

780

SCRA

HB

932

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HB

932

COMMITTEE REPORT

SENATE

4/30/80

FURTHER: Finance

Given Sen Socy 5-21-80

Date: 5-20-80

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had CSHB 932(Finance)

creating the office of rural development, and the Rural Development Council

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s) same title
- replace with CS for _____ new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Bob Mulcahy

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Tom Kelly - No Pass

Tom Kelly
CHAIRMAN

Committee Log Book - 1980

Tape Number XXX

SENATE C/RA // Chairman Sturgulewski

Side Number 1

Committee

Present: Senators Kelly, Stimson, Mulcahy

Dates 5/20/80 to ---

Absent: Senator Rodey

Bill Numbers Discussed

HCR 67	CSHB 932								
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Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2:15 5/20/80	000	HCR 67	Chrmn Sturgulewski opened meeting.
		039	Sen. Kelly moved to pass out. / No objection.
	050	CSHB 932	Chrmn. Sturgulewski gave summary of bill.
	113		Sen. Mulcahy moved to adopt SCS / No Objections
			Additional amendments were discussed - and
			Sen. Mulcahy moved to adopt amendments
	190		Gordon Stockdale, AA to Rep. Duncan, Bill Sponsor
	265		Chrmn Sturgulewski/ Concern 44.19.226 (Staff)
	309		Sen. Kelly moved to delete 44.19.226
	320		Sen. Stimson - questions
	353		Sen. Stimson/ Kelly - sunset questions
	467		Sen. Stimson moved that amendment clearly showing repeal be made. No objections.
	513		Sen. Stimson - Questions: Council size, term length, etc.
	590		Sen. Stimson moved to pass SCS CSHB 932 with w/ individual recommendations. No objections.
	625	Next Mtg	Meeting with HUD Washington D.C. officials
	645	INTERIM WORK	Brief Discussion/ Summary

678 MEETING ADJOURNED



Official Business


Alaska State Legislature

Senate
Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

May 19, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson

FROM: Arliss Sturgulewski 
Chairman

SUBJECT: Committee Meeting, Capitol Building, Butrovich Room

Tuesday, May 20, 1980 - 1:30 p.m.

HCR 67 - Relating to the Inuit Circumpolar Conference

SCS CSHB 932 - An Act creating the office of rural development, and the Rural Development Council; and providing for an effective date.

Committee Log Book - 1980

Tape Number XXIX

SENATE C/RA // Chrmn Sturgulewski

Side Number 1 & 2

Committee

Dates 5/13/80 to ----

PRESENT: All members (Rodey late.)
Senators Rodey, Stimson, Mulcahy, & Kelly

Bill Numbers Discussed

CSHB 932	SB 546	NEW RES.							
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*1st part of
TAPES did not
take!*

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
5/13/80 1:30	005	CSHB 932	Chrmn Sturgulewski/ cancelled hearing CSHB 932
	048	RES	" "/ introduces new resolution "White House Conference on Families
	079		Sen. Kelly objects
	085		Sen. Mulcahy has no objection to committee introduction, but might not favor concept.
	089		Sen. Stimson supports introduction
	097		Chrmn Sturgulewski will have introduced by the Committee by request.
	120	SB 546	Chrmn Sturgulewski
	156		Lee Sharp, City/Borough Attorney of Juneau "CS"
	250		Dennis Dooley, DOT-PF / few Adminis. concerns
			Jim Rhodes, AA to Rep. Malone // formula outline
	540		Sen. Kelly asks Rep. Malone's position.
	632		Sen. Rodey
	636		Margo Waring, AA to Chrmn. Sturgulewski
	729		Chrmn Sturgulewski/ impact on areas forming reg'l government?
	748		Sen. Kelly / Various questions
	812		Jim Rhodes
	850		Sen. Rodey moved to pass w/ individ. rec. Chrmn. Sturgulewski to pass/ Sen. Kelly objects



Official Business

Alaska State Legislature

Senate
Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

May 12, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson

FROM: *(Signature)* Arliss Sturgulewski
Chairman

SUBJECT: Committee Meeting, Capitol Building, Butrovich Room

Tuesday, May 13, 1980 - 1:30 p.m.

SB 546 - State aid for local capital projects/ Establishing Capital Foundation Fund

Cancelled CSHB 932 - An act creating the office of rural development, and the Rural Development Council; and providing for an effective date.

Senate Resolution for introduction - Relating to participation by the state in the White House Conference on Families.

Senate

Sen. Shurgulevski
" Mulcahy

House

Rep. Parker
" Carney
" Zharoff
" Braxson
" Metcalfe

1:30

Rep. Anderson - Dist. 16 - rural Alaska
Fish, Oil, - Economy
Native Land Claims

Metcalfe - rural rep.

testified earlier mtg. - govern. upon upon Coyer

Rep Anderson - does not duplicate govern.

St. has not dup'd effort - to address considerations
effort for St.

Metcalfe - supports concept - doesn't want government
duplication

Ans. Roger Lang - Pres. of Native Fed'n -

Supports bill, concept plan

2 inquiries - 2 economic systems need cash
" to survive

W of studies - feasibility etc.

P2. P.2 - st. off. Why even consider there
Commerce not?

P4 - 44.14.211 vague understanding - what does
appropriate mean?
Plan 3

Recomm report from Gov. or Gov?

Annar - Hardy - Ec Dev. Div. Kenai Pen.

Definition of rural needs to be clarified -

~~President's proposal~~

Bob Peterson - Kodiak Econ. Devol. Plan

discuss. of "Native Cases" in villages in Committee

Committee fully supports Bill -

- concerns
- 1) lack of representation from Commerce
 - 2) no provision for Fed. gov. - local, up. gov. creative decided by legislative

see any need for such app etc.
Urge strong support policy strat line 24 p1
very ^{ST 296} needed

? Metcalfe - Fbx Town Vill Assoc

Feel they should have Reptatn in this legis?
ans - area have rept^{ent} over another area of
representatn

major
issues

Johnson } supposedly H. Est. in light
intent bill - is necessary

Shugruewski

Carney - St. Nicholas structure things

Kelchue Albert Adams Pres. Village Encl of 10/3/68

Place population criteria in small Comm
only be policy encl

Lasilla

Blair
Byran - rep. Village of Houston
Rural Village or consists of

Andy Coon - Jim & Sir Skinghtt Haida Encl Encl days
likes bill - very good for it. endorse
H13 932

Agency rept over whom rural represent

Encl must have authority to recommend

Appts of At. Notaries to be consid. - Native Corps

Fbx. ~~Samuel~~ Samuel Doyon Hb Bul Mbr

H. Est. St. Ltd Report p. 31

Ans - Phil Smith - Ex his Rural (affairs)

Sect 1, too open? Rural Dec. Meaning?

Need for economic policy maximize capital/private
investments

SUMMARY

- w / s c s changes

Rural Development
(office of)

HOUSE BILL NO. 932, by the Rules Committee by request of the Legislative Budget and Audit Committee. Establishes the Office of Rural Development in the Governor's Office and the Rural Development Council as the policy council for the office. Council consists of the Lt. Governor, a member of each house appointed by the presiding officer of that house, four state officers appointed by the Governor, the Dir. of Policy Development and Planning, six members from the private sector appointed by the Governor. States the purpose of the Act is "... to create a governmental structure that will function as the advocate of rural economic issues and rural community issues concerning development within the state, federal, and local governments, and in the private sectors, and which will assist rural people and institutions in laying the foundations of a healthy rural private economic base." Office is required to submit a comprehensive activity report to the Legislature before January 15 of each year. Provides Act effective immediately.

Introduced March 4 and referred to Community & Regional Affairs and Finance.

May 20, 1980

TO: Billy Berrier, Director
Division of Legal Services

FROM: Twyla Hartsock, Administrative Assistant
Senate C/RA Committee

SUBJECT: SCS CSHB 932

The Senate C/RA Committee this date passed "Senate Committee Substitute" version (WO 7871-Berrier) out with the following additional amendments:

pg. 1 - line 6 - title: delete "the office of rural development, and"

pg. 2 - line 14: delete "Office of" and add "Council" following "development."

pg. 5 - lines 18-20: delete sec. 44.19.226.

pg. 5 - line 23: delete "and the office"

pg. 5 - line 27: add "Executive" between "the" and "director"; delete "of the office" and add "the" between "of" and "rural"

pg. 5 - line 28: add "Council" following "Development"

pg. 6 - lines 1 & 2: state more clearly this section will be repealed.

Would you please incorporate the above changes and return the final "SCS" jacketed version as soon as possible. When it is received, the bill will be immediately forwarded to the Senate Secretary's Office for transmittal to the next referral, the Senate Finance Committee.

- Rural Affairs Comm - 44.19.720 Inactive
- Rural Development Agency - Under Title 44 - Repealed
with Establishment of Dept CRA

Original sponsor: Rules/Legislative Budget
and Audit Committee

Offered: 4/17/80
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 932 (Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An act creating the office of rural development, and
7 the Rural Development Council; and providing for an
8 effective date."

9

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA

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* Section 1. FINDINGS; POLICY, PURPOSE. (a) The legislature finds that

11

there is a public interest in the development of a healthy private economic
12 base in rural Alaska, that the rural areas of the state and the many small
13 communities of the state have been in economic crisis for decades, and that
14 in many rural communities a private economic base has ceased to exist which
15 conditions endanger the economic, social, and cultural well-being of the
16 state's rural citizens and the healthy growth and balance of the state's
17 entire economy. The legislature further finds that while many opportunities
18 for economic growth may be available to rural areas, the problems of the
19 state's rural areas are many and complex, spreading beyond the confines or
20 authority of any one program, any one government, or any one policymaker and
21 therefore requiring a special initiative on the part of all concerned par-
22 ties.

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(b) It is the policy of the legislature that

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(1) villages and small communities should have access to economic

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development opportunities;

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(2) there is a special commitment to the development of a private

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economic base for villages and small communities;

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(3) the state should use its resources and financial strength to

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encourage the development of a healthy, self-sustaining rural economy;

1 (4) the state has the primary policy responsibility to act and to
2 catalyze commitment among many interests, including the state, federal govern-
3 ment, local governments, and the private sector to promote a private economy
4 in rural areas;

5 (5) the advocacy of a private economy compatible with preservation
6 of the subsistence economy should be ^{Among} the highest priorities ^{ies} of state policy.

7 (c) It is the purpose of this Act to create a governmental structure
8 that will function as an advocate of rural areas and small communities pre-
9 senting development issues before state, federal, and local governments, and
10 in the private sectors, and which will assist rural people and institutions
11 in laying the foundations of a healthy rural private economic base.

12 * Sec. 2. AS 44.19 is amended by adding new sections to read:

13 ARTICLE 3C. OFFICE OF RURAL DEVELOPMENT.

14 Sec. 44.19.191. OFFICE OF RURAL DEVELOPMENT. There is established
15 in the Office of the Governor the office of rural development. The
16 director of the office is appointed by the governor and serves at his
17 pleasure. The governor may consult with the council concerning the
18 appointment or discharge of the director.

19 Sec. 44.19.201. COUNCIL ESTABLISHED. (a) There is established
20 the Rural Development Council as the policy council for the office of
21 rural development. The council consists of

22 (1) the lieutenant governor;

23 (2) a member of each house of the legislature appointed by
24 the presiding officer of that house;

25 (3) the commissioners of the departments of transportation
26 and public facilities, commerce and economic development, and community
27 and regional affairs, and the director of the division of policy de-
28 velopment and planning;

29 (4) six representatives of the private sector appointed by

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ADD OFFICE OF SUPERIOR

the governor who are residents of the rural area or small communities;

(5) the Alaska state director of the Farmers Home Administration of the United States Department of Agriculture and a designated representative of the Region X Rural Development Task Force who are ex officio members of the council and may attend and participate in all meetings of the council but may not vote.

(b) The members of the council appointed by the governor serve at the pleasure of the governor.

(c) The lieutenant governor is chairman of the council ~~and~~ and one of the legislative members shall be elected by the council as legislative co-chairman.]

(d) Members of the council serve without compensation but are entitled to per diem and travel expenses provided by law for members of boards and commissions.

Sec. 44.19.211. PURPOSE OF THE COUNCIL. The purpose of the council is to provide policy ^{Recommendation} [direction] to the ^{Chairman who will} office and to assist the office in the performance of the duties of the office. The [council] shall assist in coordinating the economic development activities of all departments and agencies of government so that the need for those activities and the impact of those activities on small communities and rural areas is considered and assist in coordinating the activities of departments and agencies of government which have field responsibilities in the rural areas to the extent that those activities relate to economic development. The ^{Chairman - May} [council] shall also assist the office in its advocacy function.

Sec. 44.19.216. MEETINGS. The council shall meet at the call of the chairman ^{delete} [or legislative co-chairman] at the request of a majority of the members, and at least four times a year at a regularly scheduled time as determined by the members. The council may convene meetings of

heads of agencies or departments which are concerned with rural matters or economic development if the council determines a meeting to be useful.

Sec. 44.19.221. POWERS AND DUTIES OF THE OFFICE. The office shall

(1) act as advocate for the development of an economic base which is compatible with preservation of the subsistence economy in rural Alaska, for community development and for public services which will enhance the opportunity for growth of an economic base ^{Small communities and} in rural Alaska, and for other matters and programs useful to development of the private economy in rural Alaska;

(2) coordinate projects relating to economic development among departments and agencies;

(3) act as advocate for rural development programs which are not within the jurisdiction of a specific department or agency;

(4) act as advocate for appropriate technology development and the advancement of entrepreneurial opportunities;

(5) encourage and assist in the creation and use of regional development enterprises.

Sec. 44.19.226. STAFF. ^{DE/FE} Within budget and appropriation limits, the director may hire staff and determine their compensation. Except for making inquiries, neither the council nor an individual member of the council may give orders to the staff on administrative matters.

Sec. 44.19.231. REPORTS. Before January 15 of each year the office shall submit to the legislature a comprehensive report describing the activities of the council and the office for the preceding year.

Sec. 44.19.236. DEFINITIONS. In AS 44.19.191 - 44.19.236

(1) "council" means the Rural Development Council;

(2) "director" means the director of the office of rural development;

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(3) "office" means the office of rural development.

* Sec. 3. AS 44.66.010(a) is amended by adding a new paragraph to read:

(8) office of rural development and Rural Development Council
(AS 44.19.191 - 44.19.236) -- June 30, 1987.

* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
070(c).

Bealer

Original sponsor: Rules/Legislative Budget
and Audit Committee

Offered: 4/17/80
Referred: Rules

Version Request ①

IN THE HOUSE

BY THE FINANCE COMMITTEE

SCS FOR CS FOR HOUSE BILL NO. 932 (Community and Regional Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An act creating the Rural Development Council; and providing for an effective date."

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

* Section 1. FINDINGS; POLICY, PURPOSE. (a) The legislature finds that there is a public interest in the development of a healthy private economic base in rural Alaska, that the rural areas of the state and the many small communities of the state have been in economic crisis for decades, and that in many rural communities a private economic base has ceased to exist which conditions endanger the economic, social, and cultural well-being of the state's rural citizens and the healthy growth and balance of the state's entire economy. The legislature further finds that while many opportunities for economic growth may be available to rural areas, the problems of the state's rural areas are many and complex, spreading beyond the confines or authority of any one program, any one government, or any one policymaker and therefore requiring a special initiative on the part of all concerned parties.

(b) It is the policy of the legislature that

- (1) villages and small communities should have access to economic development opportunities;
- (2) there is a special commitment to the development of a private economic base for villages and small communities;
- (3) the state should ^{use} its resources and financial strength to encourage the development of a healthy, self-sustaining rural economy;

(4) the state has the primary policy responsibility to act and to catalyze commitment among many interests, including the state, federal government, local governments, and the private sector to promote a private economy in rural areas;

(5) the advocacy of a private economy compatible with preservation of the subsistence economy should be ^{DIRE OF} the highest priority ^{ies} of state policy.

(c) It is the purpose of this Act to create a governmental structure that will function as an advocate of rural areas and small communities presenting development issues before state, federal and local governments, and in the private sectors, and which will assist rural people and institutions in laying the foundations of a healthy rural private economic base.

* Sec. 2. AS 44.19 is amended by adding new sections to read:

Sec. 44.19.201. COUNCIL ESTABLISHED. (a) There is established in the Office of the Governor the Rural Development Council. The chairman of the Council is appointed by the Governor and serves at his pleasure.

(1) The Council shall be located in the Office of the Governor.

The council consists of

- 22 (1) *THE GOVERNOR'S DESIGNATED CHAIRMAN;*
- 23 (2) a member of each house of the legislature appointed by
- 24 the presiding officer of that house;
- 25 (3) the commissioners of the departments of transportation
- 26 and public facilities, commerce and economic development, and community
- 27 and regional affairs, and the director of the division of policy de-
- 28 velopment and planning;
- 29 (4) six representatives of the private sector appointed by
- 1 the governor who are residents of the rural area or small communities;
- 2 (5) the Alaska state director of the Farmers Home Administra-
- 3 tion of the United States Department of Agriculture and a designated
- 4 *AKSD, AK. DEPT. OF INTERIOR REP.* representative of the Region X Rural Development Task Force who are ex
- 5 officio members of the council and may attend and participate in all
- 6 meetings of the council but may not vote.
- 7 (b) The members of the council appointed by the governor serve at
- 8 the pleasure of the governor.

^{State &} representatives from federal agencies, local governments, or other groups, and interested individuals to participate as deemed appropriate by the council.

(3) Compensation. The members of the Council who are not state or federal government representatives are entitled to receive reimbursement for travel expenses and per diem incurred on Council business in accordance with AS 39.20.180.

(4) Officers. There shall be officers of the Council as follows:

(a) A chairman;

The chairman may designate a vice-chairman who may preside in the chairman's absence.

(b) An executive director will be provided from the Office of the Governor.

Sec. 44.19.211. PURPOSE OF THE COUNCIL. The purpose of the Council is to provide policy ^{RECOMMENDATION} to the governor and the legislature. The ^{CHAIRMAN} shall assist in ^{THE DIRECTOR} coordinating the economic development activities of all departments and agencies of government so that the need for those activities and the impact of those activities on small communities and rural areas is considered and assist and coordinating the activities of departments and agencies of government which have field responsibilities in the rural areas to the extent that those activities relate to economic development. The ^{CHAIRMAN} shall also assist the governor in his advocacy function.

Sec. 44.19.216. MEETINGS. The Council shall meet at the call of the governor, the chairman, at the request of a majority of the members, and at least four times a year at a regularly scheduled time as determined by the members. The Council may convene meetings of heads of agencies or departments which are concerned with rural matters or economic development if the Council determines a meeting to be useful.

Sec. 44.19.221. POWERS AND DUTIES OF THE COUNCIL. The Council shall

(1) investigate and assess rural conditions;

(2) act as advocate for the development of an economic base which is compatible with preservation of the subsistence economy in rural Alaska, for community development and for public services which will enhance the opportunity for growth of an economic base ^{SPECIAL COMMITTEES} in rural Alaska, and for other matters and programs useful to development of the private economy in rural Alaska;

(3) develop and recommend to the governor and the legislature rural development goals and policies;

(4) recommend to the governor and the legislature activities, programs, projects or strategies which will stimulate rural development in Alaska in accordance with adopted state rural development policies;

(5) recommend to the governor and the legislature the most effective uses of available federal funds to implement the priorities itemized in (4) above;

(6) assist in the interagency and intergovernmental coordination of ^{ECONOMIC} development issues, ^{REPORTS} activities, in Alaska;

(7) submit to the governor, within one year of the effective date of this order and on a yearly basis thereafter, a report containing a summary of the Council's activities regarding the duties under (1), (3), and (4) of this section and making recommendations as to future rural development activities;

(8) act as advocate for rural development programs which are not within the jurisdiction of a specific department or agency;

(9) act as advocate for appropriate technology development and the advancement of entrepreneurial opportunities;

(10) encourage and assist in the creation and use of regional development enterprises.

The Council in complying with (4) in Sec. 44.19.221 may:

(1) identify opportunities for joint investment strategies;

(2) facilitate rural development efforts approved by the governor by

(a) identifying interagency or intergovernmental procedural obstacles and providing assistance to such efforts in meeting legal requirements.

(b) coordinating technical and financial assistance efforts.

(c) offering its services as a mediator on specific conflicts arising in rural development issues.

Sec. 44.19.228. STAFF. Except for making inquiries, neither the Council nor an individual member of the Council may give orders to the staff on administrative matters.

Sec. 44.19.231. REPORTS. Before January 15 of each year, the Council shall submit to the legislature a comprehensive report describing the activities of the Council for the preceding year.

Sec. 44.19.236. DEFINITIONS. In AS 44.19.191 - 44.19.236

(1) "council" means the Rural Development Council;

(2) "director" means the director of the Rural Development Council.

• Sec. 3. AS 44.66.010(a) is amended by adding a new paragraph to read:

(3) Rural Development Council (AS 44.19.191 - 44.19.236) -- June 30, 1987.

• Sec. 4. This Act takes effect immediately in accordance with AS 01.10.070(c).

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HB 932 and Senate CS for CS for HB 932
 Title An Act creating the Rural Development Council, etc.
 Requested by Jim Duncan, Chmn., Budget & Audit Comm. Date _____

II. FISCAL DETAIL
 Agency Affected Office of the Governor
 Program Category Affected Rural Development Council
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		106.1				
200 TRAVEL		29.5				
300 CONTRACTUAL		15.0				
400 COMMODITIES		2.0				
500 EQUIPMENT		6.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		158.6				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3.0				
PART TIME		36.0				
TEMPORARY						

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

Personal Services:

Executive Director, Range 24	\$48,792
Clerk Typist, Range 7	15,324
Secretary, Range 12	20,772
Total Salaries	\$84,888
Add 25% Benefits	21,222
Total Personal Services	\$106,110

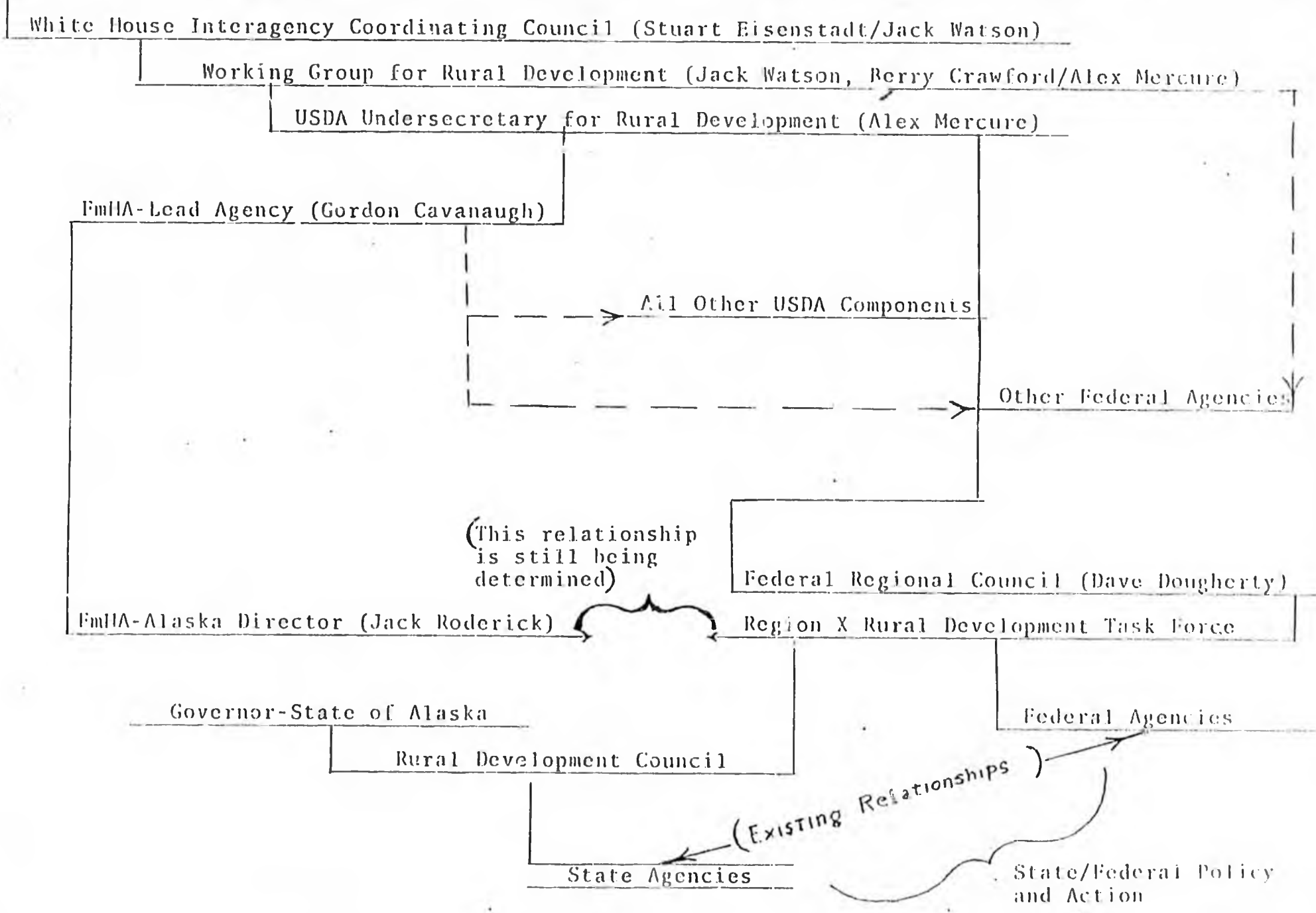
<u>Travel:</u> 13 members x 6 meetings @\$250 =	19,500
staff travel	10,000
Total travel	\$ 29,500

<u>Contractual:</u> Phone, postage, etc., \$5,000;	
space, \$10,000	\$ 15,000

IV. DATE 4-14-80 PREPARED BY Milt Barker
 AGENCY Legislative Finance
 PHONE 465-3795

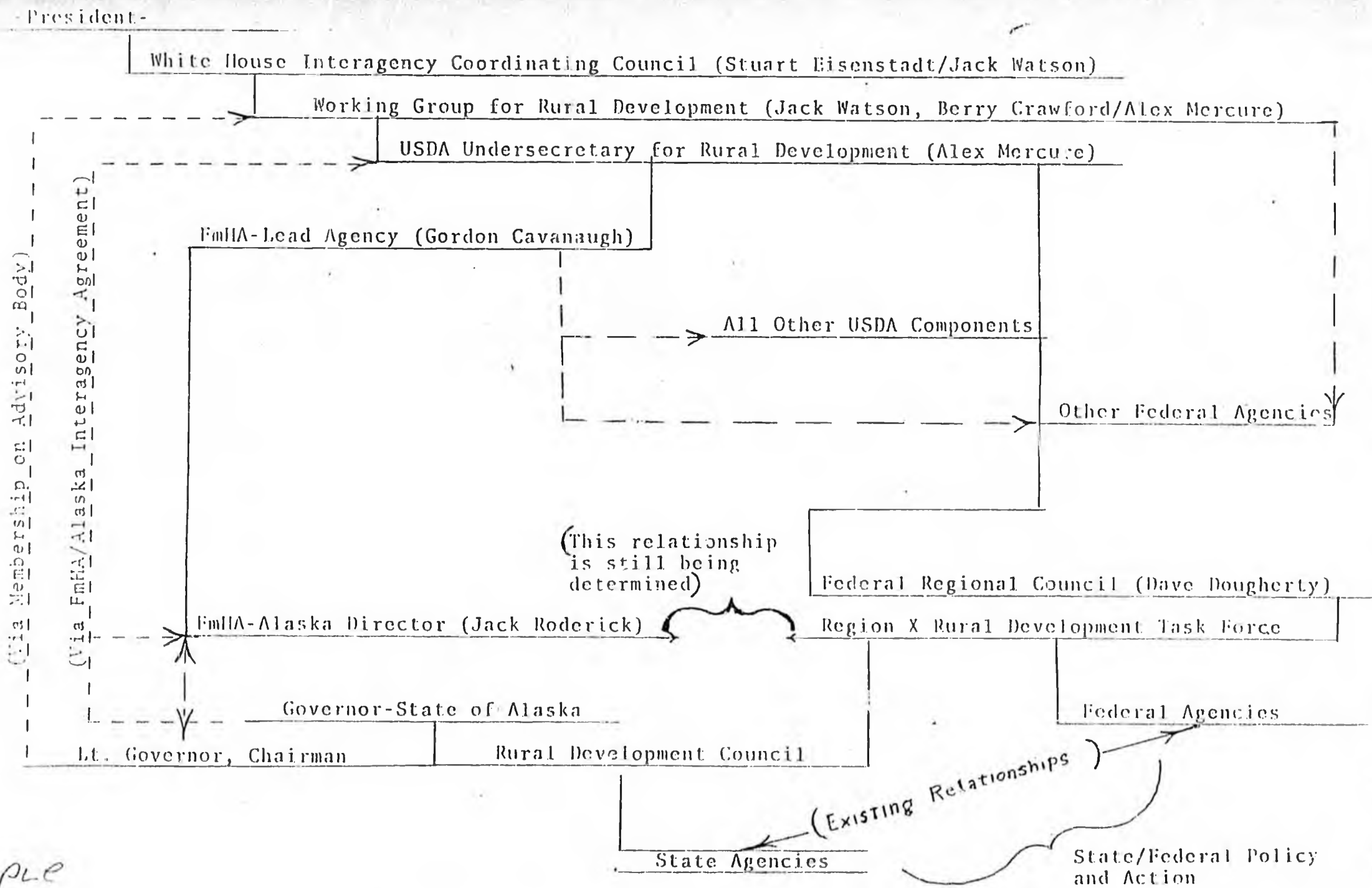
Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

-President-



(This relationship is still being determined)

Example #1



Example #2

QUESTIONS & ANSWERS RE. HB 932

Q. Does this bill establish another agency to do what existing agencies should be doing now?

A. (1) The purpose of the office is to provide a focus of state agency activities and state investments for the purpose of finding our maximum leverage position with federal spending and private capital investment strategies.

There is no encroachment on the specific program duties of any existing agency.

(2) The office created is not an agency, it has no powers to receive and expend program monies, and the office and council are subject to sunset review.

(3) There is a need to begin reconciling the many disparate positions and interests representing Alaska's traditional and emerging economic aspirations. A consensus must be achieved among the many divergent positions that presently compete, to the detriment of all parties and the whole state in particular. Such a consensus, however limited it may be at the beginning, will allow the state to develop policies that may be vigorously pursued.

Q. Why should the legislature establish this office and council by statute?

A. (1) This bill describes Alaska's specific response to the president's invitation to participate in his New Rural Policy. By establishing the council in statute the legislature will be strongly supporting the Governor while creating a body through legislative intent that is capable of getting things done.

(2) The Governor's Office has indicated they would have established this council by executive order anyway - this bill considerably enhances the state consensus represented by the council in matters of Alaska/Federal economic policy.

Q. Would this legislation be of benefit to urban areas in Alaska?

A. To the extent that our urban economies are service oriented, which is considerable, those economies are dependent on the health and growth of the state's resource based economy. The future of this economy is largely in rural Alaska, hence rural development is also urban development.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 932

Title an Act creating the Office of Rural Development, etc

Requested by Jim Duncan, Chmn., Budget & Audit Committee Date _____

II. FISCAL DETAIL

Agency Affected Office of the Governor

Program Category Affected Office of Rural Development

BRU, Program, or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		106.1				
200 TRAVEL		29.5				
300 CONTRACTUAL		15.0				
400 COMMODITIES		2.0				
500 EQUIPMENT		6.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND		158.6				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3.0				
PART TIME		36.0				
TEMPORARY						

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

Personal Services:

Executive Director, Range 24	\$48,792
Clerk Typist, Range 7	15,324
Secretary, Range 12	20,772
Total Salaries	\$84,888
Add 25% Benefits	21,222
Total Personal Services	\$106,110

Travel: 13 members x 6 meetings @\$250 =	19,500
Staff travel	10,000
Total travel	\$ 29,500

Contractual: Phone, postage, etc., \$5,000; space, \$10,000	\$ 15,000
--	-----------

IV. DATE 4-14-80

PREPARED BY Milt Barker

AGENCY Legislative Finance

PHONE 465-3795

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

465-2601

POUCH 0 - JUNEAU 99811

May 13, 1980

The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

It is my understanding that the Senate Community and Regional Affairs Committee is currently considering HB 932, the Rural Development Act. Your staff has asked me to provide the Committee with a list of functions of the Department of Environmental Conservation for the Committee's use in determining appropriate representation of State agencies on the Rural Development Council. That list follows:

1. Funding construction of water and sewer facilities under the federal and State water and sewer bond programs and the Village Safe Water program. Under legislation already passed by the Committee, solid waste facilities would be grant eligible. We also certify and assist in the training of water and wastewater system operators.
2. Review of plans for surveillance of air emission sources, sewerage systems including on-lot sewage disposal (subdivision review), drinking water supplies and solid waste disposal facilities.
3. Oil and hazardous waste spill prevention and cleanup. This fiscal year the department will develop a model contingency plan for small communities for oil spill protection.
4. Certification of dredge and fill activities and other activities resulting in discharge into navigable waters for compliance with State water quality standards. Under the Federal Clean Water Act, a designated State agency must provide the certification of activities requiring permits from the Corps of Engineers, Environmental Protection Agency, Coast Guard (bridges), and Federal Energy Regulatory Commission (dams).
5. Membership on the Coastal Policy Council.

The Honorable Arliss Sturgulewski

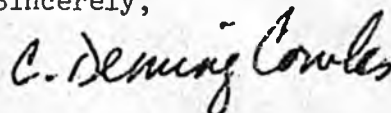
-2-

May 13, 1980

6. Analysis of various water related environmental problems, with proposed solutions, such as waste oil generation and disposal, and sewage disposal.

If I can be of any further assistance in this matter, please advise.

Sincerely,



C. Deming Cowles
Deputy Commissioner



CENTRAL COUNCIL
Tlingit and haida Indians of Alaska
One Sealaska Plaza - Suite 200
Juneau, Alaska 99801
(907) 586-1432 or 586-3613

TESTIMONY OF ANDREW W. EBONA

on

HOUSE BILL 932, "AN ACT CREATING THE OFFICE
OF RURAL DEVELOPMENT, AND THE RURAL COUNCIL:
AND PROVIDING FOR AN EFFECTIVE DATE."

(Presented at the Joint House and
Senate Community & Regional Affairs
Committee Teleconference on March
28, 1980.)

MADAME CHAIRMAN, MR. CHAIRMAN, HONORABLE SENATE AND HOUSE COMMITTEE MEMBERS, LADIES AND GENTLEMEN. I AM ANDREW W. EBONA, EXECUTIVE DIRECTOR OF THE CENTRAL COUNCIL OF THE TLINGIT & HAIDA INDIANS OF ALASKA. FOR THOSE OF YOU WHO ARE NOT AWARE, THE TLINGIT AND HAIDA CENTRAL COUNCIL IS THE CONGRESSIONALLY-RECOGNIZED GENERAL GOVERNING BODY FOR OVER 16,000 TLINGIT AND HAIDA INDIANS IN SOUTHEAST ALASKA. A MAJORITY OF THOSE CONSTITUENTS RESIDE IN RURAL ALASKA, WHICH MAKES HOUSE BILL 932 EXTREMELY IMPORTANT TO US.

ALLOW ME TO FURTHER QUALIFY OUR TESTIMONY. THE CENTRAL COUNCIL HAS TWO BASIC DEPARTMENTS ... THE DEPARTMENT OF COMMUNITY SERVICES AND THE DEPARTMENT OF HUMAN SERVICES. BOTH WORK DIRECTLY WITH OUR NINETEEN (19) COMMUNITIES IN DELIVERING SERVICES. AS A RESULT OF INPUT FROM THOSE COMMUNITIES, WE FEEL THAT WE CAN STATE POSITIVELY THAT WE HAVE EXTENSIVE WORKING KNOWLEDGE OF THE RURAL AREA. AS A MATTER OF INFORMATION, WE HAVE ALSO PARTICIPATED WITH VARIOUS OTHER REGIONAL NATIVE NON-PROFITS AND STATE/FEDERAL AGENCY REPRESENTATIVES ON A TASK FORCE FOR RURAL DEVELOPMENT. THIS TASK FORCE HAS BEEN IN EXISTENCE FOR THREE YEARS AND HAS BEEN ATTEMPT-

Testimony of Andrew W. Ebona
RE: HB932
Page 2

ING TO COORDINATE THEIR EFFORTS IN DELIVERING SERVICES TO THE RURAL COMMUNITIES AS THE RURAL DEVELOPMENT COUNCIL WOULD HOPE TO DO. THE RECOMMENDATIONS AND SUPPORT THAT WE ADVANCE HERE ARE OFFERED IN THE HOPE THAT THE STATE WILL BE ABLE TO UTILIZE AND LEARN FROM OUR EXPERIENCES.

HB 932, "AN ACT CREATING THE OFFICE OF RURAL DEVELOPMENT, AND THE RURAL DEVELOPMENT COUNCIL", PRESENTS A CONCEPT WHICH WE WHOLEHEARTEDLY ENDORSE. WE ARE ALL AWARE THAT ONE OF THE CONDITIONS, WHICH GENERATES OR RELATES DIRECTLY TO MANY OF THE RURAL ALASKA PROBLEMS, IS THE LACK OF AN ECONOMIC BASE IN THE RURAL AREAS. THIS PIECE OF LEGISLATION WAS DEVELOPED IN RECOGNITION OF THIS AND THEREFORE EARNS OUR SUPPORT.

THOSE PROVISIONS WHICH PROVIDE FOR COUNCIL APPOINTMENT ATTEMPT TO SET UP A MECHANISM WHICH WOULD PROVIDE FOR COORDINATION OF EFFORT IN ALL ACTIVITIES DIRECTED TOWARDS THE RURAL COMMUNITIES. THIS IS INDEED LAUDABLE CONSIDERING THE FACT THAT EFFORTS IN THE PAST HAVE BEEN MADE ON AN AGENCY-BY-AGENCY, PIECEMEAL BASIS. WE ARE, HOWEVER, CONCERNED THAT AGENCY REPRESENTATION WOULD OVERWHELM RURAL REPRESENTATION. A WAY TO AVOID THIS WOULD BE TO PLACE THE STATE DEPARTMENT REPRESENTATIVES ON THE RURAL DEVELOPMENT COUNCIL IN AN EX-OFFICIO CAPACITY. WE WOULD ALSO HOPE THAT THE STATE DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT WOULD BE INCLUDED ON THE LIST OF RELATED DEPARTMENTS, SINCE IT IS RURAL DEVELOPMENT THAT IS BEING ADDRESSED.

TO DATE THERE HAS BEEN NO FORMAL STATE POLICY CONCERNING RURAL DEVELOPMENT. THE POLICY OF THE LEGISLATURE AS OUTLINED ON PAGE ONE OF THE BILL WOULD BE ACCEPTABLE AS THE GOALS AND OBJECTIVES OF THE COUNCIL. WE RECOMMEND THAT ONE OF THE RESPONSIBILITIES AND OUTCOMES OF THE COUNCIL

Testimony of Andrew W. Ebona
RE: HB 932
Page 3

WOULD BE THE DEVELOPMENT OF SPECIFIC POLICIES THE STATE COULD AND WOULD UTILIZE IN COORDINATING RURAL DEVELOPMENT. THIS MEANS THAT THE COUNCIL MUST HAVE SOME SORT OF AUTHORITY TO RECOMMEND STATE POLICY AND TO ASSURE THAT IT IS FOLLOWED.

OTHER CONSIDERATIONS THAT MUST BE TAKEN ARE THE MAKE-UP OF THE COMMUNITIES THAT COMPRISE RURAL ALASKA. THE BULK OF THOSE COMMUNITIES ARE MADE UP OF ALASKA NATIVES. WE URGE THAT THIS BE TAKEN INTO CONSIDERATION WHEN APPOINTMENTS ARE BEING MADE. THE STATE MUST ALSO RECOGNIZE THE ROLES AND THE RESULTING IMPACT THE REGIONAL AND LOCAL PROFIT AND NON-PROFIT NATIVE CORPORATIONS HAVE IN THE RURAL COMMUNITIES. THEY ALSO SHOULD BE REPRESENTED ON THE RURAL DEVELOPMENT COUNCIL.

WITH THE INCLUSION OF THESE RECOMMENDATIONS IN HOUSE BILL 932 THE CENTRAL COUNCIL GOES ON RECORD IN TOTAL SUPPORT OF AN OFFICE OF RURAL DEVELOPMENT AND A RURAL DEVELOPMENT COUNCIL.

Andrew W. Ebona, Executive Director
Central Council of the Tlingit &
Haida Indian Tribes of Alaska
One Sealaska Plaza, Suite 200
Juneau, Alaska 99801
(907) 586-1432

Jay Barton
President

UNIVERSITY OF ALASKA

FAIRBANKS ALASKA 99701

May 5, 1980

Dear Senator Sturgulewski and Committee Members:

CSHB932, creating an office of rural development and a Rural Development Council, has been referred to Senate Community and Regional Affairs Committee after having passed on the House floor.

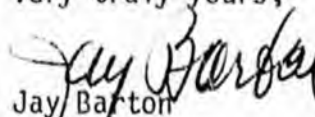
The original HB932 proposed a sixteen voting-member Council. CSHB932 deleted "two members appointed by the Governor who are engaged in private enterprise which has significant rural involvement" and "the director of cooperative extension service of the University of Alaska" (p. 3, HB932). The director of cooperative extension may not have been the most appropriate representative, however, I would suggest that the University of Alaska's massive data collection on rural Alaska, would make University representation a valuable asset to the Council.

The Agricultural Experiment Station, the Institute of Social and Economic Research, the Mineral Industry Research Laboratory and the Arctic Environmental Information and Data Center, to name a few, have all worked extensively and accumulated a wealth of information on rural Alaska. Incidentally, the State Legislature created three of the above named institutes and mandated the fourth. They and other research institutes are described in the 1978-79 Research Annual Report which was sent to you in early February.

As a land grant institution, the University of Alaska is attempting to respond to the needs of the people of the State. University membership on the Rural Development Council would serve the mutual purpose of keeping the University informed of the changing needs and priorities of rural Alaska while bringing University resources to bear in the deliberations of the Council.

I recommend that a provision be incorporated into CSHB932 which would add to the council a representative of the University of Alaska research institutes, to be appointed by the President of the University. Whether or not a University representative is added, I would encourage the research institutes to cooperate with the office of rural development and the Rural Development Council whenever possible. I believe that University membership on the Council would expedite communication and cooperation.

Very truly yours,


Jay Barton
President

JB:ca

Senator Arliss Sturgulewski, Chairperson
Senate Community and Regional Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811



March 24, 1980

The Honorable William K. Parker
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Bill,

With reference to HB932, an alternative creating the Governors Office of Rural Development and the Rural Development Council, I would like to offer the following comments:

- 1) The creation of the Governors Office of Rural Development is the most direct method for meeting the states responsibility to recognize the "special relationship" which exists between the state govenment and rural Alaskans. A possible alternative may be the creation of rural desks within state departments. However; cost constraints make this opiton less attractive.
- 2) The existing Rural Development Council is capable of providing necessary policy direction and other duties as proposed. Also, the current composition and leadership are dedicated to the orderly and meaningful development of rural Alaska. In addition to most state departments, the current membership includes representation from major nonprofit corporations and federal agencies with significant operating programs in rural Alaska.

If you have any questions or comments please call.

Sincerely,

COMMUNITY ENTERPRISE DEVELOPMENT
CORPORATION OF ALASKA

JEFF HIATT 
Special Projects Manager

JH:kra

CEDC

Community Enterprise Development Corporation of Alaska
1011 E. Tudor Road, Suite 210/Anchorage, Alaska 99503. 907-279-4551



COOPERATIVE EXTENSION SERVICE

UNIVERSITY OF ALASKA
FAIRBANKS ALASKA 99701

May 2, 1980

Senator Arliss Sturgulewski
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Arliss:

I have reviewed the committee substitute for House Bill 932, which I understand passed the House recently and is referred to your committee. An earlier version included the Director of Cooperative Extension as a member. The version which I understand passed dated 4/18/80 does not.

As you know, the Director of Cooperative Extension serves as continuing Executive Secretary of the Alaska Rural Development Council. That role has provided continuity for the Council since its inception in 1971. I believe that the record of the Council has been very positive in promoting communication, a public forum, and coordination of state, federal, local government, and private agency coordination.

The legislation as proposed in #932 appears to move another step in addressing coordination in the developing of policy and programs as it relates to rural Alaska.

Retaining the Director of Extension as a member of the Council proposed originally in #932 would provide an important linkage between the two structures, which although have similar interests would very likely address their role at a different pace. It would also provide a linkage with outreach programs of the University that have as a principle mission educational support oriented towards development of rural Alaska.

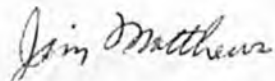
I hope that consideration can be given to that concern as the Senate addresses their interest in the legislation. The Executive Secretary of the Alaska Rural Development Council is a member of the Board of Directors of the Council.

Attached for your information is a copy of the Council's brochure, currently being updated, and a copy of letterhead that reflects the scope of involvement in the Alaska Rural Development Council.

Senator Arliss Sturgulewski
May 2, 1980
Page 2

Thanks for your consideration in this matter, which I understand is now being considered by your committee.

Sincerely,



James W. Matthews
Director

JWM/ml

Attachments

cc: Senator John Sackett
Senator Jalmar Kerttula
Senator Glenn Hackney
Senator George Hohman
Marvin Meier - USFS & Chairman of the Alaska Rural
Development Council



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

January 21, 1980

SUBJECT: Special Assignment on Alaska

TO: Alex P. Mercure
Assistant Secretary
for Rural Development

I met first with the staff director of the Seattle FRC in Seattle. In Juneau, I met with both administrative and legislative staff as arranged by Governor Hammond's assistant, Bob Palmer. I spent considerable time with Secretary's Representative Fisher, FmHA State Director Roderick, Alaska Federation of Natives President Morrie Thompson (former head of BIA), the small farms and conservation districts committees, and many other citizens, legislators, and natives. Opinions expressed to me were amazingly consistent on the following issues:

- o Political labels are quite unimportant. Support for an organized approach to rural development has bipartisan support in the legislature and between the legislature and the governor. There seems to be wide support for Lt. Governor Terry Miller as the next governor.
- o Development needs are well defined and understood as you heard when you were there last June.
- o The State has incredible developmental resources at its disposal through the oil revenues--yet there is universal concern that only the other guy's needs will be met and not everyone's, and that the revenues will be used to meet short-run exigencies rather than to build a viable economy that can sustain itself after the oil revenues cease.
- o The State must develop a self-sustaining economy--and, in particular, a viable agriculture economy--in order to avoid continuous boom and bust cycles.
- o The main problems are seen as the inflexibility of federal programs, in program managers who cannot respond to the unique needs and opportunities of the State, and the lack of coordination among federal programs and the management of them.

A less widely recognized problem soon became clear: the main problem is not the lack of federal flexibility as much as it is a lack of political consensus in the State. As the President's Policy on Small Community and Rural Development emphasizes, rural development programs of all levels of government come together at the State, not the national level. Effective coordination of policy and activities must, therefore, be under strong leadership within states. Alaska has the resources but has not had the political will to forge a consensus on the use of the resources. Until a consensus is developed, assumption of leadership for rural development involves great risk.

Evidence of the lack of consensus is in the ^umyriads of task forces, committees, subcommittees, conferences, hearings, and on and on that exist in the state to bring the right people together and to coordinate their efforts--and to avoid having to make the hard choices. The numbers of them and the frequency of their meetings is mind-boggling in a state with less than half a million population spread over such great area. The problems and opportunities have been studied, debated, discussed, and reported on almost beyond comprehension. Yet, there exists nothing to bring them together into a coherent whole. Recommendations abound, but no one has yet been able to devise the tradeoffs necessary to subordinate goals and priorities.

Recently, however, several things have fallen into place:

- o Governor Hammond has asked Secretary Bergland to work with him to create a state/federal partnership for rural development.
- o The staff of Representative Jim Duncan, Chairman of the House Budget and Audit Committee, has just about completed a study and recommendations of desirable relationships for coordinated development among state agencies, and a framework to work out others.
- o The President's policy provides the vehicle necessary to get federal agencies organized and working with each other and with state and local officials at the federal and the state levels.

With the exception of one issue, the Alaska Railroad (discussed below), the federal government should not attempt to assume the state's burden by setting up a study or a series of task-oriented task forces. The problems have been studied to death. What is needed is full federal support for the state's assumption of the role of convening the important actors to begin to set priorities. Once the priorities have been set, the federal government, with the state, can pursue activities--or further studies if necessary--to meet the priorities.

If the Governor is willing to designate a Rural Development Council in accord with the President's invitation, and if he is willing to put it under the leadership of someone with recognized status (the Lt. Governor, for example), federal agencies will be willing to participate as per their orders from the Working Group on Small Community and Rural Development. Thus, the structure for state policy-setting plus inter-governmental coordination of policy and implementing actions would be in place.

Life could be breathed into such a structure, and political consensus boosted, by a highly visible state/federal memorandum of agreement to make it all work. USDA, through the Seattle FRC Rural Development Task Force, should take the lead role in preparing and implementing the agreement. (The study being prepared for Representative Duncan's Committee recommends that USDA (FmHA) take the lead among federal agencies. Both the Department and Secretary Bergland are popular in Alaska.) A highly visible agreement and effort to develop a joint investment strategy are very important because of the huge federal presence in Alaska and the universal distrust of the dominant federal partner--the Department of the Interior.

funding

An agreement could specify the course to be followed to reach initial consensus on overall goals and priorities. So that all federal agencies would have reason to actively participate, the agreement could even specify task forces and lead agency responsibility to perform the background work necessary to set priorities. The agreement could provide funding for staff to the Governor's Council: EDA 304 funds could be used as well as FmHA 111 funds. Other agencies, especially Interior, could be encouraged to contribute.

It would take some very high quality staff work to help forge the consensus and leadership that are necessary. Someone will have to be brought into the state at a high salary. This and the high travel costs will make the staff support quite expensive.

RECOMMENDATIONS:

- o The Board of Directors of the Council of State Community Affairs Agencies (COSCAA) is meeting in Juneau early in July. This will get some very high-powered state officials into Alaska, e.g., Hank Huckaby, Community Affairs Commissioner in Georgia; and Paula Herzmark, Executive Director of the Department of Local Affairs in Colorado. If we will cover their additional per diem and travel expenses, they will conduct training seminars and dialogues with appropriate state and local officials.
- o I understand that Jack Watson and Berry Crawford will be going to Alaska after they attend the USDA Workshop to be held in Spokane, March 17-20. Jack Watson could announce that he and you have directed the newly formed Region X FRC Rural Development Task Force to begin at once to negotiate a memorandum of agreement for a state/federal rural development partnership.
- o As a broader than FmHA/State agreement, it could be signed by Jack Watson and you or, perhaps, by the Secretary. A special show of concern and commitment by the Secretary could go far to smooth over the ill feelings for the President that derive from the popular animosity toward Interior and the land settlement issue.

- o If the ceremony took place while the COSCAA group was there, the agreement could be credited for the assistance they would be there to provide--and it would impress them too.
- o As you know, the Alaska Railroad is crucial to the development of large-scale agriculture in the Delta area near Fairbanks. There is a lot of controversy over freight rates--the RR wants to charge the barley project full costs for returning the empty train, making the price of the barley noncompetitive. I recommend that a task force to address this issue be set up soon. Berry Crawford has a special interest in it. With your direction, I could work with him and Bob Palmer to get something going right away.

NOTES:

- o The Alaska natives control most of the state's developable private land and venture capital. State officials and the public recognize this and seem to be very eager and quite willing to give the natives a prominent role in the state's development.
- o On the other hand, at a legislative hearing on discrimination, I heard a lot of testimony that the pipeline and drilling companies discriminate against minorities and women.
- o The development of a bottom fishing industry is of special concern to the White House. EDA has funded an infrastructure development planning project to develop a plan that could coordinate and guide investments of public funds by federal agencies, the state, municipal governments, and port districts in support of fisheries development and related community growth. No doubt, a lot can be learned from this project on how to go about creating a joint investment strategy in Alaska.
- o A study to inventory all of the task forces, committees, etc., involving federal agencies is underway under the aegis of the Seattle FRC.

CRAIG BIGLER

T
File #B932

CITY OF AKIACHAK

AKIACHAK CITY COUNCIL
AKIACHAK, ALASKA 99551
(907) 543-2001

Senator Arliss Sturgul^{us}ky
Alaska State Senate
Pouch V
Juneau, Alaska -99811-

Dear Senator Sturgul^{us}ky:

I would like to extend my thank you on behalf of A.V.C.P., Employment & Training, and other City Administrators who participated on the Government outreach Program.

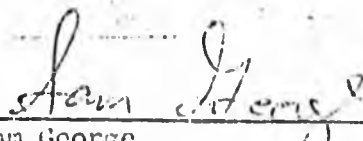
I really appreciate your concern for formation of Rural Development Office and formation of Rural Development Council. Your effort as a chairman for Senate Community and Regional Affairs Committee will have positive economic impacts to rural Alaska Communities.

I have drafted a resolution supporting H.B. 932 to be adopted by Akiachak City Council. Your effort to establish healthy economic base will benefit the whole community as well as other villages.

Your support to allow more Revenues to be allocated to rural Alaska will help municipal governments to establish healthier economic base.

Thank you for your effort.

Sincerely,



Sam George
City Administrator

CC/ Theresa Peoples
Local Government & Training
Coordinator

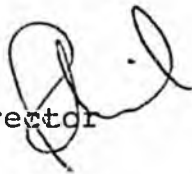
John Angalak
Director.

Rural Alaska Community Action Program, Inc.

*T has
this will be
coming me from
House*

TO: DISTRIBUTION

DATE: April 1, 1980

FROM: Phil Smith, Executive Director 

SUBJECT: Attached (testimony on HB 932)

Attached, for your information and comment, is a copy of the testimony I prepared and delivered last Friday before the Joint House/Senate CRA Committees on HB 932.

In essence, it is a good Bill and sorely needed to meet the problems and issues it identifies. My only problem is that it doesn't seem to go far enough to serve as an instrument to truly force the Administration to develop appropriate rural Development policies for Alaska.

I would be interested in your comments and observations. Clearly, the time has come to push this issue.

Thanks for your help.

cc: Rep. Bill Parker
Sen. Arliss Sturgelewski
Rep. Jim Duncan
Bob Knoll, Mauneluk Assn.
Bob Peterson, KANA
Charles Johnson, Kawerak
Roger Lang, ANF
Janie Leask, AFN
Jeff Hiatt, CEDC
Don Argetsinger, Governor's Office
Jim Fisher, USDA
Ms. Lare, DCRA/RDA

Rural Alaska
Community Action Program, Inc.

TESTIMONY OF
PHIL SMITH, EXECUTIVE DIRECTOR
RURAL ALASKA COMMUNITY ACTION PROGRAM, INC.

BEFORE
JOINT HOUSE/SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES

HB 932

MARCH 28, 1980

LADIES AND GENTLEMEN OF THE JOINT COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS, FOR THE RECORD, MY NAME IS PHIL SMITH. AS EXECUTIVE DIRECTOR OF THE RURAL ALASKA COMMUNITY ACTION PROGRAM, I WELCOME AND APPRECIATE THIS OPPORTUNITY TO TESTIFY ON HOUSE BILL 932, AND TO EXPRESS MY SUPPORT FOR ITS PASSAGE. CLEARLY, THE ISSUE OF RURAL DEVELOPMENT IN ALASKA IS ONE WHICH IS BOTH TIMELY AND APPROPRIATE FOR THE LEGISLATURE TO ADDRESS.

AT THE OUTSET, I WOULD LIKE TO CONGRATULATE THE AUTHOR AND SPONSOR OF THE BILL FOR RECOGNIZING THE SERIOUS PLIGHT OF RURAL ALASKA. FURTHER, THE STATEMENT OF FINDINGS, POLICY, AND PURPOSE CONTAINED IN SECTION 1 OF THE BILL IS LAUDABLE, IF FOR NO OTHER REASON THAN THAT THE BILL PROCLAIMS THE POLICY THAT "VILLAGES AND SMALL COMMUNITIES SHOULD EXIST IN THE STATE." IN SPITE OF THAT IMPORTANT AND SIGNIFICANT POLICY STATEMENT, HOWEVER, SECTION 1 MAY BE A LITTLE TOO OPEN TO INTERPRETATION. TERMS NEED TO BE DEFINED.

FOR INSTANCE, WHAT IS REALLY MEANT BY "RURAL DEVELOPMENT," A "HEALTHY PRIVATE ECONOMIC BASE," AND "THE ADVOCACY OF A PRIVATE ECONOMY?" IF THE ASSUMPTION IS THAT THE PUBLIC INTEREST IS TO BE SERVED BY THE EXISTENCE OF SMALL TOWNS AND VILLAGES IN ALASKA, THEN THE BILL'S EMPHASIS ON DEVELOPMENT OF A "PRIVATE ECONOMIC BASE" SEEMS TO ME TO RESPOND TO ONLY A SMALL PART OF THE CHALLENGE.

THERE IS NO DOUBT IN MY MIND THAT THERE IS A DEMONSTRATED NEED FOR THE STATE OF ALASKA TO DEVELOP AN ECONOMIC POLICY FOR RURAL ALASKA. ABSENT SUCH A POLICY, THE "ECONOMIC CRISIS" REFERRED TO IN THE BILL WILL UNDOUBTEDLY CONTINUE. ALSO, ABSENT SUCH A POLICY, IT WILL BE DIFFICULT, IF NOT IMPOSSIBLE, TO DEVISE AND IMPLEMENT APPROPRIATE POLICIES RELATING TO ENERGY, TRANSPORTATION, TELECOMMUNICATIONS, HUMAN SERVICES, LOCAL GOVERNMENT, AND THE WHOLE HOST OF OTHER PUBLIC ISSUES WHICH IMPACT THE LIVES OF VILLAGE PEOPLE.

So, YES, WE NEED AN ECONOMIC POLICY. I AM NOT SURE, HOWEVER, THAT WE NEED TO DEVELOP SUCH A POLICY BY TRANSFERRING ALL OF THE ASSUMPTIONS OF THE WESTERN CASH ECONOMY ONTO THE BACKS OF VILLAGE PEOPLE. AN "ECONOMIC POLICY" FOR RURAL ALASKA MUST BE ONE WHICH IS APPROPRIATE TO EACH LOCALE, NOT ONE THAT IS DESIGNED ONLY TO MAXIMIZE CAPITAL IN THE PRIVATE SECTOR IN ORDER TO DEVELOP BUSINESSES FOR THEIR OWN SAKE. AN APPROPRIATE ECONOMIC POLICY FOR RURAL ALASKA MUST INCLUDE A THOROUGH AND SENSITIVE ANALYSIS OF THE NUTRITIONAL/CULTURAL/ECONOMIC IMPERATIVE OF SUBSISTENCE. ADDITIONALLY, IT MUST BE PLANNED AND IT MUST GROW FROM THE VILLAGE AND FROM THE VILLAGER'S OWN ASPIRATIONS. ANY "ECONOMIC POLICY" DEvised IN WASHINGTON OR SEATTLE OR JUNEAU OR ANCHORAGE AND THRUST UPON THE VILLAGES MAY WELL DO FAR MORE HARM THAN GOOD.

ACCORDINGLY, AS THE LANGUAGE OF HB 932 IS FURTHER DEVELOPED, I WOULD SUGGEST THAT THE STATEMENT OF FINDINGS, POLICY, AND PURPOSE BE RE-WORKED TO DEMONSTRATE A HIGH DEGREE OF SENSITIVITY TO WHAT RURAL DEVELOPMENT IS REALLY ALL ABOUT -- THAT IS, THE WELL-BEING OF RURAL ALASKAN PEOPLE ON THEIR OWN TERMS, WITH THEIR OWN EXPECTATIONS BEING THE BELL-WETHER AGAINST WHICH TO MEASURE ITS SUCCESS, AND THE FREEDOM AND THE AUTHORITY TO CONTROL THEIR OWN DESTINY. IT IS CLEARLY NOT ENOUGH TO IMPORT THE FAILING OF THE WESTERN CASH ECONOMY TO RURAL ALASKA.

ALL OF THE ABOVE IMPLIES A SIGNIFICANT AND MOST COMPLEX CHALLENGE FOR THOSE WHO WOULD DEVELOP PUBLIC POLICY. UNFORTUNATELY, THE MECHANISM PROPOSED IN HB 932 (THE CREATION OF A "RURAL DEVELOPMENT COUNCIL" AND A STAFF POSITION, BOTH LODGED WITHIN THE OFFICE OF THE GOVERNOR) MAY NOT BE ADEQUATE TO RESPOND TO THE ISSUES AND CONCERNS THAT THE BILL ITSELF IDENTIFIES.

THE PERVASIVE ASSUMPTION BEHIND THE NEED TO CREATE THE COUNCIL AND THE OFFICE OF RURAL DEVELOPMENT IS THAT EXISTING MECHANISMS ALREADY AVAILABLE TO THE ADMINISTRATION (SUCH AS THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS AND OTHER LINE

DEPARTMENTS AND AGENCIES OF STATE GOVERNMENT, THE DIVISION OF POLICY DEVELOPMENT AND PLANNING IN THE GOVERNOR'S OFFICE, THE STATUTORIALLY AUTHORIZED BUT UNFUNDED RURAL AFFAIRS COMMISSION, AND OTHER STRUCTURES AVAILABLE TO THE GOVERNOR) LACK EITHER THE MANDATE, THE ' OR THE DIRECTION TO DO THE JOB. SINCE THERE IS A PERCE' OF COMMITMENT ON THE PART OF THE ADMINIS- TRATION TO FORTHRIGHTLY ADDRESS THE PROBLEM, I AM CONCERNED THAT ALL THIS BILL REALLY DOES IS TO HAND THE GOVERNOR YET ANO- THER STRUCTURE WHICH MAY OR MAY NOT FUNCTION. THEREFORE, BOTH THE POWER AND THE AUTHORITY OF THE COUNCIL NEED TO BE CONSIDER- ABLY EXPANDED.

ANOTHER CONCERN I HAVE WITH THE STRUCTURE, SCOPE, FUNCION, AND MANDATE OF THE COUNCIL, AS OUTLINED BY THE BILL, IS THAT (WITH THE EXCEPTION OF THE DIRECTOR OF THE COOPERATIVE EXTENSION SERVICE OF THE UNIVERSITY), THERE IS NO ROOM FOR FEDERAL INVOLVEMENT. PRESIDENT CARTER'S DECEMBER 20TH PROMUL- GATION OF THE "SMALL COMMUNITY AND RURAL DEVELOPMENT POLICY" OF THE UNITED STATES GOVERNMENT IS A CLEAR INVITATION AND A CHALLENGE FOR GOVERNORS TO ESTABLISH STATE RURAL DEVELOPMENT COUNCILS AS MECHANISMS FOR INSURING COORDINATION OF JOINT FEDERAL/STATE EFFORTS TO IMPLEMENT LOCAL RURAL DEVELOPMENT PRIORITIES. IN SHORT, THE PRESIDENT IS ASKING STATES TO TELL THE FEDERAL GOVERN- MENT WHAT RESPONSES IN FEDERAL POLICY AND PROGRAMS AND FUNDING PRIORITIES ARE NEEDED IN ORDER TO ACTUALIZE THE DEVELOPMENTAL DESIRES OF RURAL AMERICA.

ALTHOUGH I ADMIT IT IS POSSIBLE (EVEN TEMPTING ON OCCASION) TO BE CYNICAL ABOUT THE MOTIVES OF THE FEDERAL GOVERN- MENT AS THEY RELATE TO ALASKA, THERE IS EVERY INDICATION THAT, AT LEAST IN THIS INSTANCE, THE PRESIDENT IS SERIOUS. IF THE PURPOSE OF HB 932 IS TO ESTABLISH A STRUCTURE TO TAKE ADVANTAGE OF PRESI- DENT CARTER'S RURAL INITIATIVES, IT SEEMS TO ME THAT FEDERAL PARTICIPATION OF THE COUNCIL IS INDICATED.

IN CLOSING, I WOULD LIKE TO REITERATE MY SUPPORT OF HB 932, AND URGE ITS PASSAGE ONCE MORE. AS I NOTED EARLIER, THERE IS A SIGNIFICANT LACK OF POLICY DEVELOPMENT AND POLICY

DIRECTION RELATING TO COMMUNITY DEVELOPMENT IN RURAL ALASKA. THAT THIS FACT IS RECOGNIZED BY THE AUTHORS OF THE BILL AND BY THE COMMITTEES HOLDING HEARINGS ON IT IS A SIGNIFICANT STEP IN THE RIGHT DIRECTION. THE WEAKNESSES IN THE BILL WHICH I HAVE NOTED IN THIS TESTIMONY ARE MINOR. SHOULD THE COMMITTEES BE INTERESTED, I WOULD BE HAPPY TO WORK WITH THE MEMBERS TO ASSIST IN DRAFTING APPROPRIATE AMENDMENTS. BEYOND THAT, I AM SURE THAT OTHERS TESTIFYING TODAY WILL LIKEWISE COMMIT THE NECESSARY TIME AND EFFORT TO ASSURE THAT A COMMITTEE SUBSTITUTE EMERGES WHICH CAN DO THE JOB THAT SO DESPARATELY NEEDS TO BE DONE.

THANKS VERY MUCH FOR THE OPPORTUNITY TO TESTIFY.
I WOULD BE HAPPY TO ENTERTAIN ANY QUESTIONS YOU MIGHT HAVE.

SPECIAL PROJECTS OFFICE
Office of the Governor

TO: Twyla Hartsock A.A.
% Senator Stungulewski

MAIL STOP: Rm 100 - ~~Project~~ Assembly

FROM: JULIE HICKEY
special projects office
office of the Governor

message:

The letter was on the
blank. If this doesn't
work, I'll be glad to
retype it again for you tomorrow
if you - better copy

Date: 3-19-80

MR. CHAIRMAN, SENATORS AND MEMBERS OF THE COMMITTEE:

MY NAME IS BOB PALMER. I AM THE SPECIAL PROJECTS COORDINATOR FOR THE OFFICE OF THE GOVERNOR AND I AM HERE TODAY TO PRESENT THE VIEWS OF THE HAMMOND ADMINISTRATION ON HOUSE BILL 932.

PERHAPS A LITTLE BACKGROUND WOULD BE BENEFICIAL TO PUT THE SITUATION IN FOCUS.

GOVERNOR HAMMOND AND I ATTENDED THE ANNUAL MEETING OF THE WESTERN GOVERNORS' ASSOCIATION IN ELMOON, IDAHO, LAST SUMMER -- JUNE 10 - 13, 1979. AT THAT MEETING, JACK WATSON, EXECUTIVE ASSISTANT TO PRESIDENT CARTER, AND ALEX MERCURE, UNDERSECRETARY OF AGRICULTURE, PRESENTED TO THE GOVERNORS A SUMMARY OF A NEW FEDERAL PROGRAM THAT HAS COME TO BE KNOWN AS THE WHITE HOUSE RURAL INITIATIVES PROGRAM. THIS WAS PRESENTED AS A TOP PRIORITY PROGRAM OF PRESIDENT CARTER WITH JACK WATSON AND ALEX MERCURE SERVING AS CO-CHAIRMEN. THE ULTIMATE OBJECTIVE IS SIMPLY TO IMPROVE LIVING CONDITIONS AND LIVES OF THE PEOPLE IN RURAL AMERICA. ALL ALASKA IS REALLY RURAL OR SMALL COMMUNITY AND THE OVERALL STATE WOULD BE INVOLVED IN THIS EFFORT.

SHORTLY AFTER THAT MEETING, UNDERSECRETARY MERCURE SPENT ABOUT TEN DAYS TRAVELING THROUGHOUT RURAL ALASKA, SURVEYING THE LIVING CONDITIONS AND FAMILIARIZING HIMSELF WITH SOME OF THE PROBLEMS OF ALASKA.

AT THE END OF THAT TIME, HE MET WITH GOVERNOR HAMMOND AND ME TO DISCUSS THE POSSIBILITY OF ALASKA ACCEPTING THE FEDERAL GOVERNMENT'S OFFER TO JOINTLY ADDRESS THE PROBLEM AND ATTEMPT TO GET BETTER RESULTS FROM THE FEDERAL DOLLARS NOW COMING INTO ALASKA.

AT THE END OF THAT MEETING, GOVERNOR HAMMOND STATED THAT HE DID WISH TO INITIATE SUCH A PROGRAM TO MAKE THAT COMMITMENT TO RURAL DEVELOPMENT AND THAT THE ALASKA AGRICULTURAL ACTION COUNCIL WAS DESIGNATED AS THE STATE AGENCY RESPONSIBLE FOR THE PROGRAM IN ALASKA. GOVERNOR HAMMOND REPEATED THOSE STATEMENTS IN A SUBSEQUENT LETTER TO SECRETARY BERGLAND, SECRETARY OF AGRICULTURE. ON THE WASHINGTON LEVEL, THE DEPARTMENT OF AGRICULTURE IS THE LEAD AGENCY OF A TEAM COMPOSED OF TOP-LEVEL PEOPLE DESIGNATED FROM MOST OF THE OTHER DEPARTMENTS. ON THE REGIONAL LEVEL IN SEATTLE, THE TEAM IS CHAIRED BY DON CAMPBELL, U.S. DEPARTMENT OF AGRICULTURE.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

November 14, 1979

TO WHOM IT MAY CONCERN:

This is to introduce Kris Patterson, a Research Associate with the Alaska Native Foundation.

The Foundation is working on a project for the Legislative Budget and Audit Committee to research and document the background, mechanisms and success of the interagency agreements between the Federal Government and various states.

Information gleaned from this process and subsequent recommendations are being developed in cooperation with the Office of the Governor.

We would appreciate any assistance which you can provide Ms. Patterson relative to this project.

Handwritten signature of Bob Palmer in cursive script, written over a horizontal line.

BOB PALMER

Special Projects Coordinator
Office of the Governor

Handwritten signature of Representative Jim Duncan in cursive script, written over a horizontal line.

REPRESENTATIVE JIM DUNCAN

Chairman
Legislative Budget and Audit Committee

A CONSIDERABLE AMOUNT OF TIME HAS ELAPSED AS THE FEDERAL GOVERNMENT FLESHED OUT THE BONES OF WHAT WAS ORIGINALLY ONLY THE SKELETON OF A CONCEPT.

ON DECEMBER 20, 1979, PRESIDENT CARTER FINALLY WENT PUBLIC WITH THE OFFICIAL ANNOUNCEMENT OF THE WHITE HOUSE RURAL INITIATIVES PROGRAM AND THE MECHANISM FOR ACCOMPLISHING ITS OBJECTIVES BEGAN TO TAKE SHAPE.

OVER THE MONTHS, THE GOVERNOR'S OFFICE HAS HAD NUMEROUS CONTACTS WITH WHITE HOUSE OFFICIALS AND SECRETARY MERCURE IN TRYING TO DETERMINE HOW THE PROGRAM WAS EVOLVING AND THE PROPER ROLE OF THE STATE IN ORDER TO MAXIMIZE THE BENEFIT TO THE STATE AND ITS PEOPLE.

FINALLY, ON THE 26TH OF FEBRUARY, THE GOVERNOR AND I MET WITH WHITE HOUSE OFFICIALS AT THE NATIONAL GOVERNORS' ASSOCIATION ANNUAL MEETING IN WASHINGTON, D.C., AND LAID OUT THE SCENARIO AS WE WOULD LIKE IT TO WORK IN ALASKA. THERE WAS COMPLETE APPROVAL OF OUR PROPOSAL.

HB 932 introd. Mar. 4, 1980

ON MARCH 7, THE ALASKA STATE COMMISSIONERS OF COMMERCE AND ECONOMIC DEVELOPMENT,

COMMUNITY AND REGIONAL AFFAIRS, EDUCATION, FISH AND GAME, HEALTH AND SOCIAL SERVICES, LABOR, MILITARY AFFAIRS, NATURAL RESOURCES, AND TRANSPORTATION WERE ADVISED OF THE GOVERNOR'S INTERACTION WITH THE FEDERAL GOVERNMENT AND REQUESTED TO DESIGNATE A TOP-LEVEL ASSISTANT TO SERVE ON THIS TEAM, COMMITTEE OR COUNCIL OR BECOME MEMBERS THEMSELVES. THE DIVISION OF POLICY DEVELOPMENT AND PLANNING HAD ALREADY BEEN BROUGHT ON BOARD. SIMULTANEOUSLY, WE BEGAN SEARCHING FOR A FULL-TIME EXECUTIVE DIRECTOR TO STAFF THE COMMITTEE OR COUNCIL. ?

WE ARE BROADENING THE EXPERTISE OF THE GROUP STILL MORE BY INVITING REPRESENTATIVES FROM THE ALASKA FEDERATION OF NATIVES, AS WELL AS OTHERS FROM THE PRIVATE SECTOR, WITH BACKGROUND AND KNOWLEDGE OF RURAL ALASKA.

AS AGREED TO BY THE WHITE HOUSE, THIS GROUP--WITH VERY BROAD-BASED EXPERTISE AND EXPERIENCE IN RURAL ALASKA--WILL ATTEMPT TO IDENTIFY THE MAJOR PROBLEMS OF RURAL ALASKA, AGREE UPON THE BEST SOLUTIONS TO THOSE PROBLEMS, PRIORITIZE THE PROBLEMS AND SOLUTIONS, THEN WORK WITH THE FEDERAL GOVERNMENT TO REDIRECT THE EXISTING STREAMS OF FEDERAL DOLLARS COMING INTO ALASKA, AND THE STATE FUNDS THAT MAY BE

AVAILABLE TO IMPLEMENT THOSE SOLUTIONS. THAT IS A MAJOR REAL OPPORTUNITY.

THE FEDS HAVE EMPHASIZED THAT THERE WILL NOT BE ADDITIONAL FEDERAL DOLLARS;
IN FACT, IF PRESIDENT CARTER'S BUDGET CUTS GO THROUGH, THERE WILL BE FEWER
FEDERAL DOLLARS. THE OPPORTUNITY IS SIMPLY ONE OF GIVING THE STATE MORE
SAY ABOUT HOW THE FEDERAL DOLLARS ARE USED AND, HOPEFULLY, GETTING MORE
BANG OUT OF THE FEDERAL BUCK, WHILE SIMULTANEOUSLY DETERMINING THE PRINCIPAL
USES OF STATE FUNDS IN RURAL DEVELOPMENT.

WE HAVE BEEN ASSURED THAT FARMERS' HOME ADMINISTRATION III PLANNING FUNDS ARE
AVAILABLE FOR AT LEAST A PORTION OF THE STAFFING REQUIRED. WE HAVE ALSO BEEN
ADVISED THAT LDA 304 FUNDS ARE AVAILABLE FOR THIS PURPOSE.

IN SUMMARY, MR. CHAIKIN, GOVERNOR HAYFORD HAS BEEN ADDRESSING THIS OPPORTUNITY
FOR APPROXIMATELY EIGHT MONTHS. THE TEAM, COMMITTEE, OR COUNCIL THAT IS BEING
ASSEMBLED IS BROADLY BASED WITH A VERY WIDE BACKGROUND OF EXPERTISE. A SEARCH
IS NOW UNDERWAY FOR AN EXECUTIVE DIRECTOR TO HEAD THIS EFFORT ON A FULL-TIME
BASIS. THE OBJECTIVES OF THIS GROUP SEEM IDENTICAL TO THOSE INDICATED IN

HE 932.

IN VIEW OF THE ABOVE, IT WOULD APPEAR THAT PASSAGE OF HOUSE BILL 932 WOULD
RESULT IN A RATHER COMPLETE DUPLICATION OF EFFORT.

THANK YOU.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

MEMORANDUM

To: The Honorable Lee McAnerney
Commissioner
Department of Community and Regional Affairs

From: W. I. "Bob" Palmer *VB*
Special Projects Coordinator
Office of the Governor

Date: March 7, 1980

Re: White House Rural Initiatives Program

NOTE: HB 932 was introduced Mar. 4

Shows nearly complete ignorance of the situation.

President Carter has recently publicized the concept of the White House Rural Initiatives Program. Governor Hammond has designated the Alaska Agricultural Action Council as the "lead agency" for State participation in this program. The AAAC has carried on discussions with the White House staff for several months on the procedures for implementing this program.

In essence, the State team has the opportunity to take an overall view of Alaska, identify the problems and potentials--of all kinds--facing Alaskans, prioritize the solutions to the problems, and then work with the Federal Government to redirect the streams of Federal monies flowing to Alaska through existing channels to fund those State-established priorities. In other words, if we believe we can get a more effective bang out of the Federal buck, then we have the opportunity to achieve that.

The possible solutions to Alaskan problems to be addressed by the White House Rural Initiatives Program are primarily conceived of as those that can be reached through increased job opportunities. Such jobs may be the result of rather massive industrial development activities, such as the potential bottom-fish industry, or of projects as small as a single-family, commercial truck garden in the Aniak area, producing vegetables for sale on the retail market in Bethel.

The opportunity now before us is a very unusual one -- a very exciting one and one with tremendous potential for achievement. Obviously, if the potential of this opportunity is to be realized, it will require a much broader base of expertise than is possessed by the Agricultural Action Council and a very considerable expenditure of time and effort by the team and its members.

Would you please designate a top-level, energetic, creative-thinking individual from your staff to serve on this team and notify me of your designation by March 21, 1980?

March 7, 1980

We will also need a great deal of participation from the private sector to round out this team and achieve the broad base of expertise needed.

It is my thinking also at this time that both the opportunity and the workload offer such tremendous potential benefits that we need to hire a top-quality executive director who can devote full time to heading up this effort rather than trying to add an additional load to someone already working full time in other responsibilities.

Any suggestions that you may have for obtaining the greatest benefits possible for Alaskans from this opportunity will be very welcome, now and on a continuing basis.

Thank you.

Alaska State Legislature

House of Representatives



MEMBER
FINANCE COMMITTEE

REPRESENTATIVE JIM DUNCAN
CHAIRMAN
BUDGET & AUDIT COMMITTEE

STATE CAPITOL
FOUCH V
JUNEAU, ALASKA 99511
465-3818

HOME ADDRESS
RR 4 BOX 4316
JUNEAU, ALASKA 99803
789-9782

M E M O R A N D U M

TO: Representative Jim Duncan
Chairman, Budget & Audit Committee

FROM: Gordon Stockdale
Economic Development Coordinator

SUBJECT: White House Strategy

DATE: September 14, 1979

Since we assumed the task of overseeing the development and implementation of the Carter administration's new Title VII Private Sector Initiatives Program, we have discovered ourselves in a position of ever greater responsibility for understanding the extremely complex relationship that exists between state and federal agencies that purport to be involved in activities relating to the broad general subject of 'economic development.'

House Speaker Terry Gardiner's mandate to monitor a very distinct change in emphasis to the nationally significant CETA program reflected a deep and, as we have seen, well placed concern that here an opportunity may exist which if left to the diffuse whimsy of precedent and existing vested interests might pass without any benefit to Alaska.

It has become obvious that the proposed reorganization of CETA, and indeed every agency affected by the President's initiatives holds more interest for Alaska than any of us could have realized at the outset. Carter is facing a tough fight for his party's nomination, and an even harder effort to serve a second term as President. At least at this time, a new and inspiring domestic policy is essential to his administration, he is vulnerable and he needs a model to show the nation.

With Kennedy's official entry in the race for the Presidential nomination, we may reasonably expect Carter to extend his

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Memo to: Rep. Jim Duncan
September 14, 1979
Page Two

efforts to enhance his stature as a viable candidate. With SALT II facing an almost certain failure in the Senate, or at the very least, a complete subversion of the President's autonomy in international affairs. In conjunction with the recent Andrew Young dismissal, it would be reasonable to assume that the major effort of the Carter administration will focus on his domestic policy, primarily through the medium of the energetically pursued but foundering White House Initiatives.

We have been fortunate in developing an excellent working relationship with this state's CETA prime sponsor and more recently, with the Governor's office through Bob Palmer, his Special Projects Coordinator. In that we are able to achieve such a high level of concurrence in the scope of the task in Alaskan economic development along with an appropriate structure to represent and pursue Alaska's interests, we are an attractive medium for the Carter administration to apply its resources to. We have simultaneously begun to enjoy a closer relationship with the growing cooperation and coordination of the Native Regional Corporations and their affiliated Title III prime sponsors. The prospect of nurturing a responsible, representative forum of Alaskan economic interests is especially relevant at this time.

GS:jp



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

Honorable Jim Duncan
Chairman, Legislative Budget
and Audit Committee
House of Representatives
State Capitol, Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

Thank you for your thoughtful and informative letter of October 15. I am gratified to hear that Mr. Stockdale shares my feelings that our September meeting with him and his staff was indeed productive.

I am very pleased to learn of the beginning progress you are making in developing a structural plan to overcome the most fundamental obstacles to a healthy rural economy in Alaska, and I especially welcome your invitation to us to become involved at this early stage. These developments fit in quite well with our own thinking and plans at this time.

Specifically, as Secretary Bergland has just written to Governor Hammond, I have assigned Craig Bigler of the Farmers Home Administration to work with state and federal representatives in Alaska to assess the current situation and develop recommendations on the issues we can address jointly. Mr. Bigler has arranged to meet with Bob Palmer and with other state officials at Mr. Palmer's discretion in Juneau on November 13, and undoubtedly Gordon Stockdale will be at this meeting. Mr. Bigler will meet with Secretary Bergland's representative, James Fisher, and with other USDA officials in Anchorage on November 14. He will be in Homer on the 15th to consult with state and federal officials attending a Small Farms Committee meeting there.

We are confident that these meetings will provide at least a beginning consensus on issues that can be productively addressed through joint federal-state approaches that meet our mutual objectives of being fully sensitive to Alaska's priorities. Mr. Bigler will prepare a report for me synthesizing the findings and presenting recommendations on approaches that we might pursue. We will of course be in contact with you and other Alaska officials as soon as the report is completed, to obtain review and comments and to plan the next steps.

Your enthusiasm about the joint efforts we are pursuing, your hope that they will result in a model for other states, and your kindness in taking the time to express your commitment to these objectives through your letter are deeply appreciated.

Sincerely,

October 15, 1979

Mr. Alex P. Mercure
Assistant Secretary for Rural Development
U.S. Department of Agriculture
219 N. Agriculture Building
14th Street & Independence Ave. S.W.
Washington, D.C. 20250

Dear Mr. Mercure:

Please accept my sincere appreciation for the time you afforded my staff in Washington in September.

Mr. Gordon Stockdale reported an excellent meeting with you that achieved a considerable understanding of the magnitude of Alaska's economic development potential and the opportunities associated with it.

As Gordon explained to you, we in the legislature and members of Governor Hammond's administration are working toward a rural development strategy that will achieve a very broad consensus of appeal in Alaska. The resulting strategy will lend itself readily to a cooperative partnership with President Carter's White House Initiatives in Rural/Urban Development, Employment, Energy, Communications and Transportation to name only the most obvious relationships.

The Alaska Rural Development strategy is in its formative stage at this time. Members of the Alaska Legislature's House of Representatives and Senate, and the Office of the Governor are cooperatively developing a structural plan to overcome our most fundamental obstacles to a healthy rural economy. We regard this task basic to the development of a healthy statewide economy since a strong rural sector naturally supports the economies of the urban service centers.

Alex P. Mercure

-2-

October 15, 1979

We encourage and solicit the involvement of the Department of Agriculture in this early stage of development of what we hope will serve as a realistic model for other states and emerging economies to apply to their own situations.

Sincerely,

Representative Jim Duncan
Chairman, Legislative Budget
and Audit Committee

JD:jp



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

Most
IMPORTANT!!

January 21, 1980

SUBJECT: Special Assignment on Alaska

TO: Alex P. Mercure
Assistant Secretary
for Rural Development

I met first with the staff director of the Seattle FRC in Seattle. In Juneau, I met with both administrative and legislative staff as arranged by Governor Hammond's assistant, Bob Palmer. I spent considerable time with Secretary's Representative Fisher, FmHA State Director Roderick, Alaska Federation of Natives President Morrie Thompson (former head of BIA), the small farms and conservation districts committees, and many other citizens, legislators, and natives. Opinions expressed to me were amazingly consistent on the following issues:

- o Political labels are quite unimportant. Support for an organized approach to rural development has bipartisan support in the legislature and between the legislature and the governor. There seems to be wide support for Lt. Governor Terry Miller as the next governor.
- o Development needs are well defined and understood as you heard when you were there last June.
- o The State has incredible developmental resources at its disposal through the oil revenues--yet there is universal concern that only the other guy's needs will be met and not everyone's, and that the revenues will be used to meet short-run exigencies rather than to build a viable economy that can sustain itself after the oil revenues cease.
- o The State must develop a self-sustaining economy--and, in particular, a viable agriculture economy--in order to avoid continuous boom and bust cycles.
- o The main problems are seen as the inflexibility of federal programs, in program managers who cannot respond to the unique needs and opportunities of the State, and the lack of coordination among federal programs and the management of them.

A less widely recognized problem soon became clear: the main problem is not the lack of federal flexibility as much as it is a lack of political consensus in the State. As the President's Policy on Small Community and Rural Development emphasizes, rural development programs of all levels of government come together at the State, not the national level. Effective coordination of policy and activities must, therefore, be under strong leadership within states. Alaska has the resources but has not had the political will to forge a consensus on the use of the resources. Until a consensus is developed, assumption of leadership for rural development involves great risk.

Evidence of the lack of consensus is in the myriads of task forces, committees, subcommittees, conferences, hearings, and on and on that exist in the state to bring the right people together and to coordinate their efforts--and to avoid having to make the hard choices. The numbers of them and the frequency of their meetings is mind-boggling in a state with less than half a million population spread over such great area: The problems and opportunities have been studied, debated, discussed, and reported on almost beyond comprehension. Yet, there exists nothing to bring them together into a coherent whole. Recommendations abound, but no one has yet been able to devise the tradeoffs necessary to subordinate goals and priorities.

Recently, however, several things have fallen into place:

- o Governor Hammond has asked Secretary Bergland to work with him to create a state/federal partnership for rural development.
- o The staff of Representative Jim Duncan, Chairman of the House Budget and Audit Committee, has just about completed a study and recommendations of desirable relationships for coordinated development among state agencies, and a framework to work out others.
- o The President's policy provides the vehicle necessary to get federal agencies organized and working with each other and with state and local officials at the federal and the state levels.

With the exception of one issue, the Alaska Railroad (discussed below), the federal government should not attempt to assume the state's burden by setting up a study or a series of task-oriented task forces. The problems have been studied to death. What is needed is full federal support for the state's assumption of the role of convening the important actors to begin to set priorities. Once the priorities have been set, the federal government, with the state, can pursue activities--or further studies if necessary--to meet the priorities.

If the Governor is willing to designate a Rural Development Council in accord with the President's invitation, and if he is willing to put it under the leadership of someone with recognized status (the Lt. Governor, for example), federal agencies will be willing to participate as per their orders from the Working Group on Small Community and Rural Development. Thus, the structure for state policy-setting plus inter-governmental coordination of policy and implementing actions would be in place.

Life could be breathed into such a structure, and political consensus boosted, by a highly visible state/federal memorandum of agreement to make it all work. USDA, through the Seattle FRC Rural Development Task Force, should take the lead role in preparing and implementing the agreement. (The study being prepared for Representative Duncan's Committee recommends that USDA (FmHA) take the lead among federal agencies. Both the Department and Secretary Bergland are popular in Alaska.) A highly visible agreement and effort to develop a joint investment strategy are very important because of the huge federal presence in Alaska and the universal distrust of the dominant federal partner--the Department of the Interior.

An agreement could specify the course to be followed to reach initial consensus on overall goals and priorities. So that all federal agencies would have reason to actively participate, the agreement could even specify task forces and lead agency responsibility to perform the background work necessary to set priorities. The agreement could provide funding for staff to the Governor's Council: EDA 304 funds could be used as well as FmHA 111 funds. Other agencies, especially Interior, could be encouraged to contribute.

It would take some very high quality staff work to help forge the consensus and leadership that are necessary. Someone will have to be brought into the state at a high salary. This and the high travel costs will make the staff support quite expensive.

RECOMMENDATIONS:

- o The Board of Directors of the Council of State Community Affairs Agencies (COSCAA) is meeting in Juneau early in July. This will get some very high-powered state officials into Alaska, e.g., Hank Huckaby, Community Affairs Commissioner in Georgia; and Paula Herzmark, Executive Director of the Department of Local Affairs in Colorado. If we will cover their additional per diem and travel expenses, they will conduct training seminars and dialogues with appropriate state and local officials.
- o I understand that Jack Watson and Berry Crawford will be going to Alaska after they attend the USDA Workshop to be held in Spokane, March 17-20. Jack Watson could announce that he and you have directed the newly formed Region X FRC Rural Development Task Force to begin at once to negotiate a memorandum of agreement for a state/federal rural development partnership.
- o As a broader than FmHA/State agreement, it could be signed by Jack Watson and you or, perhaps, by the Secretary. A special show of concern and commitment by the Secretary could go far to smooth over the ill feelings for the President that derive from the popular animosity toward Interior and the land settlement issue.

o If the ceremony took place while the COSCAA group was there, the agreement could be credited for the assistance they would be there to provide--and it would impress them too.

o As you know, the Alaska Railroad is crucial to the development of large-scale agriculture in the Delta area near Fairbanks. There is a lot of controversy over freight rates--the FR wants to charge the barley project full costs for returning the empty train, making the price of the barley noncompetitive. I recommend that a task force to address this issue be set up soon. Berry Crawford has a special interest in it. With your direction, I could work with him and Bob Palmer to get something going right away.

NOTES:

o The Alaska natives control most of the state's developable private land and venture capital. State officials and the public recognize this and seem to be very eager and quite willing to give the natives a prominent role in the state's development.

o On the other hand, at a legislative hearing on discrimination, I heard a lot of testimony that the pipeline and drilling companies discriminate against minorities and women.

o The development of a bottom fishing industry is of special concern to the White House. EDA has funded an infrastructure development planning project to develop a plan that could coordinate and guide investments of public funds by federal agencies, the state, municipal governments, and port districts in support of fisheries development and related community growth. No doubt, a lot can be learned from this project on how to go about creating a joint investment strategy in Alaska.

o A study to inventory all of the task forces, committees, etc., involving federal agencies is underway under the aegis of the Seattle FRC.

CRAIG BIGLER

12/7

Bob Palmer
June Alaska

Telephoned twice

3:30 PM - Talked to Fran. She believes there will be no conflict with the two projects she is doing. They have nothing to do with our work.

5:30 PM - Just read Fran's letter to the White Horse & understand your concern. Have confirmed with Gunward that there is no change in my (Palmer's) status. The Ag Council is still the lead agency

①

Messages received at Belview Hotel, Washington D.C. per my confusion over who was speaking for the Administration,

Contents and excerpts from the
Fifth Report of The Secretary of Agriculture to The Congress

	Page	
Executive Summary	v	5. Other USDA Initiatives
1. Introduction	1	41
2. Rural Conditions and Trends	3	Introduction
Population Turnaround	3	41
Income and Poverty	3	Intradepartmental Initiatives
Educational Attainment	6	41
Housing	6	Agency Initiatives ... (policy research ...
Essential Community Services and Facilities ..	7	services to the disadvantaged ... assisting
Conclusion	11	rural institutions ... improving agricul-
3. White House Rural Initiatives	13	ture ... reducing energy costs ... protecting
Rural Health Initiatives	13	and improving the rural environment)
Rural Housing Initiatives	14	6. Other Federal Agency Initiatives
Rural Water and Sewer Initiatives	15	53
Rural Transportation Initiatives	16	Assisting Population Groups ... (the poor ...
Rural Communications Initiatives	18	the unemployed and underemployed ...
Rural Energy Initiatives	20	women ... older Americans ... Native
Rural Initiatives for Federal-State Cooperation	21	Americans)
Rural Economic Development Initiatives	22	53
* Rural Development Policy	23	Improving Services ... (health care ...
4. Farmers Home Administration Initiatives	25	education ... housing ... transportation) ..
Introduction	25	59
Policy Management Support	26	Focusing on the Environment
Targeting	28	63
Joint Investment Strategy Agreements	31	Focusing on Energy
Service Delivery and Program Improvement	33	65
Measures	33	Focusing on Agriculture
Area Development Assistance Planning Grant	38	67
Program	38	Working With Rural Communities
		63

Same as General
FHWA - State

Rural Development Goals

Initiatives discussed in the report are in support of the five national rural development goals articulated by the Secretary of Agriculture early in the Administration:

1. Improve rural income levels and increase rural employment opportunities.
2. Improve the access of rural residents to adequate housing and essential community facilities and services.
3. Provide a more equitable distribution of opportunities through targeting efforts on distressed areas, communities, and people.
4. Create and implement a process for involving the private sector and local, State, and Federal agencies in establishing policies and programs that affect rural areas.
5. Strengthen the planning, management, and decisionmaking capacity of public and private institutions concerned with economic opportunity and quality of life in rural America.

This is a list of initiatives we discussed

THIS IS BOB PALMER'S
ORIGINAL ASSIGNMENT

July 16, 1979

The Honorable Bob Bergland
Secretary of Agriculture
U.S. Department of Agriculture
Washington, D.C. 20250

Re: Invitation to U.S. Department
of Agriculture to join with
Alaska to cooperatively estab-
lish joint priorities for rural
development

Dear Mr. Secretary:

As a result of my meeting with Assistant Secretary Alex Mercure, I would like to invite you to meet with me at a time to be mutually determined so that the State of Alaska could jointly establish with the U.S. Department of Agriculture the federal-state rural development priorities for Alaska.

Mr. Mercure was most emphatic that the State initiatives are the approaches that would be considered at the top of the agenda of such a joint and cooperative effort. It is our understanding that your department has attempted a comparable effort with Puerto Rico. We in Alaska also have situations which differ substantially from national norms complicated by an area larger than the states of Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska, Kentucky, Colorado, Connecticut, Delaware, Hawaii, Maryland, Massachusetts, New Hampshire, New Jersey and Rhode Island combined, and by extreme isolation of many of our rural communities.

Recently the Alaska Legislature has established an Agricultural Action Council. It appears that this group would be a logical one to meet with your designated working group for this study. The Council is composed of both executive branch and public members.

I would suggest as subjects for preliminary planning of such a meeting the following challenging areas:

1. Review of USDA agencies' structures, alignment, coordination and organization to address Alaska's unique opportunities. Adjustment of national policies to better meet diversified Alaska conditions.
2. Accelerated inventory and evaluation of the State's renewable resources.

3. Development of renewable resources through assistance to rural communities such as Native village corporations and regional corporations for:
 - a. self-sufficiency in food, energy and shelter
 - b. revenue base for profit-making arms of Native corporations
4. Rural transportation initiatives to facilitate rural development.
5. Development of agricultural resources in:
 - a. forestry
 - b. commercial agriculture
 - c. red meat - reindeer and standard domestic livestock
 - d. marketing and processing of agriculture resources
6. Research needs unique to Alaska's conditions. This would include energy conservation and utilization of waste heat from Alaska's pipelines.
7. Establish coordination mechanism with like circumpolar nations and Alaska, including exchange of personnel, production techniques and research/data.
8. Technical assistance to build (both farming and ranching) management expertise relating to development of expanding commercial agricultural base, various unit sizes and entry of individuals into the industry with limited and diverse backgrounds.
9. Establish USDA/State coordinating mechanisms at both state and national levels to address priority issues of Alaskan region.

I especially appreciate the fact that federal-state governments cannot and should not do everything for everyone. A study of this type must be able to concentrate upon those activities which would bring the most benefit at the least public expense and adequately meet Alaska's priority needs.

Although a venture of this sort may, perhaps, have some hazards, it

The Honorable
Bob Bergland

-3-

July 16, 1979

presents almost unlimited opportunities and I feel extremely enthusiastic about the potential of this type of initiative.

Sincerely,

Jay S. Hammond
Governor

cc. James Fisher

STATE OF ALASKA
Inter-Department Route Slip

TO:
MAIL STATION NUMBER Room 100, Assembly
DEPARTMENT Senate C & R A Committee
ATTENTION Senator Sturgulinski, Chairman

- | | |
|--|--|
| <input type="checkbox"/> Approval | <input type="checkbox"/> Note & Return |
| <input type="checkbox"/> Signature | <input type="checkbox"/> Initial & Return |
| <input type="checkbox"/> Comment | <input type="checkbox"/> Return As Requested |
| <input type="checkbox"/> Contact Me | <input type="checkbox"/> Return For Approval |
| <input type="checkbox"/> Prepare Reply | <input type="checkbox"/> Necessary Action |
| <input type="checkbox"/> For Your File | <input type="checkbox"/> Your Information |

Remarks:

FROM:
MAIL STATION NUMBER _____

DEPARTMENT _____

BY Rep. Duncan DATE _____

Alaska State Legislature

House of Representatives



State Capitol
Pouch V
Juneau, Alaska 99811
465-3818

MEMBER
Finance Committee

REPRESENTATIVE
JIM DUNCAN
CHAIRMAN
Budget & Audit Committee

Home Address
P.O. Box 690
Juneau, Alaska 99802

MEMORANDUM

TO: Community & Regional Affairs
Committee Members

FROM: Rep. Jim Duncan

DATE: March 24, 1980

SUBJECT: House Bill 932

On Wednesday, March 19, House Bill 932 was first heard by a Joint Session of the Community and Regional Affairs Committee. At that time, some concern was expressed over the advisability of adopting an advocacy position toward rural communities and villages as we propose in House Bill 932.

Please let me assure you that there is nothing in the intent of this legislation that supposes the State must accept extraordinary social responsibility for those communities with little or no resources to develop a local economic base. In fact, our current situation of CETA maintenance of otherwise nonexistent cash economies in the absence of State policy has done more to mandate State responsibilities by default than a well-addressed development policy ever could.

In this bill I hope we begin to address some of the problems of inadequate rural access to State infrastructure, uncoordinated agency practices, lack of Private Sector considerations in State policies, and this State's marginal ability to affect Federal-Alaska economic policies and agency practices. The formation of a council in the Governor's office that will begin to do something rather than create another level of study and advisement requires a special commitment on our part and a special structure to do the job.

In many ways, the high cost of government in Alaska is directly related to the same causes of exceptionally high

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C. & R.A. Committee
March 24, 1980
Page 2

risk and the high cost of private capital investments in rural development. These problems can be simultaneously addressed. The government role of defining the limit and degree of development Alaska can tolerate requires a counterpoint that seeks to facilitate development within those imposed limits, to the mutual benefit of both the public interest and the objectives of private enterprise.

These roles, though complimentary, can come into conflict if they are vested in the same structure particularly when private industry seeks a fair hearing of its problems and objectives at the same door they were issued their limitations. Similarly, no appointed public official has quite the objective credibility that an elected officer does to reach across broad agency, state-federal, and private industry boundaries to elicit cooperation.

Please examine the enclosed material which further explains the rationale behind HB 932. I welcome your suggestions for improvements to this bill.

JD:jp
Encls.

Washington Report

A new approach to federal policy on rural development

Rural America—its "changing face," its special needs, and the coordination of the hundreds of federal programs that affect its human and natural resources—was the focus of attention in late December as President Carter announced his Small Community and Rural Development Policy.

The policy, as outlined before a gathering of hundreds of state and local officials and representatives of community-based organizations and the small town business and financial community, combines a set of principles to guide the administration of federal programs, a series of organizational and procedural changes to develop the institutional capacity at the federal and state level to deal with rural issues on a continuing basis, and an "action agenda" of over 100 initiatives to help meet pressing rural needs.

In noting the changes in many rural areas—growth in population, expansion in rural employment, diversification of rural economies—the President argued the need for "a forward-looking policy . . . to manage the effects of such change—to enable individuals and communities to solve their problems and to capitalize on their opportunities."

And yet, he continued, "rural people and communities have proportionately greater unmet basic human needs than do other parts of the nation." Almost 40 percent of the nation's poor live in rural areas. Rural areas have 58 percent fewer physicians, 38 percent fewer dentists and 29 percent fewer nurses, on a per capita basis, and yet a higher incidence of chronic disease exists and more work-days are lost due to illness in the rural sector than in urban areas. While 57 percent of the rural poor and 45 percent of the rural elderly do not own an automobile, public transportation carries less than 1 percent of rural residents who work away from home.

To meet these needs and manage the effects of change in rural areas, the President directed his top administrators to manage their programs so as to recognize local priorities and facilitate decision-making, to invest federal funds in ways that complement state-local plans and priorities, to use federal assistance to help leverage private sector investments, to target federal funds to disadvantaged persons and distressed communities in rural areas, to provide local citizens and their leaders with assistance for more effective decision-making and development efforts, and to make federal programs more accessible to rural jurisdictions and better adapted to rural circumstances and needs.

The capacity to implement the policy's principles and initiatives was enhanced by a request to Congress for creation of an Undersecretary of Agriculture for Small Community and Rural Development, who will aid the Secretary in carrying out his responsibilities under the Rural Development Act of 1972; and who will co-chair, along with the President's Assistant for Intergovernmental Affairs, a revitalized Working Group on Small Community and Rural Development.

The Working Group will include top officials from the Office of Management and Budget, the Domestic Policy Staff, the departments of Education, Energy, Transportation, Housing and Urban Development, Agriculture, Treasury, Interior, Health and Human Services, Labor, and Commerce, as well as the Environmental Protection Agency, ACTION, the Community Services Administration, the Small Business Administration, and the General Services Administration.

The President also directed the Secretary of Agriculture to appoint an Advisory Council to monitor policy implementation and to advise the Secretary and the Working Group, including participation in an annual review of rural policies, programs and budget levels. Members of the Council will include state and local elected officials, representatives of community-based organizations and

other private interest groups, and representatives of the business and financial community.

A second level of advisory bodies would be created with the positive response of governors to the President's invitation to establish State Rural Development Councils. Federal Regional Councils will be directed to set up rural development task forces to assist state implementation efforts, and agency heads will direct their field personnel to participate on the state councils as requested by the governors.

The Secretaries of Housing and Urban Development, Health and Human Services, Education, Commerce, Energy, Labor, Transportation, and Interior, and the Administrators of the Environmental Protection Agency, the Community Services Administration, and the Small Business Administration were also directed to review existing policies and programs in relation to the policy principles, and to designate a senior official to be responsible for monitoring implementation of the policy and to serve as a rural advocate within the agency.

On the Agenda

The "action agenda" announced by the President comprises key actions already taken by the Administration and a series of new proposals which will require executive and/or congressional response to implement. The series of White House Rural Initiatives announced over the past 15 months in the areas of health, sewer and water, rural elderly housing, communications, energy, transportation, and public works forms the core of ongoing agenda items. These actions and new proposals that should be of interest to state legislators include:

Housing—

- extend current four-year, four-state demonstration in state delivery of federal housing and community assistance to other rural distressed communities in those states;
- fully implement initiative on congregate elderly

housing, with social services provided on site (\$12.5 million, 10-site demonstration); and

- develop standardized loan application and appraisal forms for HUD, FHA, FmHA, and VA.

Energy—

- implement initiatives to promote small-scale hydroelectric, community-based unconventional gas and small-scale fuel alcohol development;
- support legislation providing \$750 million in grants and \$1.5 billion in loan guarantees over five years to assist states in meeting the needs of areas experiencing rapid energy resource development ("boom towns");
- support loans financed from windfall profits tax revenue for construction of small-scale alcohol fuel plants; and
- extend the 4 cents per gallon tax exemption on the sale of gasoline.

Health—

- continue implementation of four-year initiative to construct or rehabilitate 300 primary care clinics and to train and employ rural residents as support staff;
- promote full implementation by HFW of the Rural Health Clinic Services Act;
- place top legislative priority on Child Health Care Program and other preventive care programming for children;
- promote legislation permitting "swing beds" to simplify Medicare and Medicaid reimbursement in rural hospitals; and
- provide incentives to states and local communities to increase access to alcohol and drug abuse programs in rural areas.

Capacity building—

- develop a national program to support locally selected circuit-riding managers to assist rural towns and counties;
- continue to fund FmHA Section III rural planning programs;
- provide technical assistance to rural officials on the use of 1980 census data and improve access to detailed data at the small town level;
- negotiate a single set of application, auditing, and reporting requirements for clusters of federal aid programs; simplify and standardize compliance requirements with cross-cutting federal laws and executive orders.

Transportation—

- continue implementation of the components of the June 1979 initiative, including assistance to commuter airlines and small town airports, rehabilitation of railroad branchliners, promotion of rural ridesharing, and coordination and delivery of social service and public transit;
- propose amendments to provide \$100 million per year from 1981-85 for small airport development; and
- support adequate funding of Section 18 (Nonurbanized Public Transportation Program) of Surface Transportation Act of 1978.

Other items of interest include:

- funding the planning and construction of alternative wastewater systems;
- supporting special emphasis on program needs of rural areas in reauthorizing legislation for vocational education;
- requiring state governments to provide adequate

access to welfare programs and the Food Stamp program in sparsely populated areas;

- emphasizing rural downtown revitalization through policy to facilitate transfer and lease of federal property, and convening of a national conference on redevelopment of mainstreet;
- fully implementing the Environmental Protection Agency's policy on agricultural land protection;
- adopting as a national goal the elimination of unsafe drinking water during the 1980's;
- fully implementing the Rural Clean Water Program in FY 1980; and
- completing the joint CEQ-USDA study of the effects of conversion of prime agricultural land to other uses and of measures to control such conversion.

The Working Group began its formal deliberations in late January, at which time the process for the appointment of the Advisory Council was initiated. The White House has been in contact with each governor to encourage the designation of a state rural development council. And during the coming weeks, a series of conferences for state and local officials and others interested in rural affairs will be held throughout the country to assist in publicizing and implementing the small community and rural development policy.

Rep. Dale Locker is Chairman of NCSL's Rural Development Committee.

A STATE "ADVOCACY STRUCTURE:"

--FOR ALASKA RURAL ECONOMIC DEVELOPMENT

January, 1980

REPORT CONTENTS

Purpose in the Broadest Sense 1

The Special "Private" Character 2

The Need For Special Emphasis 3

The Measure of the Alaska "Rural Issue" 5

Special Opportunities of the Present 6

Cuurent Action 7

Private Resources 7

State Resources 9

Alaska Difference: Length and Breadth of Commitment 10

Rural Economy: Long Run Ramifications 13

Possible Alaska "Structures" 14

 --Assignment to Existing Department 15

 --Cabinet Level Office 18

 --Rural Commission/Agency 21

Composition and Structure Commission/Agency 24

Kinda of Issues and Problems 28

This report suggests several alternative policy structures for guiding a special process of encouraging private economic development in rural Alaska, and for giving that process a "sustainable" emphasis over an extended period of time.

The suggested structures ARE NOT solutions in themselves, but merely represent functional vehicles that can help develop and sustain effort to create a private economic base in rural Alaska.

The proposals inherent in this report are based on the serious conditions of the economy of much of rural Alaska. Additionally, they make a case as to why the "present" might provide special conditions, resources, and a timeliness in attacking such difficult conditions.

PURPOSE IN THE BROADEST SENSE

In the broadest sense, the purpose of a special structure is to marshall, coordinate, and sustain existing and potential federal, state, and private resources capable of contributing to growth of a private economic base for the rural communities and regions of the state.

Further, the structure should provide a single focal point for involving rural Alaska people in the process. Such a structure would be a first attempt at building a state-relationship with Alaska rural development's most unique partner --the native land claims corporations.

The private land, capital, and social base of the rural village corporation represents a grassroots structural resource in itself. The availability of such a field level structure in a depressed region is a most favorable circumstance of infrastructure in such general conditions of third-world economic void. However, the state has essentially ignored the existence of the corporations and any inherent state interest in their success or failure.

Any structure must also address "community development" issues basic to a private economic base. However, care must be taken that community development does not dominate the structure, or tend to divert energy from more difficult to resolve economic tasks.

The most important purpose of a special structure must be a strong "missionary dedication" to creation of private economy in rural regions.

THE SPECIAL "PRIVATE" CHARACTER

Two basic features of the mission of rural development in Alaska appear to justify a special structure of government, whether that structure is temporary or permanent.