

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

10721 HOUSE COMMUNITY & REGIONAL AFFAIRS



Alaska State Legislature

House Committee on Community and Regional Affairs

Representative Carl Morgan, Chair
State Capitol Building, Room 408
Juneau, AK 99801
907-465-3882

AGENDA

State Capitol 124
8:00 am – 10:00 am

- **Call to Order**
 - Today's date is March 27, 2003
 - The time is 8 am
 - Roll Call

- **On today's agenda**
 - **Overview of the Denali Commission**
 - Jeff Staser, Federal Co-chairman
 - Yuri Morgan, Legislative staff & Liason

- **Questions and Comments from committee members**

- **Other Business**
 - If there is no other business, announce next meeting announce next meeting.
 - Next Meeting – Tuesday, April 1st

- **Adjourn**

HOUSE JOINT RESOLUTION NO. 19
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE SAMUELS

Introduced: 3/26/03
Referred: Resources

A RESOLUTION

1 **Relating to the ultra low sulfur diesel fuel requirements of the United States**
2 **Environmental Protection Agency and their application to Alaska.**

3 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **WHEREAS** the United States Environmental Protection Agency has ruled that, in
5 order to reduce emissions of particulate matter and nitrogen oxide from large trucks and buses
6 into the air, which causes environmental and health problems in parts of the country, ultra low
7 sulfur diesel fuels having a sulfur content of not more than 15 parts per million must be used
8 nationwide for road vehicles; and

9 **WHEREAS** rural Alaska depends on diesel fuel for its electrical power generation;
10 and

11 **WHEREAS** ultra low sulfur diesel fuel costs more to produce and is less efficient,
12 resulting in an overall higher cost to produce the same output as the high sulfur fuel currently
13 in use; and

14 **WHEREAS** northern Alaska temperatures are colder than most areas of the United
15 States, and fuel additives that create an arctic-grade of ultra low sulfur diesel fuel are
16 necessary to avoid fuel failure; and

1 **WHEREAS** arctic-grade ultra low sulfur diesel fuel is currently manufactured only in
2 Alberta, Canada, and must be imported into the state, increasing fuel transportation costs; and

3 **WHEREAS** diesel fuel constitutes only a small part of the fuel refined in Alaska, and
4 to modify Alaska refineries to produce low sulfur diesel fuel would be prohibitively
5 expensive; and

6 **WHEREAS** ultra low sulfur diesel fuel may not be transported or stored in the same
7 tanks used for high sulfur diesel fuel unless the tanks have been cleaned; and

8 **WHEREAS** the necessary separation of fuel types will make it more expensive to
9 transport more than one type of fuel to rural Alaska; and

10 **WHEREAS** the necessary separation of fuel types will create storage problems in
11 rural Alaska and will make it prohibitively expensive for communities to import more than
12 one type of fuel; and

13 **WHEREAS** electric utilities that serve rural communities estimate that electric costs
14 will increase 25 to 33 percent based on the lower efficiency and higher cost of producing,
15 transporting, storing, and using arctic-grade ultra low sulfur diesel fuel; and

16 **WHEREAS** the Alaska Department of Environmental Conservation has
17 recommended applying the national plan proposed by the United States Environmental
18 Protection Agency for ultra low sulfur diesel fuel requirements to all road communities and
19 major communities on the Alaska marine highway system by September 2006, despite the
20 fact that many of these communities are small and rural and have few heavy-duty diesel
21 trucks and buses; and

22 **WHEREAS**, by June 2003, the Alaska Department of Environmental Conservation
23 must submit a plan for applying the United States Environmental Protection Agency standards
24 for the use of ultra low sulfur diesel fuel in rural Alaska communities;

25 **BE IT RESOLVED** that the Alaska State Legislature urges the state's delegation in
26 the United States Congress to request the United States Environmental Protection Agency to
27 provide funding to investigate and examine the fiscal and logistical effects of arctic-grade
28 ultra low sulfur diesel fuel on the current energy and transportation infrastructure in Alaska;
29 and be it

30 **FURTHER RESOLVED** that the Alaska State Legislature urges the state's
31 delegation in the United States Congress to request the Denali Commission to coordinate with

1 the United States Environmental Protection Agency to determine the fiscal and logistical
2 effects on the state of using arctic-grade ultra low sulfur diesel fuel in Alaska and to consider
3 those effects when reviewing fuel storage tank plans for possible funding; and be it

4 **FURTHER RESOLVED** that the Alaska State Legislature urges the Governor to
5 direct the Alaska Department of Environmental Conservation to coordinate with the United
6 States Environmental Protection Agency and the Denali Commission to determine the fiscal
7 and logistical effects on the state of using arctic-grade ultra low sulfur diesel fuel in Alaska;
8 and be it

9 **FURTHER RESOLVED** that the Alaska State Legislature urges the Governor to
10 direct the Alaska Department of Environmental Conservation to provide, in its plan for the
11 application of the United States Environmental Protection Agency standards, that rural Alaska
12 have as much flexibility as possible in the use of ultra low sulfur diesel fuel; and be it

13 **FURTHER RESOLVED** that the Alaska State Legislature urges the Governor to
14 direct the Alaska Department of Environmental Conservation to reexamine how the United
15 States Environmental Protection Agency standards for the use of ultra low sulfur diesel fuel
16 are applied to the state's plan for off-road communities.

17 **COPIES** of this resolution shall be sent to the Honorable Christine Todd Whitman,
18 Administrator, U.S. Environmental Protection Agency; and to the Honorable Ted Stevens and
19 the Honorable Lisa Murkowski, U.S. Senators, and the Honorable Don Young, U.S.
20 Representative, members of the Alaska delegation in Congress.

HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

DATE: _____ ISSUE: _____

	YEA	NAY	PRESENT
Representative Kookesh			
Representative Wolf			
Representative Kott			
Representative Anderson			
Representative Samuels			
Representative Cissna			
Chair Morgan			
TOTALS:			

PASSED _____ FAILED _____



The Denali Commission Act of 1998



The Denali Commission Act of 1998



Purpose



Membership



Statewide Priorities



Organization and Operations



Actual Text of the Denali Commission Act of 1998

TITLE III--DENALI COMMISSION

Denali Commission Act of 1998. 42 USC 3121.

SEC. 301. SHORT TITLE.

This title may be cited as the ``Denali Commission Act of 1998''.

SEC. 302. PURPOSES.

The purposes of this title are as follows:

(1) To deliver the services of the Federal Government in the most cost-effective manner practicable by reducing administrative and overhead costs.

(2) To provide job training and other economic development services in rural communities particularly distressed communities (many of which have a rate of unemployment that exceeds 50 percent).

(3) To promote rural development, provide power generation and transmission facilities, modern communication systems, water and sewer systems and other infrastructure needs.

SEC. 303. ESTABLISHMENT OF COMMISSION.

(a) Establishment.--There is established a commission to be known as the Denali Commission (referred to in this title as the ``Commission").

(b) <<NOTE: Alaska.>> Membership.--

(1) Composition.--The Commission shall be composed of 7 members, who shall be appointed by the Secretary of Commerce

(referred to in this title as the ``Secretary"), of whom--

(A) one shall be the Governor of the State of Alaska, or an individual selected from nominations submitted by the Governor, who shall serve as the State Cochairperson;

(B) one shall be the President of the University of Alaska, or an individual selected from nominations

submitted by the President of the University of Alaska;
(C) one shall be the President of the Alaska Municipal League or an individual selected from nominations submitted by the President of the Alaska Municipal League;
(D) one shall be the President of the Alaska Federation of Natives or an individual selected from nominations submitted by the President of the Alaska Federation of Natives;
(E) one shall be the Executive President of the Alaska State AFL-CIO or an individual selected from nominations submitted by the Executive President;
(F) one shall be the President of the Associated General Contractors of Alaska or an individual selected from nominations submitted by the President of the Associated General Contractors of Alaska; and

[[Page 112 STAT. 2681-638]]

(G) one shall be the Federal Cochairperson, who shall be selected in accordance with the requirements of paragraph (2).

(2) Federal cochairperson.--

(A) In general.--The President pro tempore of the Senate and the Speaker of the House of Representatives shall each submit a list of nominations for the position of the Federal Cochairperson under paragraph (1)(G), including pertinent biographical information, to the Secretary.

(B) Appointment.--The Secretary shall appoint the Federal Cochairperson from among the list of nominations submitted under subparagraph (A). The Federal Cochairperson shall serve as an employee of the Department of Commerce, and may be removed by the Secretary for cause.

(C) Federal cochairperson vote.--The Federal Cochairperson appointed under this paragraph shall break any tie in the voting of the Commission.

(4) Date.--The appointments of the members of the Commission shall be made no later than January 1, 1999.

(c) Period of Appointment; Vacancies.--Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(d) Meetings.--

(1) In general.--The Commission shall meet at the call of

the Federal Cochairperson not less frequently than 2 times each year, and may, as appropriate, conduct business by telephone or other electronic means.

(2) Notification.--Not later than 2 weeks before calling a meeting under this subsection, the Federal Cochairperson shall--

(A) notify each member of the Commission of the time, date and location of that meeting; and

(B) provide each member of the Commission with a written agenda for the meeting, including any proposals for discussion and consideration, and any appropriate background materials.

(e) Quorum.--A majority of the members of the Commission shall

constitute a quorum, but a lesser number of members may hold hearings.

SEC. 304. DUTIES OF THE COMMISSION.

(a) Work Plan.--

(1) In general.--Not later than 1 year after the date of enactment of this Act and annually thereafter, the Commission shall develop a proposed work plan for Alaska that meets the requirements of paragraph (2) and submit that plan to the Federal Cochairperson for review in accordance with the requirements of subsection (b).

(2) Work plan.--In developing the work plan, the Commission shall--

(A) solicit project proposals from local governments and other entities and organizations; and

(B) provide for a comprehensive work plan for rural and infrastructure development and necessary job training in the area covered under the work plan.

[[Page 112 STAT. 2681-639]]

(3) Report.--Upon completion of a work plan under this subsection, the Commission shall prepare, and submit to the Secretary, the Federal Cochairperson, and the Director of the Office of Management and Budget, a report that outlines the work plan and contains recommendations for funding priorities.

(b) Review by Federal Cochairperson.--

(1) <<NOTE: Federal Register, publication.>> In general.-- Upon receiving a work plan under this section, the Secretary, acting through the Federal Cochairperson, shall publish the

work
plan in the Federal Register, with notice and an opportunity for
public comment. The period for public review and comment
shall
be the 30-day period beginning on the date of publication of
that notice.

(2) Criteria for review.--In conducting a review under
paragraph (1), the Secretary, acting through the Federal
Cochairperson, shall--

(A) take into consideration the information, views,
and comments received from interested parties through
the public review and comment process specified in
paragraph (1); and

(B) consult with appropriate Federal officials in
Alaska including but not limited to Bureau of Indian
Affairs, Economic Development Administration, and Rural
Development Administration.

(3) Approval.--Not later than 30 days after the end of the
period specified in paragraph (1), the Secretary acting through
the Federal Cochairperson, shall--

(A) approve, disapprove, or partially approve the
work plan that is the subject of the review; and

(B) issue to the Commission a notice of the
approval, disapproval, or partial approval that--

(i) specifies the reasons for disapproving any
portion of the work plan; and

(ii) if applicable, includes recommendations
for revisions to the work plan to make the plan
subject to approval.

(4) Review of disapproval or partial approval.--If the
Secretary, acting through the Federal Cochairperson,
disapproves

or partially approves a work plan, the Federal Cochairperson
shall submit that work plan to the Commission for review and
revision.

SEC. 305. POWERS OF THE COMMISSION.

(a) Information From Federal Agencies.--The Commission
may secure

directly from any Federal department or agency such
information as it

considers necessary to carry out the provisions of this Act.

Upon

request of the Federal Cochairperson of the Commission, the
head of such

department or agency shall furnish such information to the
Commission.

Agencies must provide the Commission with the requested
information in a

timely manner. Agencies are not required to provide the Commission any information that is exempt from disclosure by the Freedom of Information Act. Agencies may, upon request by the Commission, make services and personnel available to the Commission to carry out the duties of the Commission. To the maximum extent practicable, the Commission shall contract for completion of necessary work utilizing local firms and labor to minimize costs.

[[Page 112 STAT. 2681-640]]

(b) Postal Services.--The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(c) Gifts.--The Commission may accept, use, and dispose of gifts or donations of services or property.

SEC. 306. COMMISSION PERSONNEL MATTERS.

(a) Compensation of Members.--Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during the time such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation that is in addition to that received for their services as officers or employees of the United States.

(b) Travel Expenses.--The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of

title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) Staff.--

(1) In general.--The Federal Cochairperson of the Commission may, without regard to the civil service laws and regulations, appoint such personnel as may be necessary to enable the Commission to perform its duties.

(2) Compensation.--The Chairman of the Commission may fix the compensation of personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates.

(d) Detail of Government Employees.--Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(e) Procurement of Temporary and Intermittent Services.--The Federal Cochairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(f) Offices.--The principal office of the Commission shall be located in Alaska, at a location that the Commission shall select.

SEC. 307. SPECIAL FUNCTIONS.

(a) Rural Utilities.--In carrying out its functions under this title, the Commission shall as appropriate, provide assistance, seek to avoid duplicating services and assistance, and complement the water and sewer wastewater programs under section 306D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d) and section 303 of the Safe Drinking Water Act Amendments of 1996 (33 U.S.C. 1263a).

(b) Bulk Fuels.--The Commission, in consultation with the Commandant

of the Coast Guard, shall develop a plan to provide

[[Page 112 STAT. 2681-641]]

for the repair or replacement of bulk fuel storage tanks in Alaska that

are not in compliance with applicable--

(1) Federal law, including the Oil Pollution Act of 1990

(104 Stat. 484); or

(2) State law.

SEC. 308. EXEMPTION FROM FEDERAL ADVISORY COMMITTEE ACT.

The Federal Advisory Committee Act shall not apply to the Commission.

SEC. 309. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.--There are authorized to be appropriated to the Commission to carry out the duties of the Commission consistent with the

purposes of this title and pursuant to the work plan approved under

section 4 under this Act, \$20,000,000 for fiscal year 1999, and such

sums as may be necessary for fiscal years 2000, 2001, 2002, and 2003

(b) Availability.--Any sums appropriated under the authorization

contained in this section shall remain available until expended.



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4/10/03

OVERVIEW:

LOCAL

BOUNDARY

COMMISSION

**REMARKS TO THE HOUSE COMMUNITY & REGIONAL
AFFAIRS COMMITTEE OF THE FIRST SESSION OF THE
23RD ALASKA LEGISLATURE
State Capitol, Room 124
April 10, 2003 – 8:00 a.m.**

House Community and Regional Affairs Committee membership

CHAIR: Representative Morgan

VICE-CHAIR: Senator Wolf

MEMBER: Representative Kott

MEMBER: Representative Anderson

MEMBER: Representative Samuels

MEMBER: Representative Cissna

MEMBER: Representative Kookesh

Good morning. I am Darroll Hargraves, Chair of the Alaska Local Boundary Commission. I am a resident of Wasilla.

There are three other members of the Commission with me this morning. They are:

- Bob Hicks from Seward;
- Georgianna Zimmerle from Ketchikan; and
- Tony Nakazawa from Fairbanks.

There is a fifth member of the Commission who could not be present today. He is Bob Harcharek from Barrow.

I also want to introduce representatives of the Department of Community and Economic Development:

- Gene Kane, Division Director, and
- Dan Bockhorst, who serves as staff to the Local Boundary Commission.

The Commission is here today at the invitation of the House Community and Regional Affairs Committee to present information about the recently completed review of the unorganized borough.

Last year, the legislature passed Senate Bill 359 by unanimous vote among all members of the Senate and House that were present. The legislation was signed into law as Chapter 53, Session Laws of Alaska, 2002.

The law directed the Local Boundary Commission to review the unorganized borough in terms of the standards for borough incorporation. It also directed the

Local Boundary Commission to report to the 2003 Legislature those unorganized areas that meet the standards for borough incorporation.

Four members of the Commission that participated in the review of the unorganized borough are no longer on the Commission. It is fitting that I recognize the hard work of those former Commissioners regarding this matter. Those former members are Kevin Waring, Allan Tesche, Ardith Lynch, and Myrna Gardner.

The Commission began its review shortly after the law took effect on September 17 of last year. The Commission endeavored to promote broad public awareness about and participation in the review.

The Commission met six times concerning the unorganized borough review

- October 22, 2002
- November 13, 2002
- December 9, 2002
- January 22, 2003
- February 8, 2003 and
- February 11, 2003.

During the February 8 meeting, the Commission held a statewide hearing on the matter and received testimony from residents of twenty-seven communities. 110 individuals and organizations submitted written comments on the matter to the Commission.

All written comments, along with a transcript of the Commission's meetings of December 9, January 22, February 8, and February 11 are part of the record reviewed by the Commission.

The Commission filed its report with the Legislature on February 19 of this year. A copy of the report was provided to each legislator. The report and a copy of the correspondence and transcripts have also been provided to the Secretary of the Senate and the Chief Clerk of the House.

Again, four of the five current members of the Commission did not participate in the review of the unorganized borough. However, the currently appointed members of the Commission have had the opportunity to fully review the February 19 report on the unorganized borough. The Commission met two days ago to address the matter at length.

Chapter 53, S.L.A 2002 imposed a duty on the Commission to make a determination as to which unorganized areas meet borough standards. The law was clear that the Commission's report to the legislature did not constitute a formal recommendation for incorporation of boroughs in any areas under Article X, Section 12 of the constitution. The Commission's duties under Chapter 53

have been fulfilled. The Commission will address any future directives by the legislature regarding the matter of boroughs in accordance with the law.

Dan Bockhorst, staff to the Commission, is prepared to provide a summary of the Commission's review of the unorganized borough. The summary that he will provide reflects the current views of the Commission.

Mr. Chairman, with your permission, Mr. Bockhorst will provide you with a summary of the study and report.



Local Boundary Commission

Presented to the
Senate Community and Regional Affairs Committee
April 9, 2003

1. LBC's duty to review the unorganized borough & study local government boundary problems;
2. Key background information about establishment of boroughs;
3. Significant conclusions reached by the LBC regarding borough establishment;
4. Unorganized areas that meet borough incorporation standards.

Part I

Duty of the LBC to Review the Unorganized Borough & Study Local Government Boundary Problems

CHAPTER 53
SESSION LAWS OF ALASKA, 2002


"The Local Boundary Commission shall review conditions in the unorganized borough. ... the commission shall report to the legislature the areas it has identified that meet the standards for incorporation."

AS 44.33.012

"The Local Boundary Commission shall make studies of local government boundary problems ..."

State of Alaska
Local Boundary Commission
The Need to Revisit State Laws Concerning Borough Incorporation and Annexation

"Shortcomings in the manner in which the borough concept has been implemented" were studied by the Commission in 2001.




"The Commission considers the lack of a strong State policy promoting the extension of borough government to be the most pressing 'local government boundary problem' facing Alaska."


Part II

Key Background Information About Establishment of Boroughs


Constitutional Background




STATE OF ALASKA CONSTITUTIONAL CONVENTION
UNIVERSITY OF ALASKA
NOV. 8, 1955 FEB. 8, 1956



The Committee on Local Government met 44 times before presenting the Local Government Article to the Convention.



Delegates formally considered the Local Government Article on January 19, 20, and 30, 1956.



John Rosswog, Chair, Committee on Local Government

"... we allow for the boroughs remaining unorganized until they are able to take on their local government functions."

Alaska Constitution Convention Proceedings, Alaska Legislative Council, page 2612



Delegate Barrie White

Alaska Constitution Convention Proceedings, Alaska Legislative Council, page 2650

"Haven't we here inducement to an area to remain an unorganized borough and to get the state to provide all the necessary functions?"



Victor RIVERS, Committee on Local Government member

Alaska Constitution Convention Proceedings, page 2650

"... it was our thought there would be enough inducement for them to organize and exercise home rule so that as time went on they would gradually all become incorporated boroughs."

Maynard Londborg, Local Government Committee member, added that boroughs could be organized on a voluntary or mandatory basis, but the Committee desired the former.

Delegate James Hurley

"Is my idea correct that no organized borough will become effectuated without the voice of the people in the area?"

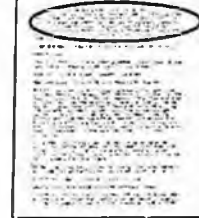
Alaska Constitution Convention Proceedings, Alaska Legislative Council, page 2673



Vic Fischer, Secretary, Local Government Committee

Alaska Constitution Convention Proceedings, Alaska Legislative Council, page 2673

"The answer, I think, would be 'no'. ...when a certain area reaches a position where it can support certain services and act in its own behalf, it should take on the burden of its own government."




Vic Fischer, continued

"... we don't actually visualize that the state will force boroughs to organize, since we feel that they should be set up on such a basis that there will be enough inducement for each one to organize."


Alaska Constitution Convention Proceedings, Alaska Legislative Council, page 2674



Article X was adopted by the Convention on January 30, 1956.




The Constitution was ratified by voters on April 24, 1956 and took effect January 3, 1959.



**ALASKA
CONSTITUTION
ARTICLE X**

Section 3. Boroughs. The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors. Each borough shall embrace an area and population with common interests to the maximum degree possible. The legislature shall classify boroughs and prescribe their powers and functions. Methods by which boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law.


The legislature has a duty under the constitution to set State policy regarding establishment of boroughs.



**ALASKA
CONSTITUTION
ARTICLE X**

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Boroughs – organized or unorganized – must be established throughout Alaska.



**ALASKA
CONSTITUTION
ARTICLE X**

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All boroughs – organized and unorganized – must be established according to standards and procedures enacted by the legislature.



The 1961 Legislature set the initial State policy regarding establishment of boroughs.

- Procedures for incorporation of organized boroughs by local option were enacted.

- Standards for incorporation of organized boroughs were enacted.

- Independent school districts formed under Territorial law – but not sanctioned under Alaska's constitution – were given two years to be integrated into boroughs.

- A single unorganized borough was established encompassing all of Alaska not within organized boroughs.



State policy makers anticipated that the Borough Act of 1961 would be generally ineffective in promoting borough formation.



Jay Hammond, State Representative at the time of the Borough Act of 1961.

"Attractive enough on paper, in practice, the organized borough concept had little appeal to most communities. After all, why should they tax themselves to pay for services received from the state, gratis?"

39






Roger W. Pegues, Director, Local Affairs Agency, 1960 -1962

"It was generally believed [by the drafters and supporters of the original Borough Act of 1961] that the 1963 legislature would adopt a mandatory incorporation law."

The Metropolitan Experiment in Alaska - A Study of Borough Government, page 92



36

"... like the constitution writers, the authors of the 1961 act were wrong" (Alaskans were not generally induced to voluntary borough incorporation).

Alaska's Urban and Rural Governments, page 43

37





John Rader, first State A.G., State Rep. (1959, 1963-1966), State Senator (1969 - 1978)


"... the moment [a proposed borough] began to have an immediate tax equalization feature, the borough had two chances for success - slim and none."

The Metropolitan Experiment in Alaska - A Study of Borough Government, page 91


38



Arguments against boroughs in the early 1960s were similar to those voiced today.




Alaska's Urban and Rural Governments, page 43



"School district officials wanted to avoid loss of autonomy, city residents saw no need for a new layer of government and taxation, and Alaskans outside cities and school districts wanted to preserve their tax-free status."

40



As anticipated, the Borough Act of 1961 proved to be generally ineffective in promoting borough formation.



- In the two years allowed, none of the nine regions containing independent school districts had formed boroughs.
- The deadline for integration of independent school districts into boroughs was just months away when the 1963 Legislature convened.



John Rader

The Metropolitan Experiment in Alaska, page 93

"... the greatest unresolved political problem of the State was the matter of boroughs. ... A great opportunity to create something of value could be lost."



In 1963, Representative Rader sponsored HB 90 mandating that the nine election districts encompassing independent school districts must incorporate boroughs by January 1, 1964.



Following amendment to exclude one of the nine areas, HB 90 was enacted.



Ch. 52, SLA, 1963 mandated boroughs in:


- Ketchikan
- Sitka
- Juneau
- Kodiak Island
- Kenai Peninsula
- Anchorage
- Mat-Su
- Fairbanks




Chapter 52, Session Laws of Alaska, 1963

Section 1. Declaration of Intent.

"It is the intention of the legislature to provide for maximum local self-government with a minimum number of local government units and tax-levying jurisdictions."







*Chapter 52,
Session Laws of
Alaska, 1963*

Section 1. Declaration of Intent continued

"... No area incorporated as an organized borough shall be deprived of state services, revenues, or assistance or be otherwise penalized because of incorporation."





In 1964, the Alaska Supreme Court characterized the 1963 Mandatory Borough Act as (emphasis added):



"An additional means for accomplishing the constitutional objective of establishing borough government was provided by chapter 52 SLA 1963. Here the legislature did not leave the question of the formation of boroughs to local option, as it did in the 1961 statute."

Waters v. Coase, 304 P.2d 670 (Alaska 1964)







The Metropolitan Experiment in Alaska, page 81


"It was only after a series of repeated failures that in 1963 the State legislature finally exercised the authority which had previously been delegated to others."

John Rader





Despite its general ineffectiveness, the State returned to the policy of delegating borough establishment to local residents after 1963.

- 
- In 44 years of statehood, boroughs have formed under the local option process in areas encompassing just 4% of Alaskans.
 - In contrast, the eight boroughs formed under the 1963 Mandatory Borough Act encompass 83% of Alaskans.




- Incentives to incorporate boroughs were generally inadequate in the early 1960s.
- Since then, borough incentives have diminished substantially.





 Alaska Municipal League

 Excerpts from:
 Municipal Government in
 Alaska - WHITE PAPER
 < <http://www.akml.org> >


- "The state has failed to continue the evolution of local government directed by the Constitution. Article X of the Constitution states, "The entire state shall be divided into boroughs, organized and unorganized."





 Alaska Municipal League

 Excerpts from:
 Municipal Government in
 Alaska - WHITE PAPER
 < <http://www.akml.org> >


- "Alaska is the only state with no local government for a large geographical part of the state."





 Alaska Municipal League

 Excerpts from:
 Municipal Government in
 Alaska - WHITE PAPER
 < <http://www.akml.org> >


- "Article X of the Constitution also states, 'The purpose of this article is to provide for maximum local self government with a minimum of local government units.' In the Unorganized Borough the opposite is true. There is currently a minimum of local self-government with a maximum of local government units."





 Alaska Municipal League

 Excerpts from:
 Municipal Government in
 Alaska WHITE PAPER
 < <http://www.akml.org> >


- "Adding borough government would not be a new, expensive layer of government. Local services are currently provided by the state and a patchwork of over 400 separate [entities]. Current service delivery is neither inexpensive or efficient, due to the lack of coordinated service delivery."




Part III




Significant Conclusions Reached by the Commission Regarding Establishment of Borough in Alaska




**CERTAIN FUNDAMENTAL
REQUIREMENTS OF
ARTICLE X, SECTION 3
REMAIN UNFULFILLED**




Standards for establishment of unorganized boroughs have never been enacted.




Procedures for establishment of unorganized boroughs have yet to be enacted.



The single "residual" unorganized borough encompasses an area and population with highly diverse interests, not common interests as required by the constitution.




**BOROUGHES PROMOTE
EQUITY AMONG ALASKANS**



Art. I, Sec. 1 requires equal responsibility among Alaskans. Yet, statutory law singles out organized boroughs and home rule & first class cities in the unorganized borough by requiring them to provide significant support for fundamental services such as public education.

Local contributions required of municipal school districts under AS 14.17.410 reduce education foundation funding that would otherwise be paid by the State to boroughs and home rule & first class cities in the unorganized borough.

Reduction of funding conflicts with the express intent of the 1963 Mandatory Borough Act.



"... No area incorporated as an organized borough shall be deprived of state services, revenues, or assistance or be otherwise penalized because of incorporation."


The requirement for local contributions for schools is, in effect, a \$160 million annual State tax levied only on organized boroughs and home rule & first class cities in the unorganized borough.

In the absence of standards and procedures to determine whether unorganized areas have the capacity to take on responsibility for their own government, the current disparate treatment of Alaskans lacks a rational basis.



**BOROUGH PROMOTE
MAXIMUM LOCAL
SELF-GOVERNMENT**

Recall the comments of John Rader:



"... A great opportunity to create something of value could be lost."

As noted earlier, the 1963 Legislature mandated eight boroughs, in part, to provide for maximum local self-government.



"It is the intention of the legislature to provide for maximum local self-government ..."

In 1974, the Alaska Supreme Court construed the section of the constitution promoting maximum local self-government to favor upholding borough formation. Specifically, the court stated:

"Our review of the record has been undertaken in light of the statement of purpose accompanying article X, the local government article of the Alaska Constitution. Section 1 declares in part:

The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions . . .

We read this to favor upholding organization of boroughs ..." *Mobil Oil Corp. v. LBC, 518 P.2d 92, 99 (Alaska 1974)*

"Our constitution encourages their creation. Alaska const. Art. X, § 1."

Mobil Oil Corp. v. LBC, 518 P.2d 92, 101 (Alaska 1974)

Practical examples of the manner in which boroughs promote maximum local self-government include:

- providing capacity to supplement State funding for fundamental regional services like education (REAs are dependent upon the State);

- establishing an entity with ability to issue bonds to construct or rebuild regional facilities such as schools (REAs lack authority to issue bonds);
- creating a government to levy taxes to provide services not otherwise available (boroughs are the only regional governmental unit in Alaska with taxing power);

- establishing a municipal platting authority (the State has the burden of serving as the platting authority in the unorganized borough outside the relatively few cities that exercise such power);
- offering a mechanism to provide alcohol control on a regional basis (currently available only on a community basis in the unorganized borough);

- providing the capacity to participate in the National Flood Insurance Program (currently limited in the unorganized borough to areas within city government boundaries).

Part IV



Unorganized Areas that Meet Borough Standards

Unorganized Areas of Alaska that Meet Borough Incorporation Standards

1. Aleutians West;
2. Upper Tanana Basin;
3. Copper River Basin;
4. Prince William Sound;
5. Glacier Bay;
6. Chatham;
7. Wrangell-Petersburg.



1. Population size and stability;
2. Regional commonalities;
3. Economic capacity;
4. Broad public interest.

- The 7 regions had populations in 2000 ranging from 1,354 to 6,964.
- Each region exceeded the presumptive minimum population standard of 1,000.
- 1980 – 2000 population trends were reasonably stable in all regions except Aleutians West.
- When adjusted for base closures, Aleutians West population was reasonably stable.

Each area conforms to model boundaries which were defined on the basis of regional common interests including:

- natural geography;
- social, cultural & economic characteristics;
- transportation facilities;

4. communications and exchange;
5. consideration of REAA boundaries; and
6. presence of multiple communities.

LBC considered the following factors in judging the economic capacity of the regions:

- mandatory powers of boroughs;
- anticipated borough expenses;
- projected borough revenues;

4. ability to generate income;
5. economic base, land use, & development;
6. property valuations;
7. personal income; and
8. prior borough feasibility studies.

Broad public interest is served by:

- maximum local self-government;
- promoting a minimum of local government units; and
- relieving the State of responsibility for local services.



Local Boundary Commission

UNIVERSITY OF TORONTO
LOCAL BOUNDARY COMMISSION

2/3/04

OVERVIEW:

DEPARTMENT

OF

COMMERCE

& EC. DEV.

ALASKA STATE HOUSE OF REPRESENTATIVES

Representative Carl Morgan, Chair
Representative Kelly Wolf, Vice Chair
Representative Tom Anderson
Representative Ralph Samuels
Representative Pete Kott
Representative Sharon Cissna
Representative Albert Kookesh



Alaska State Capital , Room 408
Juneau, AK 99801-1182
Telephone: (907) 465-3882
Fax: (907) 465-4527
representative_carl_morgan@legis.state.ak.us

HOUSE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS Representative Carl Morgan, Chairman

COMMITTEE SCHEDULE For the week of February 2 to 6, 2004

State Capital Room 124

Tuesday, February 3rd 8:00 am – 10:00 am

- + Department of Commerce and Economic Development Overview – Commissioner Blatchford
- + Division of Community Advocacy (DCED) – Gene Kane, Director

Bills Previously Heard/Scheduled

Thursday, February 5th 9:00 am – 10:00 am

- + * HB 387: Increase Fines For School Zone Violations

Bills Previously Heard/Scheduled

- * First hearing in first committee of referral
- + Teleconferenced
- = Bill was previously heard/scheduled

 * P. 01 *
 * TRANSACTION REPORT *
 * FEB-02-2004 MON 08:16 AM *
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 * DATE START RECEIVER TX TIME PAGES TYPE NOTE M# DP *
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Teleconference Order Form Fax #465-2864 4272

Sponsor and/or Committee Name			Date
HC&RA - Rep. Carl Morgan, Chair			2/2/04
Start/End Time	Chairing site	Juneau Room	Testimony
	Juneau	Cap 124	Yes ___ No ___ Invitational <input checked="" type="checkbox"/>
Contact Person and	Phone Number	Other sites may add?	Testimony Limit
Mary	465-3882	YES	1
Subject of meeting and/or Bills on agenda			
DCED OVERVIEW TO HOUSE CEA-			
We have teleconference set up already for anchorage lio-			
Sites - LIOs		Sites - Offsets	Phone #
Anchorage		Dan Backhorst	269-4579
Barrow		Mike Black	
Bethel			
Cordova			
Delta Junction			

House Community and Regional Affairs Committee Meeting
Feb. 3, 2004

Commissioner will give brief overview

Potential questions for Commissioner Blatchford

- Where in the process is the governor's office in filling the rural liaison position?
- Federal Omnibus bill - anything in it for Alaska?

Potential questions for Gene Kane, Director of Community Advocacy

- The LBC was directed to provide a report to the legislature "identifying opportunities for consolidation of schools". Do you know what recommendations are going to come forward?
- 6 communities (Holy Cross, Mekoryuk, Hydaburg, Kivalina, Quinhagak, Ruby) requested information on city dissolution. Can you provide insight into what are the reasons behind these requests?

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HOUSE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS Representative Carl Morgan, Chair

AGENDA

State Capital 124
February 2, 2004
8:00 am – 10:00 am

- Call to Order
Roll Call
- Commissioner Edgar Blatchford – update on Department of Community and Economic Development
 - Questions and comments from the committee members
- Division Director Gene Kane – Division of Community Advocacy update
 - Questions and comments from the committee members
- Next meeting – Thursday Feb. 5th at 9:00am to hear HB387
- Adjourn

Alaska

Frank H. Murkowski, Governor

Department of Community and Economic Development

Division of Community Advocacy

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Email: questions@dced.state.ak.us • Website: www.dced.state.ak.us/cbd/

December 24, 2003

The Honorable Carl Morgan
State Capitol, Room 408
Juneau, Alaska 99801

Dear Representative Morgan:

Enclosed is the January 2004 annual report for the Alaska Regional Development Organizations (ARDOR). This year's report includes a more detailed analysis of the program. As you can see, the ARDORs have been able to generate \$4.42 for each \$1.00 of State funds allocated to the ARDOR program. These funds are used to promote economic development in the ARDOR region.

This analysis afforded us the opportunity to continue the review of the program started several years ago. The ARDORs have been instrumental in the on-going review and made a special effort this year to look at the program with fresh perspective.

As a result, the second enclosed document is a synopsis of the proposed program changes beginning in FY05, should the program receive an appropriation in the FY05 budget.

The third enclosed document details a new way of funding the ARDORs based on meeting specific performance criteria. This "tiered" system of funding was proposed by and accepted by the ARDORs and is supported by the Department.

Thank you for your continued support of the ARDOR program. If you need additional information or have questions concerning the ARDOR report or the proposed changes, please let me know.

Sincerely,



Gene Kane
Director

Enclosures: January 2004 ARDOR Annual Report
 Proposed FY05 Program Changes
 Proposed Tier Funding

cc: Sally Saddler, Department of Community and Economic Development

Proposed Changes to the FY05 Alaska Regional Development Organization Program

Staff requirements:

- Office must be open to the public with staff available; office site is established and staff is available to the public in the office or in the field. This includes a web site, access to e-mail, and voice mail on the phone system. The public will be informed on how to reach staff.
- At least one staff person demonstrates they can be considered "professional" with appropriate economic development experience and/or education. This will be tied to the Tier system as a requirement to move from Tier I to Tier II.

Board representation:

- For Tier I ARDORs, board participates in at least one board training session/year. New board members attend training.
- Board tracks number of volunteers donated to the ARDOR and economic development activities.
- Board meets at least twice/year, if an executive committee exists.
- Board meets at least four times/year, if no executive committee exists.
- Executive committee meets at least four times/year, if an executive committee exists.
- Board members participate in at least 50% of the board meetings.
- Board adopts an attendance policy for board members.
- Executive committee members participate in at least 50% of the board meetings.
- Board members include locally elected officials and representatives from business, service industries, transportation, utilities, labor, the professions, and educational institutions.
- Annual certification that the board composition meets the regulatory requirements.
- Each ARDOR clearly defines the selection process for board members and informs the public.

Regional strategy:

- Define minimum standards.
- Annual ARDOR grant work plan is derived from the regional strategy.
- Copies of the regional strategy are sent to DCED in electronic form.

Organizational membership:

- Organizational membership is reflected in support for the organization and local cash contributions.

Proposed Changes to the FY05 Alaska Regional Development Organization Program

Page Two

Match:

- Sources of local cash match defined in program regulations as "municipalities, other local entities and the private sector in the region".
- Define in-kind contributions, determine amount allowed as part of total match, and define calculation of in-kind contributions. In-kind to be used only for reporting purposes. Program regulations require matching money to be "in cash and must be from nonstate sources".
- Volunteer time is valued at \$30/hour and defined as "someone who offers him or herself for a service of his or her own free will; someone who renders a service while having no legal concern or interest".

Performance:

- Tie performance to the regional strategy and the annual work plan.
- Tie performance to the State's economic development strategy, if applicable. Regional strategies filter into the State's strategy.
- Identify objective performance measures.
- Fund based on performance.
- Base continued ARDOR certification on performance.
- Explore more frequent reporting requirements and revisit fund disbursement.
- Consider implementing the "Tier" system.

Funding:

- Explore tiered funding ("Tier" system).
- Explore competitive funding (look at "Tier" system).
- Set time limits to ARDOR funding. The original legislative intent, the current legislation, and the program regulations indicate that ARDOR funding was to be transitory in nature, not institutionalized as an entitlement. Look at the ARDORs as an integral part of the DCED function rather than stand alone organizations. Explore organizational grants (e.g. municipal incorporation).
- Limit specific project funding to not more than three years. Evaluate each multi-year project.
- Explore land grant. May not work due to available land in different parts of the state and the time needed to make the land profitable.

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Tier I

- ARDOR certification standards met and maintained
- Established office, phone, fax.
- Record of board meetings, committee meetings
- Financial records maintained, budget developed, leverage of other funds calculated
- Measure of volunteer hours, by project area if possible

Tier II

- Measure outreach, meetings, attendance, action items, etc.
- Membership type evaluated, for inclusiveness of various stakeholder types in region
- Website developed, maintained
- Budget levels as an element of threshold for a tier. 1:1 or 1.5:1?
- Private sector participation established and measured through financial contributions.

Tier III

- Budget levels as an element of threshold for a tier. Match is 1.5 : 1
- Other designations from and/or partnerships with: EDD, RC&D, regional investment councils.
- Specific funding source.
- Capital needs assessments and prioritization process in place and maintained, using CEDS/regional strategy/ borough CIP lists
- Economic meeting/summit held at least every 3 year(s). (funding summits)
- Supplemental programs in place (workforce development, small business development, other)

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Tier I

- Budget levels as an element of threshold for a tier – match requirements met.
- Measure assignment of tasks in support of specific state agency goals. Included in grant reports.
- Measure collaborative efforts with other Economic development organizations, both public & private. Included in grant reports.
- Establishment of regional development Plans.
- Measure meetings, attendance, action items, leadership & volunteers, etc.

Tier II

- Maintenance of regional development Plans, or development of CEDS.
- Complete peer review every four years.
- Measure of projects undertaken, completed, and economic impact assessed.
- Annual independent compilation completed.

Tier III

- Complete constituent satisfaction/evaluation at least every four years.
- Annual independent audit or review completed.

Tier I

- At least one full- or part-time staff position maintained
- Board fully populated and representative of the region with a proscribed elections/ appointment process

Tier II

- Unlimited/Program Duration

Tier III

- Unlimited/Program Duration

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Tier I

- ARDOR must meet and maintain all certifying criteria over the period
- Regional plan completed within 18 months of certification
- Achieve regulatory minimum funding match private/local to state.
- Qualify for Tier II within 36 months of certification
- Failure to advance to Tier II leads to decertification

Tier II

- Meet and maintain all Tier I criteria, plus:
- Achieve 1:1 funding private/local to state
- Regional plan/CEDS evaluated and meets minimum criteria every two years
- Peer review completed every four years; ARDOR must meet or exceed review standards; recommendations and corrective action taken in 180 days.

Tier III

- Meets and maintains all Tier II criteria, plus:
- Capital needs assessment and prioritization completed annually
- Membership program established
- Achieve and maintain partnerships with EDD, RC&D or other recognized supplemental economic development status where applicable.
- Constituent satisfaction survey completed at least every four years.
- Economic Summit held and evaluated

Tier I

Tier II

- Projects/program work completed and measured
- Failure to meet one criteria = probationary period of 180 days to come into compliance; revert to Tier I for next funding cycle if fail to meet

Tier III

- Report on supplemental programs to agency
- Failure to meet one criteria = probationary period of 180 days to come into compliance; revert to Tier II for next funding cycle if fail to meet

Funding Scenario A: (see *)

Tier I

- 12 certified ARDORS
- 70% of \$620,000 = \$434,000
- All 12 receive \$36,167

Tier II

- Assumes 10 qualifying Tier II ARDORS
- 20% of \$620,000 = \$124,000
- All 10 receive supplemental funding of \$12,400
- Total funding = \$48,567

Tier III

- Assumes 4 qualifying Tier III ARDORS
- 10% of \$620,000 = \$62,000
- All 4 receive supplemental funding of \$15,500
- Total funding = \$64,067

* Assumes 12 certified ARDORS; \$620,000 in funding; 70 / 20 / 10 split

	Tier I	Tier II	Tier III
Funding Scenario B: (see **)	<ul style="list-style-type: none">• 12 certified ARDORS• 60% of \$620,000 = \$372,000• All 12 receive \$31,000	<ul style="list-style-type: none">• Assumes 10 qualifying Tier II ARDORS• 25% of \$620,000 = \$155,000• All 10 receive supplemental funding of \$15,500• Total funding = \$46,500	<ul style="list-style-type: none">• Assumes 4 qualifying Tier III ARDORS• 15% of \$620,000 = \$93,000• All 4 receive supplemental funding of \$23,250• Total funding = \$69,750

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Tier II

- Three years with Peer Review for feedback.

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Tier III

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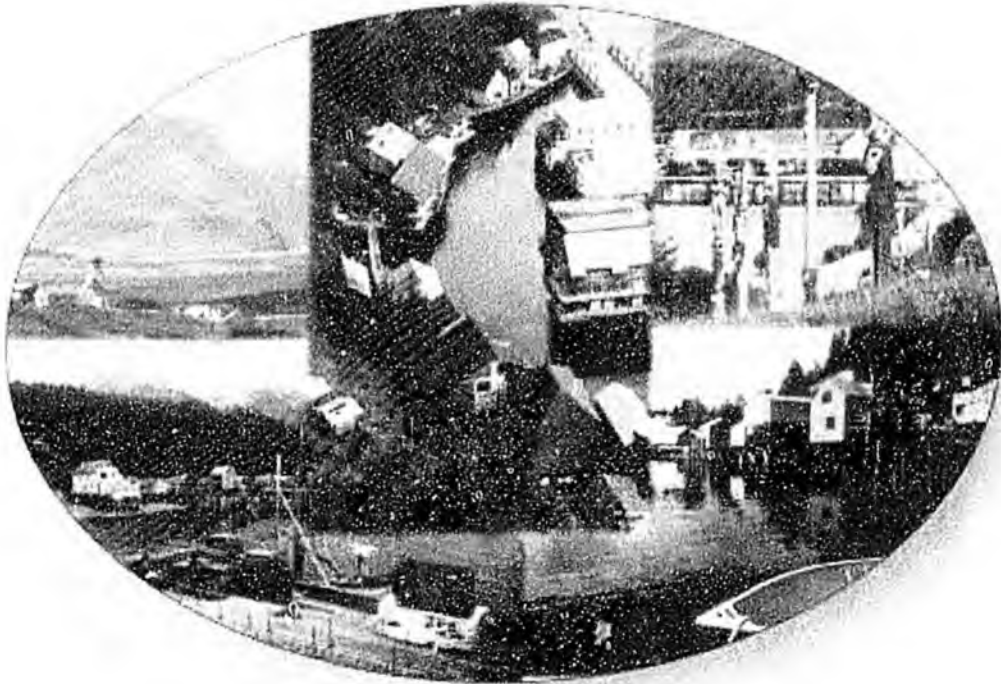
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Annual Report

Division of Community Advocacy

January 2004



Edgar Blatchford, Commissioner
Department of Community and
Economic Development



Gene Kane, Director
Division of Community Advocacy

Division of Community Advocacy Offices

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Division of Community Advocacy

MISSION

Promote strong communities and healthy economies by providing information, technical and financial assistance and other capacity building resources.

The mission of the Division of Community Advocacy (DCA) is to achieve realization of maximum local self-government as contemplated by Article X of the Alaska Constitution. The Division promotes strong communities and healthy economies by coordinating and focusing the resources of State agencies and commissions, federal agencies and commissions, regional non-profit organizations, municipal governments, and tribal governing bodies in the context of development of public service facilities and efficient public service delivery. The division also contributes to the mission by delivering technical assistance, financial assistance, statistical information and other capacity-building and economic development resources to public and private clientele.

The Division delivers its services from eight locations. To provide more direct service to the people, DCA staff are stationed at regional offices located around the State. Staff in these regional offices are in frequent contact with the communities they serve. The goal of this effort is to develop and maintain local capacities which help ensure efficient and effective local governments.



Local Government Development

The writers of Alaska's constitution mandated the creation of a "local affairs agency." Article X, Section 14, of the Alaska State Constitution states: "An Agency shall be established by law in the executive branch of the State government to advise and assist local governments. It shall review their activities, collect and publish local government information, and perform other duties prescribed by law."

The framers of the Alaska Constitution clearly indicated their belief that local government would play a critical role in Alaska's future and that the State had a responsibility to work with local governments to help them be successful in providing local governance and effective public services for community residents.

The Alaska Constitution also specifically provides for maximum local self government. However, the framers of Alaska's Constitution recognized that many local governments in the State were not fully developed and would not have the resources to achieve strong local self-determination unless they were assisted in this effort. A large part of the State consists of the "unorganized borough" in which there is no regional form of government. DCA fulfills this mandated assistance function by offering local governments and other community entities a broad range of support for local development efforts.

The focus of Local Government Development staff is technical assistance and training for communities that lack various resources needed to effectively operate their local government. The Division helps local and regional governments to become more self sufficient in providing government services to community residents. When working with a community to resolve a specific problem, staff also work towards the more general goal of "capacity building," increasing the capacity of local people and organizations to deal with local problems. The Division also supports professional training and development opportunities in cooperation with organizations such as the Alaska Association of Municipal Clerks, Alaska Association of Assessing Officers, Alaska Planners Association, and the Alaska Municipal League.

Financial Management Assistance

A Division priority is helping communities establish and maintain basic financial management systems. This focus on financial management has had positive results. While some communities continue to struggle financially, their status has stabilized with fewer crises disrupting day-to-day operations. In addition to training municipal clerks, DCA staff provide training for elected local officials who may not have an adequate understanding of their financial management responsibilities.

☆☆ *Success Story* ☆☆

Eileen Kozevnikoff - Local Government Specialist - Fairbanks Regional Office. Eileen has been a Local Government Specialist in the Fairbanks office since May 2000. During that time she has developed a close working relationship with her communities in the region. Actually, because of her past work with the entities in the region, she brought many of those working relationships with her. Eileen has worked hard at coordinating DCED program efforts with the Tanana Chiefs Conference programs and staff. This close working relationship has benefited both entities in the delivery of programs. Recently, Eileen has worked with the utilities in Minto and Huslia to assist them in computerizing their accounting systems using QuickBooks Pro®.

Local Government Management Assistance

Alaska's Constitution, statutes and regulations define the powers and responsibilities of local governments. Various programs in DCA were created to assist local governments in utilizing these powers to improve the efficiency of their organizations and the quality of life in their communities. Assistance can be provided or arranged on just about any aspect of local government. Examples of assistance and training provided by DCA include:

- ◆ Ordinance development and codification.
- ◆ Elections training.
- ◆ Personnel practices.
- ◆ Tax assessment and collection.
- ◆ Title 4 (Alcohol) local option laws.
- ◆ Council powers and procedures.
- ◆ Interpretation of State and local laws.
- ◆ Land management and planning.
- ◆ Development of land disposal ordinances.
- ◆ ANCSA 14(c)(3) negotiations & agreements.
- ◆ Community Visioning.
- ◆ Newly Elected Officials (NEO) training.
- ◆ Grant writing training and assistance.



☆☆ *Success Story* ☆☆

Margaret Hansen - Local Government Specialist - Kotzebue Regional Office. Margaret has been our only staff in the one-person Kotzebue office since 1985. In this time she has developed not only a close working relationship with the 11 communities in the region, but has been instrumental in coordinating efforts between the Regional Health Corporation (Maniilaq), Northwest Arctic Borough, and DCED. Several utility managers from the region will be the first in Alaska to have attended the complete series of Utility Management Training classes developed and presented by the RUBA program, primarily due to Margaret's aggressiveness in getting the classes scheduled and presented in the region.

Local Government Online (LOGON)

LOGON was developed in 2002 and launched to the public in November 2002, although it continues to be expanded. LOGON was developed for administrators and city clerks, elected and appointed officials, tribal governments, community leaders, and others interested in local government operations, public services, and community development in Alaska.

LOGON provides information and resources regarding municipal government in Alaska, elections, public meetings, ordinances, taxation, financial management, grant management, personnel management, payroll, tribal and municipal agreements, water and sewer utility management, coastal and floodplain management, and grants for infrastructure or economic development. LOGON also provides references to other State and federal resources for communities, including education, public safety, health care, environmental, social services, transportation, and energy programs. LOGON brings together technical information, publications, sample documents, and other web resources. The system may be explored at <http://www.dced.state.ak.us/dca/LOGON/home.cfm>

Local Boundary Commission

Under AS 44.33.020(4), DCA serves as staff to the Local Boundary Commission (LBC).

The framers of Alaska's Constitution established the LBC to oversee the creation and alteration of city and borough governments. The founders recognized that city and borough governments would serve as fundamental political subdivisions of State government for the delivery of vital public services at the local level.

The LBC is one of only five State boards or commissions established in the Constitution (among a current total of approximately 120 active boards and commissions).¹



The LBC has the power and duty to judge proposals for

- ◆ incorporation of cities and boroughs;
- ◆ reclassification of cities;
- ◆ annexation to cities and boroughs;
- ◆ detachment from cities and boroughs;
- ◆ dissolution of cities and boroughs;
- ◆ merger of cities and boroughs; and
- ◆ consolidation of cities and boroughs.

Additionally, the LBC has the duty to make studies of local government boundary problems.

The LBC consists of five members appointed by the Governor for overlapping five-year terms. One member is appointed from each of Alaska's four judicial districts; the fifth member is appointed at-large. Members serve without compensation.

DCA staff provide technical support to the LBC, petitioners, and other interested individuals and organizations. DCA's responsibilities in that regard include:

- ◆ conducting feasibility and policy analysis of proposals for incorporation or alteration of municipalities;
- ◆ responding to legislative and other governmental inquiries relating to issues on municipal government;
- ◆ conducting informational meetings;
- ◆ providing technical support during LBC meetings and hearings;
- ◆ drafting decisional statements for adoption by the LBC;
- ◆ implementing decisions of the LBC;
- ◆ certifying actions resulting from LBC decisions;
- ◆ maintaining incorporation and boundary records for each of Alaska's 161 municipal governments.

¹ The other four are the Commission on Judicial Conduct, the Judicial Council, the University of Alaska Board of Regents, and the (legislative) Redistricting Board.

- ◆ drafting reports, correspondence, public notices, legislation, or regulations as requested by the LBC;
- ◆ coordinating, scheduling, and overseeing public meetings and hearings for the LBC;
- ◆ developing orientation materials and providing training for new LBC members;
- ◆ maintaining and preserving LBC records in accordance with the public records laws of the State;
- ◆ developing and updating forms and related materials for use in municipal incorporation or alteration; and
- ◆ if directed by the LBC, act as a petitioner on a matter that the LBC believes will promote local government standards in the Alaska Constitution, AS 29.04, AS 29.05, or AS 29.06.

The following summarizes the major activities of the LBC and DCA staff during 2003:

City Incorporation

City incorporation activities occurred to various degrees in the following eight communities:

Anchor Point	Crooked Creek	Gustavus
Hyder	Meadow Lakes	Naukati Bay
Salcha	Talkeetna	

Only the residents of Gustavus formally petitioned for incorporation during 2003, although residents of some of the remaining seven communities are currently developing incorporation proposals.

In January 2003, voters in Gustavus filed the *Petition to Incorporate Gustavus as a Second Class City in the Unorganized Borough* (Petition). The Petition proposed establishment of a second class city with boundaries totaling 39.25 square miles of land and water. Two previous incorporation efforts – one in 1979 and one in 1997 – failed.

A technical Review of the Gustavus Petition of incorporation, a preliminary report, a public comment period, two public hearings, a final report, and a decisional statement were provided by the LBC and staff.

On December 8, 2003, the Chair of the LBC formally notified the Director of the Division of Elections that the Commission had accepted a petition for incorporation of the City of Gustavus. The Director of the Division of Elections has 30 days to order an election on the matter. The date of the election must be no less than 30 days nor no more than 90 days from the date of the order of the election. LBC staff has drafted the federal Voting Rights Act preclearance request for the matter. The request will be submitted once the Director of Elections issues the order for the election.

City Annexation

City annexation was explored or pursued to various degrees with respect to the following city governments during 2003:

City of Akutan	City of Eagle	City of Fairbanks
City of Hydaburg	City of King Cove	City of North Pole
City of Palmer	City of Pelican	City of Petersburg
City of Wasilla		

During 2003, the boundaries of the City of Palmer were expanded by annexation. The LBC approved the annexation of 861.44 acres to the City of Palmer in December of 2002. Annexation was subject to tacit approval by the Legislature under Article X, Section 12 of the Alaska Constitution. The tacit approval was given effective March 16, 2003.

Interest in annexation by the other nine city governments was expressed to various degrees during 2003.

City Dissolution

City dissolution activities occurred in the following localities during 2003:

Holy Cross	Hydaburg	Kivalina
Mekoryuk	Quinhagak	Ruby
Statewide		

No petitions for city dissolution were submitted.

City Reclassification

Interest in city reclassification occurred in the following localities during 2003:

Angoon	Dillingham
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No petitions for city reclassification were submitted.

Borough Incorporation

Interest in borough incorporation occurred in the following areas during 2003:

Delta-Greely Area	Dillingham Area	Glacier Bay Area
Petersburg		

No petitions for borough incorporation were submitted during 2003.

Borough Annexation

On October 6, 2003, the Ketchikan Gateway Borough Assembly authorized, by a vote of 4-3, a petition to the LBC for annexation of all territory within the Borough's model boundaries not already within the existing corporate boundaries of the Borough. The area in question comprises an estimated 5,545 square miles, including Hyder and Meyers Chuck. Borough officials indicate that the petition is currently under development.

Borough Detachment

Interest in borough detachment occurred in the following communities during 2003:

Eagle River

Trapper Creek

No petitions for borough detachment were filed during 2003.

Consolidation

Interest in consolidation of city and borough governments was expressed in the following areas during 2003:

Haines Borough

Ketchikan Gateway Borough

Kodiak Island Borough

Northwest Arctic Borough

Consolidation is currently being pursued in the Ketchikan Gateway Borough. A group of citizens in Ketchikan, known as the "Ketchikan One Government Committee" – a subcommittee of the Greater Ketchikan Chamber of Commerce – developed an application for an initiative petition to place the following question on the October 7, 2003, ballot:

Shall a commission be elected to prepare a petition, including a home rule charter, to consolidate the City of Ketchikan and the Ketchikan Gateway Borough and shall the Ketchikan Gateway Borough file the petition with the Local Boundary Commission by September 30, 2004?

On October 7, 2003, voters approved the initiative by a margin of 54.5% to 45.5%. On January 13, voters will elect seven members to serve on the consolidation commission. Three members will be elected from the area within the City of Ketchikan, three members will be elected from the part of the Ketchikan Gateway Borough outside the boundaries of the City of Ketchikan, and one member will be elected from the Borough at large. The Commission must prepare a petition, including a home-rule charter, for consolidation of the City of Ketchikan and the Ketchikan Gateway Borough. The petition must be submitted to the Local Boundary Commission before Sept. 30, 2004.

Special Projects

In 2003, the Local Boundary Commission carried out two significant special projects. Those relating to:

- ◆ a review of the unorganized borough.
- ◆ a study of school consolidation opportunities.

Review of the Unorganized Borough

Chapter 53, SLA 2002 directed the Local Boundary Commission to report to the First Regular Session of the Twenty-Third Alaska State Legislature which areas of the unorganized borough meet borough incorporation standards.

The Commission began its review of the unorganized borough shortly after Chapter 53, SLA 2002 took effect on September 17, 2002. The Commission met six times concerning the unorganized borough review – October 22, November 13, and December 9, 2002; January 17, February 8, and February 11, 2003. During the February 8, 2003 meeting, the Commission held a statewide hearing on the matter and received testimony from residents of twenty-seven communities. Extensive written comments were also submitted to the Commission.

The Commission submitted its report to the Legislature on February 19, 2003. The report includes Borough incorporation standards established in the Constitution of the State of Alaska, Alaska Statutes, and Alaska Administrative Code. Those standards relate generally to four broad areas: (1) economic capacity; (2) population size and stability; (3) regional commonalities; and (4) broad public interest.

The Commission concluded that seven unorganized areas meet the standards for borough incorporation. Those areas are the Aleutians West Model Borough; Upper Tanana Basin Model Borough; Copper River Basin Model Borough; Prince William Sound Model Borough; Glacier Bay Model Borough; Chatham Model Borough; and Wrangell-Petersburg Model Borough.

One additional area – the Prince of Wales Island region – was also carefully considered by the Commission, however, the Commission declined to render a finding as to whether the Prince of Wales Model Borough has the human and financial resources to support borough government.

Study of School Consolidation Opportunities

The 2003 Alaska Legislature directed the Local Boundary Commission and the Department of Education and Early Development to address matters relating to school consolidation. Specifically, the legislative directive, which appears on page 10, Section 1, Chapter 83, SLA 2003, provides as follows:

It is the intent of the legislature that (1) the . . . Commission identify opportunities for consolidation of schools, with emphasis on school districts with fewer than 250 students, through borough incorporation, borough annexation, and other boundary changes; (2) the . . . Commission work with the Department . . . to fully examine the public policy advantages of prospective consolidations identified by the . . . Commission, including projected cost savings and potential improvements in educational services made possible through greater economies of scale; and (3) the . . . Commission with the Department . . . report their findings to the legislature no later than the 30th day of the Second Session of the 23rd Legislature.

A working draft report on consolidation was completed on November 26, 2003. The legislative directive called for the study to be completed by February 10, 2004.

Assessment of the Work and Effectiveness of the Local Boundary Commission

At the direction of Governor Murkowski, DCED prepared an assessment of the work and effectiveness of the LBC. The DCED issued its report of that assessment on August 1, 2003. The full assessment addressed the following topics:

- ◆ purpose of the assessment;
- ◆ relationship between the LBC and DCED;
- ◆ constitutional origins of the LBC and Alaska's local government agency;
- ◆ duties and functions of the LBC;
- ◆ LBC membership;
- ◆ laws relating to LBC;
- ◆ areas of controversy;
- ◆ successes of the LBC in 2002;
- ◆ pending activities of the LBC;
- ◆ resources needed to support the LBC;
- ◆ recommendations for change; and
- ◆ conclusion.

The assessment concluded that

- (1) the LBC and its staff perform a critical role with respect to the establishment and alteration of municipal governments in Alaska;
- (2) they exhibit expertise and proficiency in carrying out their respective duties; and
- (3) the LBC operates efficiently and effectively, most particularly in view of the fact that it is not a full-time agency and its members must put their full-time jobs on hold while considering and acting on LBC business.

LBC Annual Report

More information regarding these activities is available in the LBC's Annual Report to the Second Session of the 23rd Alaska State Legislature (<http://www.dced.state.ak.us/dca/lbc/lbc.htm>), dated January 2004.

Rural Utility Business Advisor (RUBA)

The goal of the RUBA Program is to prepare rural communities for, and help them meet, the challenge of managing and operating sanitation utilities. RUBA is achieving this goal by providing assistance in the areas of business, finance, personnel, and general management to governments and organizations responsible for operating water and sewer utilities in rural Alaska.

FY03 RUBA Activities:

- ◆ Made 132 trips to 64 different communities to provide on-site RUBA assistance.
- ◆ Presented seven 32-hour Utility Management Classes in 6 different regional centers throughout the State. Seventy utility managers completed the classes.
- ◆ Developed debt reduction plans for two communities. Both communities were suffering delays in sanitation projects due to financial management issues.
- ◆ Worked with the Regulatory Commission of Alaska (RCA), and the Alaska Energy Authority to expand the standardized Chart of Accounts for use by small water and wastewater utilities to include bulk fuel and electrical utilities. Worked with both agencies to begin development of a manual/guidebook explaining to community staff how to use the new Chart of Accounts.
- ◆ Contractors working for the program provided training on QuickBooks Pro in four communities (Brevig Mission, Cold Bay, Larsen Bay and Minto). Staff worked directly with several other communities to implement QuickBooks as an accounting package, or adopt changes to existing QuickBooks practices.
- ◆ Presented information sessions at the following annual conferences: Alaska Water and Wastewater Manager's Association (AWWMA), National Rural Water Association - Alaska, Alaska Municipal League, and the Southeast conference of the AWWMA.
- ◆ Served on the evaluation committees for Denali Commission Washeteria grants, Denali Commission Small Clinic Grants, Village Safe Water Planning and Capital Improvement Grants.



Success Story

Greg Gould - Local Government Specialist - Anchorage Office. Greg has worked for DCED in the Rural Utility Business Advisor (RUBA) program for 2.5 years. In addition to working with communities directly, during this past year, he took on a special project of coordinating the development of a standardized business plan template and instruction book. Prior to this project several different agencies required their own template be used for community project business plans. Greg was able to get seven different agencies/entities to sit down and work out one template that they all could use. The project has drawn a lot of attention, and since its completion, several other programs, including several non-profit groups, have expressed interest in using the business plan template.

Office of the State Assessor (OSA)

In accordance with State law, the Office of the State Assessor (OSA) conducted the annual full value determination (FVD) for taxable property in organized boroughs and home rule, first class, and second class cities (with a population over 750) whether or not they levy property taxes. The OSA published the results in a report titled "2003 Alaska Taxable". To review the report, visit the Division's website or contact the OSA.

To assure equitable treatment for all taxpayers and to assure the State disburses school funding equitably to each municipality, the OSA monitored municipal assessment practices. This past year, the OSA was asked by the assembly of the State's largest municipality to investigate and report on the efficiency of the assessor's office. This was a long and tedious investigation that culminated in a thirty-two-page report to the Anchorage assembly. This report was used to assist the assembly in monitoring the assessor's office as well as help in budget setting priorities for the assessor's office. Many of the suggestions offered in the report may also be used as a guide for helping with the overwhelming number of appeals received by the Anchorage assessor's office each year. This report was well received by the Anchorage assembly and was a precursor to the OSA issuing a letter of major error. Now, rather than issuing a letter of major error, the OSA is working with the assessor's office to help it address the shortcomings outlined in the report.

The OSA advised and assisted municipalities on assessment and taxation issues and provided training for municipal assessment personnel. The OSA assisted both the City and Borough of Juneau and the Haines Borough in obtaining assistance with the upcoming 2004 assessment rolls. Both boroughs had lost long time employees that headed up the assessment function and were unable to attract qualified individuals. The OSA was successful in bringing someone in who could help both municipalities.

In accordance with State law, the OSA also provided guidance with interpreting State mandated exemptions; established standards for assessment practices for use by local assessing offices; assisted in developing ordinances dealing with property assessment issues; and developed assessment models for use with value projections in the Unorganized Borough.

Land Management

The Land Management and Community Planning programs provide assistance to communities on regional and local land issues. The main areas of assistance are technical advice and training on local planning and land management efforts, the Alaska Coastal Management Program, the Municipal Lands Trustee Program, and the National Flood Insurance Program.

Alaska Coastal Management Program (ACMP)

Through balanced stewardship, the ACMP strives to sustain the long-term economic and environmental productivity of the Alaska coast. The ACMP provides a balance of decision making that addresses all interests, coastal resources, and coastal uses. Thirty-two coastal districts participate in the program by developing local coastal management plans, implementing local plans through the consistency review process, and informing and educating the public about the ACMP. The Department's role in the program, which is established in AS 44.47.095, supports the coastal districts through research, training, and technical assistance. DCA also manages the ACMP grant program, which awards \$1 million annually in grant funds to the coastal districts.



Community Mapping

Unresolved land claims and inadequate information about land sometimes hinder development for both the private and public sectors. The land management section provides information, maps and assistance to agencies, contractors and rural communities so they may overcome land problems that currently impede development. Some of the services provided include the following:

- ◆ **Site Control.** This includes preparing title opinions and providing maps, sample documents and technical assistance to assure a proper ownership interest for publicly funded projects. Site control helps protect State and local government investment in buildings and facilities.
- ◆ **Community Profile Mapping.** By assisting groups that are contracting for the preparation of community mapping we ensure that community maps are prepared to a standard compatible with other users, that existing mapping data is used whenever possible, and that the project is coordinated with other mapping efforts that may be taking place. At the completion of the project, partners allow DCA to add the maps to its community mapping library and share the maps with private and public entities working in the community. DCED's current mapping partnerships are developing aerial photo based community maps in 27 rural communities.



Land Management Program

Section 14(c) of the Alaska Native Claims Settlement Act (ANCSA) provides that certain land in ANCSA communities be made available to residents, businesses, non-profits, communities and airport operators. DCA provides community mapping and land management assistance to municipalities, unincorporated communities, and Native village corporations so they may carry out the process of identifying and conveying 14(c) land claims. Once the land claims have been placed on a community's "map of boundaries," the layout can be submitted to the Bureau of Land Management for surveying and platting. This year DCA's assistance was instrumental in the settlement of land claims and the submission of maps of boundaries in the communities of Manley Hot Springs, Naknek, Nikolai, and Nondalton. Surveying and platting of land claims was completed in Allakaket, Alatna, Koliganek and Nome. The settlement of the ANCSA 14(c) land claims is an essential step in clearing land title in the community and providing a base of land for private and public land development. Many of the State, federal and local initiatives to improve sanitation and develop infrastructure in rural Alaska benefit from the settlement of 14(c) land claims and the surveying and platting of local subdivisions. In unincorporated communities DCA carries out the community planning and negotiation of 14(c)(3) community land on behalf of a future municipal corporation (Municipal Trust Land). Leases, deeds and easements of Municipal Trust Land were issued this year for housing, sewer and water facilities, a school, bulk fuel storage facilities, clinics, a church, an airport, roads and boardwalks.

Floodplain Management/National Flood Insurance Program (NFIP)

The mission of the Division's Floodplain Management Program is to reduce public and private sector losses and damage from flooding and erosion by providing coordination, funding, and technical assistance to NFIP communities. The Division serves as the State coordinating agency for the NFIP. The program provides over \$326.2 million in flood insurance coverage to individuals, businesses, and renters in 37 cities and boroughs. The total flood insurance premiums paid for flood coverage exceed \$1 million. The average annual premium is \$429. The average flood insurance claim payment is \$12,946. Division staff assist local officials, residents, developers, lenders, insurance agents, realtors, and State and federal agencies in a variety of ways specific to flood and erosion management. Flood mitigation grants for planning and projects are now available to NFIP communities.



Community Development



The focus of business development staff is to provide technical assistance to those communities desiring economic growth, and technical assistance and basic information to new businesses or businesses seeking to expand or diversify. Staff also assist with planning and training for communities and organizations looking for business development. The efforts of the Division are part of the State of Alaska's overall economic development strategy to increase employment and diversify our economic base.

Some of the Division's programs are regional in nature. The goals of these programs are to stimulate economic development in the different regions by preparing strategies, assist communities to implement the strategies, and provide opportunities for communities to participate in economic activities not previously available to them.

Alaska Regional Development Organization (ARDOR) Program.

The Legislature established the ARDOR Program in 1988 in support of the widely held belief that a locally driven initiative, in partnership with the State and other entities, can most effectively stimulate economic development and produce healthy, sustainable local economies. An ARDOR is a non-profit organization of local volunteers, representing numerous public and private interests, working together to achieve economic development in their region. Each ARDOR prepares a regional economic development strategy and assists communities and businesses to implement the strategy. The ARDORs are eligible for State matching grants. There are currently 11 ARDORS. DCA administers the grants and manages the ARDOR program. Funding is provided by the Alaska Industrial Development & Export Authority (AIDEA).

Funding Summits

A Funding Summit is a two day meeting where regional non-profits, State and federal funding agencies, and community and regional representatives come together to discuss priority projects in a particular region. Usually, about 10 communities participate—but it can be more or less. Typically, 15-25 agency representatives are in attendance.



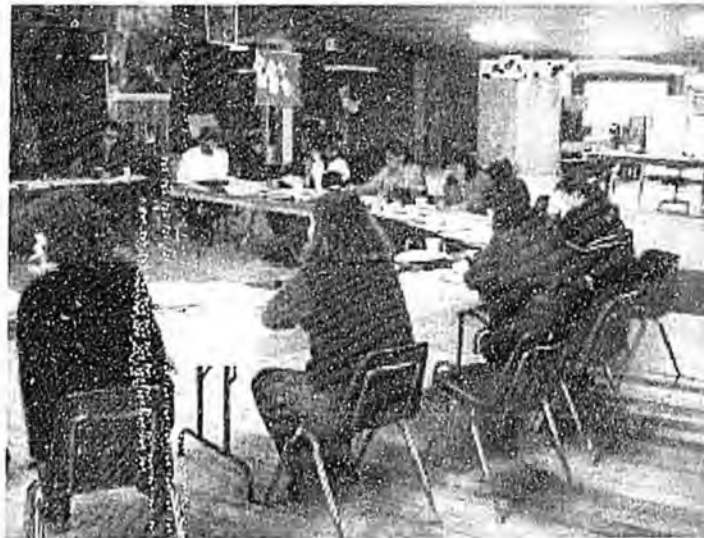
The Funding Summits are a joint effort of the Denali Commission, USDA Rural Development, U.S. Department of Housing and Urban Development (HUD), Department of Community and Economic Development (DCED), Rural Alaska Community Action Program (RurAL CAP), and regional and local partners.

The goals of a Funding Summit are to:

- ◆ enable community and agency representatives to resolve problems associated with and identify funding options for community priority projects;
- ◆ establish working relationships between community and agency participants; and
- ◆ enable all participants to learn new ways to make projects happen.

DCED established a website for the Summits: <http://www.dced.state.ak.us/dca/grt/fundingsummits.htm>.

In 2003, the partnership held Summits in Cordova, Barrow, and Juneau.



Fisheries Development

The Division currently has two full-time development specialists, a non-permanent development specialist, and a grant administrator working on fisheries issues. Current duties include analyzing and reporting on economic issues, working with entrepreneurs, encouraging and facilitating new product development, supporting development of growth sectors, networking economic development specialists with industry, and implementing programs under the Governor's Fisheries Revitalization Strategy. The fisheries development program strives to increase the income and employment of Alaskans from seafood.

In FY 2005, the Department intends to create the Office of Economic Development in the Commissioner's Office. Fisheries Development Specialists and other positions from this Division will be reorganized within the Office of Economic Development, along with Tourism and Minerals Development Specialists from the Division of Trade and Development (see Executive Order No. 112). Although this document identifies various responsibilities and activities of the Office of Fisheries Development, these will no longer remain in the Division in FY 2005, and as such, Fisheries Development is not included in the Division FY 2005 budget request. Recent, current and proposed projects include:

- ◆ seeking sustainable fisheries label for Alaska salmon through the Marine Stewardship Council;
- ◆ developing supportive information for the growing direct market vessel sector;
- ◆ facilitating and holding seafood marketing workshops and conducting direct market vessel workshops;
- ◆ providing detailed reports for the Alaska Economic Information System;
- ◆ implementing the \$7 million Aid to Impacted Communities Program;
- ◆ implementing and administering the \$13 million Fisheries Economic Development Grant Program;
- ◆ implementing and administering the \$13 million Alaska Salmon Marketing Grant Program;
- ◆ implementing the Alaska Regional Salmon Marketing Mini-Grant Program;
- ◆ implementing the Specialty Salmon Marketing Mini-Grant Program;
- ◆ participating in the research, surveying, and writing of the baseline review of Alaska salmon permit activity;
- ◆ designing for Alaska's Fisheries Business Plan;
- ◆ implementing and administering quality and transportation improvements for the salmon industry;
- ◆ reviewing and advising on permitting foreign processors into Alaska waters;
- ◆ advising on taxation, permitting and other regulatory systems pertaining to fisheries;
- ◆ overseeing a comprehensive review of the inputs into the Alaska seafood processing sector;
- ◆ maintaining a seafood related current events calendar; and
- ◆ supporting and communicating with the USDA on pink salmon purchase programs and organic seafood issues.

Tracking and developing policy considerations to protect Alaska's fishing and processing interests has become a major focus for the State of Alaska and has involved the expertise of the Division's Fisheries Development staff. At the same time, many proposals to rationalize other fisheries are emerging. Community and market concerns are included in the analysis and discussion of these proposals.



Small Business Development

The Division has one Development Specialist to support the start-up and expansion of small businesses around the State. Assistance provided includes:

- ◆ Responding to information requests from business owners.
- ◆ Developing publications on business topics.
- ◆ Assisting with the planning and delivery of small business training via regional workshops and conferences.

During fiscal year 2003, small business workshops were held in Cordova, King Cove, Glennallen, McCarthy, Wasilla, Soldotna, Homer, and Ninilchik. Small business training was also provided at the Kawerak Regional Conference in Nome, the Workforce Investment Act Conference in Anchorage, and the annual conference of the Culture Centers and Museums Consortium in Fairbanks.

The Small Business Development Specialist works closely with the staff of other State and federal agencies to efficiently provide a high level of service to the business community.

☆☆ Success Story ☆☆☆

Division staff participated in the 2003 Biz Fair, held in May on the UAA campus. The event drew approximately 250 people from throughout southcentral Alaska for a day of free seminars and information booths for business owners and aspiring business owners. Biz Fair is a collaboration of DCED, Internal Revenue Service, U.S. Small Business Administration, Alaska Small Business Development Center, Department of Labor and Workforce Development, and the Anchorage Chamber of Commerce.

Made in Alaska Program

The intent of the Made in Alaska (MIA) program is to promote and increase the sale of Alaskan manufactured and/or made products. The Made in Alaska program identifies and promotes the purchase of products manufactured and crafted in Alaska, ranging from small gift items to large industrial modules. Alaska businesses manufacture high quality products for Alaskan, domestic and international markets.

Products which meet program criteria are eligible to use the Made in Alaska logo. Permits authorizing the use of the Made in Alaska logo serve both producers and consumers by certifying product authenticity. The MIA program administration is contracted to a private sector organization.



**** Success Story ****

The Egan Convention Center in downtown Anchorage is providing a new venue for the promotion of Made in Alaska products. The Egan Center installed a lighted display cabinet on the lower level for the display of Made in Alaska products. The display includes a list of locations in Anchorage where the products are available for purchase. As a result of the display, Claire's Flies, a manufacturer of hand-tied fishing flies in Naukati, is now selling its products at Mountain View Sports in Anchorage.

Alaska Product Preference and Forest Product Preference Programs

These programs provide incentives for Alaska businesses when responding to bids for State contracts. The Alaska Product Preference Program, which is available to manufacturers within the State, provides a cost preference of up to 7% for State procurement. The Forest Products Preference Program provides a 7% cost preference in State procurement for wood products manufactured from Alaska timber. Both programs require certification by DCED to be eligible for the preference.

Presently there are 82 Alaskan manufacturers participating in the Alaska Products Preference Program, with products ranging from prefabricated buildings to bagged topsoil. Sixty two companies are listed for the Forest Products Preference Program.

Volunteers in Service to America (VISTA)

VISTA members serve Alaska's urban and rural communities. This year, through the Division's program, 21 VISTAs served in 18 communities. DCA received approval for six additional members who are now serving under an Indian Set-Aside Grant. Entities sponsoring these VISTAs are community and regional organizations that serve Alaska Natives. The program currently has a broad range of projects including strategic planning, leadership programs, cultural preservation, distance education, marketing/arts promotion and small business development. All members focus on human resources and capacity building, community ownership, and sustainability. The DCA VISTA program and its members are growing while earning a solid reputation for positive change.

☆☆ *Success Story* ☆☆

Greg Tisher, DCA VISTA with The Ahtna Heritage Foundation in Glennallen, extended his service for another year in April of 2003. Greg has been working toward the development of the "Ahtna Historical Village." To serve as a foundation in building community support and to collect information to include in the plan for the Ahtna Museum and Historical Village, Greg has been spearheading many local projects. There were a series of four Language Workshops that were part of the Ahtna Kenaegé Project funded by the Alaska Humanities Forum. Each workshop consisted of three days of analysis and study of the Ahtna language with 35+ attendees. After the final workshop the members of the communities decided to continue these workshops with funds provided by the local tribal councils where an elder will facilitate the class.

In addition to the workshops, an Ahtna Culture Camp was conducted over a three day period. Stories and traditions were passed on to the younger generation through the elders and a sense of pride was nourished allowing enthusiasm for the Ahtna culture to grow. Both the language workshops and the culture camp were videotaped for future reference. Greg has also been transcribing oral history interviews. He has submitted and been awarded grants amounting to \$32,000, \$8,400 in local fundraising, and in-kind donations are valued at \$18,854. The funds will be used for a feasibility study, educational programming, and career training for this locally owned business/cultural center.

☆☆ *Success Story* ☆☆

Casey Reynolds, DCA VISTA with the City of Kenai, began his service in July of 2003. Casey is working diligently on an economic development strategic plan for the greater Kenai area. He has been conducting research within the community, the borough, and throughout the State. He structured and facilitates an Economic Roundtable that meets monthly. Casey has been establishing relations with businesses to encourage them to consider Kenai as an opportune place to invest. He is working closely with one entity in particular considering the renovation of a former fish processing facility into a large tourism business venture. Casey was appointed by the Kenai City Council to a position on the Economic Development District Board of Directors. Casey is an excellent example of a VISTA *getting things done* and his ambition is greatly appreciated down on the Peninsula.