e., increases made in the proportion of non-recurring revenues expended). The potential opening of the Haul Road is a similar case. If the road is opened, the State will incur substantial annual maintenance and related costs. Who should pay these costs? Should road maintenance be reduced elsewhere? Other programs reduced? User fees instituted? General taxes raised? Or oil wealth tapped? These are the types of difficult tradeoffs which must be analyzed. The attached graph shows the State's expenditure pattern since statehood. Though the rate of growth has significantly slowed, the upward pressures are still apparent.

Finding the appropriate balance between State spending and the financing of that spending is the question of financial management. It is Legislature and the Governor, with public advice, who decide on the level of expenditures. If spending is to be held down, certain activities now undertaken by State government will need to be reduced. The questions below seek to determine your preferences regarding State expenditures and how they are financed.

1. At present approximately 60% of State expenditures are financed with oil wealth -- non-recurring revenues such as money from bonus payments, lease sales, and royalties. Since Alaska's mineral resources are finite, this source of funds is limited. How you feel regarding the financing of ongoing State operations with oil wealth as long as we have it?

- ☐ a) This is an appropriate use of oil wealth and the percentage should be increased as needed.
- ☐ b) This is an appropriate use of oil wealth and the percentage should be held constant at about 60%.
- ☐ c) This is a appropriate use of oil wealth, but the percentage should be reduced over time.
- ☐ d) This is not an appropriate use of the oil wealth, and the percentage should be reduced.
- ☐ e) Other \_\_\_\_\_

What are the reasons for your belief? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Since State expenditures will continue when revenues from these non-recurring sources decline, alternative ways of paying for State goods and services will need to be devised. How would you rank the following methods of paying for State expenditures in the future when the currently used major source (oil wealth) is no longer available?

- \_\_\_\_\_ a) Through general taxex raised as necessary to cover expenditures.
- \_\_\_\_\_ b) Through the accumlation of oil revenues in interest earning investments and the use of the earnings from these investments to cover expenditures.
- \_\_\_\_\_ c) Through user fees for State goods and services (license fees, campground permits, gas tax, etc.).
- \_\_\_\_\_ d) Through the subsidization of only those industries which will increase tax receipts to a greater extent than they ill increase State costs.
- \_\_\_\_\_ e) Let future residents worry about paying for State expenditures when oil revenues decline.
- \_\_\_\_\_ f) Other \_\_\_\_\_  
\_\_\_\_\_