

# **THE UNFINISHED UNORGANIZED BOROUGH(S)**

The roles and responsibilities of the Alaska Legislature and potential next steps of legislative process and policy to achieve maximum local self-governance.

# ARTICLE X OF ALASKA'S CONSTITUTION

- Section One states a purpose “to provide for **maximum local self government** with a **minimum of local government units...**”.
- Section Two vests all local governmental powers in boroughs and cities.
- Section Three calls for the entire state to be divided into boroughs, organized and unorganized.
- Section Three states “the legislature shall classify boroughs and prescribe their powers and functions.
- Section Six titled “Unorganized Boroughs” designates the legislature to serve as the governing body, or assembly, of the unorganized boroughs.
- Section Twelve creates a Local Boundary Commission to consider local government boundary changes.

# SHORT HISTORY OF BOROUGH FORMATION

- Through bipartisan legislative mandate, the “Mandatory Borough Act” of 1963, nine regional areas were forced, in a relatively short period of time, to establish themselves as boroughs. These were: Ketchikan, Sitka, Juneau, Haines, Kenai, Anchorage, Kodiak, Mat-Su, and Fairbanks.
- Over the course of 57 years (1962-2019), ten boroughs formed voluntarily. These are: Bristol Bay, North Slope, Northwest Arctic, Aleutians East, Lake and Peninsula, Denali, Yakutat, Skagway, Wrangell and Petersburg.
- Incentives provided by the legislature to incorporate have included: shared taxes, revenue sharing funding, “seed money” funding, and municipal land entitlements.

# TODAY'S UNORGANIZED BOROUGH

- The singular Unorganized Borough of Alaska, encompasses over half of the area of the state, over 374,000 square miles. About 82,000 people reside within the borough, which is 13 percent of Alaskans.
- Within the Unorganized Borough, there are 15 Home Rule and First Class Cities (such as Unalaska, Nome, Valdez, Cordova, Hoonah, Nenana, Tanana) and 80 Second Class Cities (such as Delta Junction, Gustavus, Whittier, Fort Yukon).
- Reports from DCRA and LBC over the years have recommended different levels of borough formation out of the unorganized, such as model “starter” boroughs or fully conceived boroughs which meet standards of incorporation.

# EDUCATION SYSTEM AND FUNDING

- The nineteen organized boroughs of Alaska also encompass nineteen school districts, each with an elected school board and a superintendent. Each borough contributes a Required Local Contribution (currently 2.65 mils of FVD) to basic educational need, which is funding the state is not required to provide.
- The single Unorganized Borough encompasses 15 municipal school districts (Home Rule or First Class cities with education powers), and 19 Rural Education Attendance Areas, for a total of 34 school districts. Each district has its own school board and superintendent. The municipal districts are required to fund the local contribution, but the 19 REAA s are completely state funded, both operations and maintenance.
- This inequity is an ongoing source of friction, even litigation.

# POTENTIAL LEGISLATIVE ACTIONS

- Legislative recognition that borough formation is in the state's best interest for a number of reasons, one of which is to level the education funding playing field, and to enumerate the current incentives provided.
- Actively, and for the record, convene as the Assembly of the Unorganized Borough to take up its business. Declaratively state how the Legislature intends to fulfill the required duties of a borough by delegating planning and platting authority to DNR, education responsibility to DEED, taxation to Revenue, and state what monies will be used to provide the Required Local Contribution. A borough budget would be a great goal, as all boroughs are required have an approved annual budget.
- Create model boroughs as recommended by prior studies and reports.

# APPLICATION OF CONCEPTS FROM CLASS

- Political culture of “pragmatic dependent individualism” combined with economic dis-incentives, results in prevalent local attitudes against borough formation.
- Governor/Legislative power tension/relationship: Governor appoints Local Boundary Commission, which is under administration’s DCCED-DCRA, but Legislature sets “policy for the organization of boroughs”.
- Legislative Committees and leadership: A standing committee, Community and Regional Affairs, holds the legislative reins on this issue, but as always, through the Rules Committee. Either chair can stymie progress.
- Two Congresses/Masters – Doing what is your constituents’ self-interest vs. Doing what is in the best interest of the long term health of the State of Alaska

A 1981 study concluded “the present system encourages dependence and that the inhabitants of the Unorganized Borough are encouraged to be supplicants and clients of state-provided services and largely spectators upon the political life of local government”. (Thomas,ed., Ritchie, page 644)

## **REFERENCES**

- Thomas, Clive S (editor). 2016. *Alaska Politics and Public Policy: The Dynamics of Beliefs, Institutions, Personalities, and Power*.
- Alaska’s Local Boundary Commission. *Unorganized Areas of Alaska that Meet Borough Incorporation Standards*. February 2003.
- Alaska’s Local Boundary Commission. *2018 Annual Report to the First Session of the Thirty First Alaska State Legislature*.
- Other legislative source material including minutes of hearing.