

Leadership must rise to challenge of 1991

by Peter McDowell

As 1991 approaches, we in Alaska find ourselves at a crossroads, one which will impact and determine our future forms of local governance. Unless leadership rises now to meet the challenge, local self-governance, as we know it today, could be changed beyond recognition.

Historically, local government in Alaska started as villages governed by consensus with honorary leaders lacking coercive powers, and then by miner's committees. During territorial times, we saw the creation of numerous small home-rule cities, partly to counteract strong absentee government by federal agencies situated in Washington D.C. Later, Statehood centralized much of the power in state government, but local interests were protected by balanced representation between population (House) and land (Senate).

That balance has been shifted by a number of changes, fundamental constitutional changes without actual amendments. One man—one vote, eliminated Senate representation by land mass while oil revenues shifted the state government's share of total tax revenues to a dominant proportion. But these "de facto constitutional amendments" were temporarily "repealed" by legislative coalitions comprised of rural areas, Fairbanks, and Southeast, which prevented any one region, namely Southcentral Alaska, from dominating State government. In 1991, that balance will probably be chang-

ed by the upcoming 1990 census, and the reapportionment which will follow. In addition to declining oil production and the possible public sale of Native corporation stock, 1991 may also mean majorities in both houses of the State Legislature from a single region. Anchorage-Southcentral—a demographic fact of life combined with one person, one vote.

Alaskans, however, have long

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traditions in both our Native and pioneer cultures of treating centralization of political and economic power as an opportunity for strengthening local governance. Our State Constitution, in Article X, calls for "maximum local self-government...with a minimum number of local government units".

Alaskans may consider the forthcoming concentration of state government power in one region as an incentive to strengthen local governance institutions such as

the traditional council, regional education attendance area, city, borough or nonprofit corporation. People outside the Anchorage/Southcentral region might try to restore the traditional constitutional balance among the regions of our state by modifying the local governance structure to compensate for the future. Options which could be considered include:

- * The formation of new rural boroughs from parts of the unorganized borough; for example, the NANA region around Kotzebue, the Bristol Bay region around Dillingham, and the Yukon-Kuskokwim Delta around Bethel;

- * The formation of "megaboroughs" that include groups of smaller home-rule municipalities such as in the Southeast region;

- * Shifting a greater proportion of tax revenue to local governments through increased property and/or sales taxes, or the imposition of a statewide income tax that could be pre-empted by a local government (as is now the case with the oil and gas property tax); or
- * Conversion of the Legislature's capital budget process to a municipal government capital projects revenue sharing program.

Rural boroughs could become very effective regional governments if, for example, the powers of a home-rule government were combined with already existing regional education attendance areas (REASSs) and coastal resource service areas (CRSAs), special districts created to provide education services and exercise coastal zone management powers

in the unorganized borough. We should not, however, forget the linkage of our local governments to the private sector. New or shifted taxes must be evaluated for their potential impacts on private sector businesses, including Native corporations. Any confiscatory taxation to support local (or State) government could diminish the ability of the private sector to help lead the diversification of Alaska's economy away from its current dependence on oil and government.

There is no doubt that as we turn our attention to 1991 and its implications for local governance, our individual and collective wisdom and experience will be brought to bear in a forceful, effective way. We have accumulated a permanent fund of

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intellectual capital that is unparalleled in a state of our size. Alaskans will not just muddle through this transition. As always, given enough information, some attractive alternatives, and working together in unity, we can do the right thing.

These efforts must start soon, however, as there are only a few short years to 1991. The economic leaders of our state have a special responsibility to begin this planning process now, for it is the private economy of Alaska—not just its governments—that will lead the efforts to accomplish our individual and collective goals for the 90s.

The three issues of 1991 are inextricably intertwined—they affect each other and they affect us all. The challenge of leadership for 1991 is to approach it in unity while learning from our diversity. We all have much to learn from each other and our future will be the better for it.

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