



UiT The Arctic University of Norway

JOHNSON  
SHOYAMA



GRADUATE SCHOOL OF PUBLIC POLICY

UREGINA ▼ USASK

Faculty of Social Sciences, Humanities and Education/  
Johnson Shoyama Graduate School of Public Policy

## **The Dependence of Alaska's Unorganized Borough on the State**

Potential for Addressing a Systemic Challenge

Nils Andreassen

Master thesis in Governance and Entrepreneurship in Northern and Indigenous Areas  
IND-3901 Fall 2024





*The Dependence of Alaska's Unorganized Borough on the State:  
Potential for Addressing a Systemic Challenge*

*Nils Andreassen*

Master in Governance and Entrepreneurship in Northern and Indigenous Areas

Faculty of Humanities, Social Sciences and Education  
UiT The Arctic University of Norway

Johnson Shoyama Graduate School of Public Policy  
University of Saskatchewan

*Fall 2024*

Supervised by

*Professor Greg Poelzer, PhD*

*School of Environment and Sustainability*



## Acknowledgements

This thesis would not have been possible without the support, guidance, and encouragement of many individuals.

First and foremost, I would like to extend my deepest gratitude to my advisors, whose wisdom and feedback have been invaluable throughout this process. Dr. Greg Poelzer at the University of Saskatchewan has provided me with insightful guidance, not only in shaping this thesis but also in navigating the complexities of governance and fiscal policy in the North. I am equally grateful to Dr. Jonathan Crossen from the University of Tromsø, whose perspective on comparative governance models has broadened my understanding of local governance in remote regions and enriched the overall quality of my research.

I would also like to acknowledge the professors and faculty members at both the University of Saskatchewan and University of Tromsø for their intellectual support. Their expertise in governance, Indigenous issues, and rural development has greatly influenced my approach to this work.

To my classmates in Canada and Norway, thank you for your camaraderie, thoughtful discussions, and for creating a vibrant intellectual environment. The collaborative spirit within our cohort has been a source of both motivation and inspiration, and I am honored to have learned alongside such passionate individuals.

I would like to take a moment to recognize the people of the North, whose resilience and commitment to their communities in the face of economic and environmental challenges are a constant reminder of the importance of this work. It is the lived experience of northerners that makes issues of governance and equity in remote regions so pressing. I hope that this thesis can, in some small way, contribute to the ongoing conversation around fostering sustainable and equitable governance in northern regions.

Finally, I owe a special thank you to my family. To my partner and children – your patience, understanding, and unwavering support have been a source of strength throughout this journey. The time and energy required to complete this work have been significant, and I am profoundly grateful for your love and encouragement. This thesis is as much a testament to your support as it is to my own efforts.



## **Abstract**

This thesis examines the governance and fiscal challenges of Alaska's unorganized borough, a region that encompasses vast, sparsely populated territories largely reliant on state-administered services. Established as a catch-all entity for areas unable or unwilling to form organized boroughs, the unorganized borough lacks regional unity, regional governance structures, and a coherent system for resource distribution. This has led to significant fiscal disparities between organized and unorganized regions, as well as inequitable access to services.

Drawing on legal precedents, such as *Kasayulie v. State of Alaska*, and comparative governance models, particularly the Northern Saskatchewan Administration District, this thesis explores the historical context of borough formation and the original intent behind Alaska's local government framework. It identifies the unorganized borough as a contradiction to the state's constitutional emphasis on local self-governance, resulting in an unsustainable reliance on state resources and unequal service delivery.

Several policy reforms are proposed to address these systemic issues. These include the reorganization of the unorganized borough into smaller, more cohesive regional units, the establishment of borough-tribal compacts to enhance local governance, and the introduction of a statewide property tax to mitigate fiscal disparities. Each recommendation is analyzed in terms of its legal, political, and practical feasibility.

The thesis concludes that while the unorganized borough's current structure may have once served Alaska's needs, it now represents a significant governance and fiscal challenge that requires urgent attention. Legislative action is needed to align the governance of the unorganized borough with the state's constitutional mandate for regional self-governance. By exploring these potential reforms and drawing on lessons from other regions, this thesis provides a framework for policymakers to create a more equitable and sustainable future for all Alaskans.





# Table of Contents

- Acknowledgements ..... iii
- Abstract ..... v
- 1 Introduction ..... 1
  - 1.1 Methodology ..... 4
    - 1.1.1 Comparative Case Study Analysis ..... 4
    - 1.1.2 Legal Review and Constitutional Analysis ..... 6
    - 1.1.3 Limitations of the Methodology ..... 7
- 2 Literature Review ..... 8
- 3 County-Equivalent Governments in Alaska ..... 13
  - 3.1 Community Perspectives: Analysis of Survey Results ..... 17
  - 3.2 Discussion ..... 19
    - 3.2.1 Public Education ..... 22
    - 3.2.2 Borough Formation ..... 25
    - 3.2.3 Mandatory Borough Act ..... 29
    - 3.2.4 2004 Model Borough Boundary Study ..... 31
  - 3.3 Lessons Learned: Northern Administrative District ..... 33
    - 3.3.1 Critical Assessment ..... 37
    - 3.3.2 Municipal Reform ..... 38
    - 3.3.3 Moving Toward Regional Development ..... 39
  - 3.4 Strategic Implications ..... 40
- 4 Recommendations for the Unorganized Borough ..... 42
  - 4.1 State Administration ..... 43
  - 4.2 Legal Challenges ..... 44

4.3	Municipal Dissolution and Regional Governance .....	44
4.4	Statewide Property Tax .....	45
4.5	Alaska Lands Act .....	46
4.6	Borough-Tribal Compacts.....	47
5	Conclusion.....	48
	Works cited .....	51

## List of Maps

Map 1: Organized and Unorganized Boroughs.....	3
Map 2: Northern Administrative District .....	33



# 1 Introduction

Alaska's governance structure stands apart from the rest of the United States due to its reliance on both organized and unorganized boroughs, a system designed to accommodate the state's vast, sparsely populated regions. While organized boroughs function similarly to counties in other states – providing local governance, taxation, and essential services such as education and public safety – the unorganized borough presents a unique case. Comprising over half of Alaska's landmass and including many rural and Indigenous communities, the unorganized borough lacks the formal structure of regional governance, leaving the State of Alaska responsible for administering essential services directly. This arrangement, where the state functions as the de facto county government equivalent, raises significant concerns about fiscal equity, governance efficiency, and the long-term sustainability of these communities.

The unorganized borough's existence highlights a governance paradox: while Alaska's constitution encourages borough formation to foster local self-governance, the unorganized borough persists as a largely state-administered entity. The Alaska Constitution envisioned boroughs as flexible, adaptable units of government that could respond to regional needs, yet the unorganized borough's vast geographic scope and diverse population have complicated this vision. Without a local tax base, communities within the unorganized borough benefit from state-provided services without direct financial contribution, resulting in significant fiscal disparities when compared to their counterparts in organized boroughs.

The fiscal inequities between organized and unorganized boroughs are stark. Residents in organized boroughs contribute to the costs of public services through local taxes, while those in the unorganized borough often receive the same services, including education, public safety, and capital improvements funded entirely by the state. This reliance on state funding creates a strain on Alaska's budget, particularly in the context of declining oil

revenues, which have traditionally been the state's primary source of income. As state revenues decline, the costs of maintaining services in the unorganized borough are increasingly scrutinized.

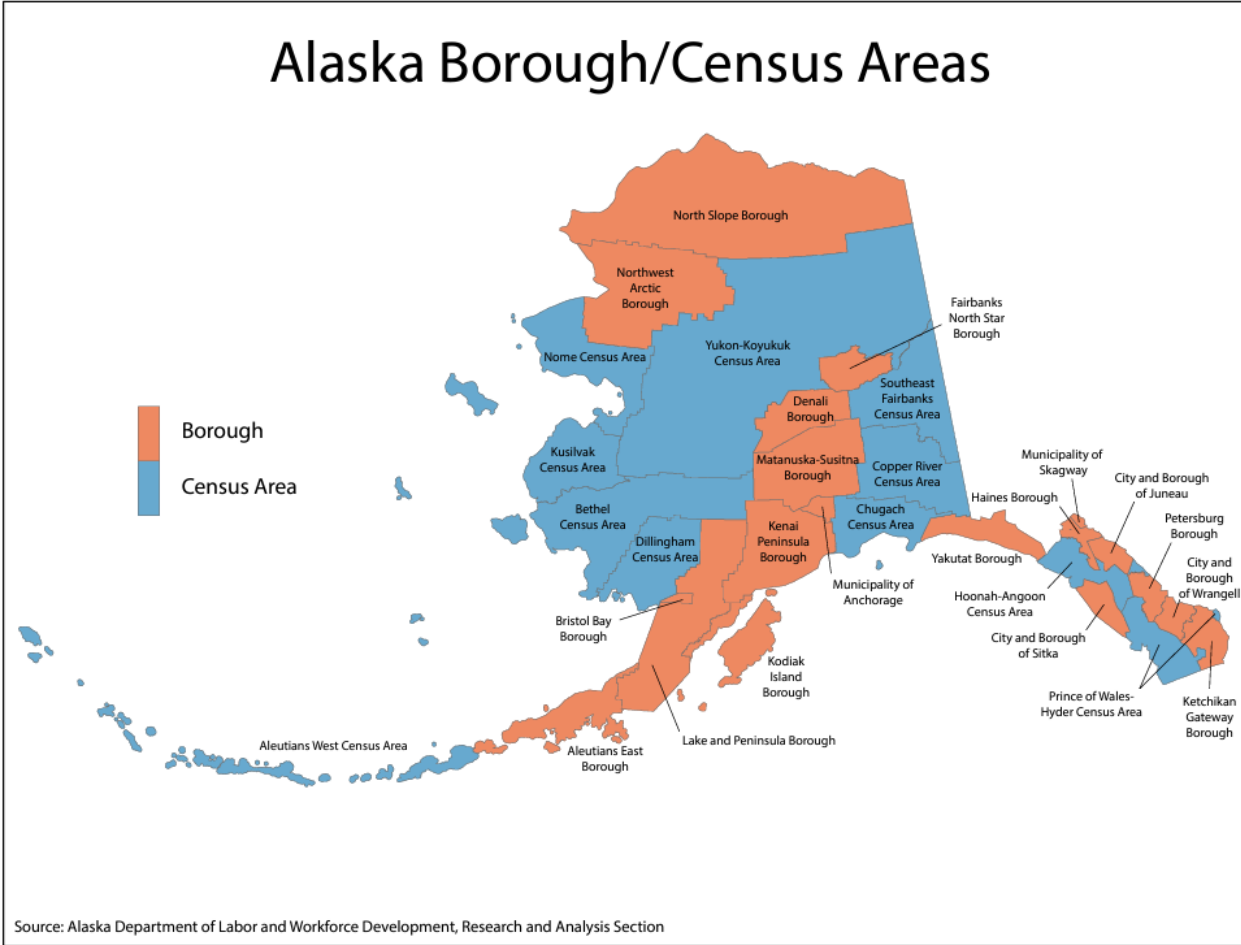
Beyond fiscal concerns, the unorganized borough's governance structure has significant implications for local autonomy and self-determination. Many communities within the unorganized borough, featuring Indigenous and rural populations, face limited opportunities for regional governance. Without borough-level institutions, decisions regarding education, land use, and public safety are made by state agencies, often without sufficient input from the local population. This centralization of power in state hands runs counter to the principle of local control that underpins Alaska's borough system, and it raises questions about the extent to which communities in the unorganized borough can meaningfully participate in governance decisions that affect their daily lives.

The legal ramifications of this system have been highlighted in key court cases such as *Kasayulie v. State of Alaska* (1999), which found that the state's system for funding education was discriminatory against rural and predominantly Indigenous communities within the unorganized borough. This ruling underscored the broader issues of inequality in service delivery and access to resources. While the state has made efforts to address these disparities through mechanisms such as the Rural Education Attendance Area (REAA) Fund, significant challenges remain, particularly regarding the state's ability to adequately fund public education in these remote areas.

This thesis seeks to explore the systemic governance and fiscal challenges posed by Alaska's unorganized borough and to offer potential solutions that could ensure more equitable and efficient service delivery. Central to this investigation is the question: How can Alaska address the governance and fiscal challenges presented by the unorganized borough to

promote local autonomy, fiscal responsibility, and sustainable service provision? To address this question, this thesis will examine the historical development of the borough system in Alaska, the fiscal disparities between organized and unorganized boroughs, and the legal and constitutional challenges that have arisen as a result of this governance structure.

In addition to examining Alaska’s specific context, this thesis will draw on comparative governance models from the Northern Saskatchewan Administrative District (NSAD), which faces similar challenges of remote, sparsely populated areas with limited local governance capacity, which relies heavily on provincial administration. By analyzing the governance and fiscal structures of this region, this research aims to identify best practices and potential reforms that could be adapted to Alaska’s unique circumstances.



Map 1: Organized and Unorganized Boroughs

This research contributes to the broader academic and policy discussions around governance in remote and rural regions, offering insights not only for Alaska but for other jurisdictions grappling with similar challenges. By examining the fiscal, legal, and governance implications of Alaska's unorganized borough system, this thesis aims to offer practical recommendations for policymakers seeking to reform and modernize the state's governance structures in a way that promotes both local autonomy and fiscal sustainability.

## **1.1 Methodology**

This thesis employs a qualitative research approach, drawing upon a combination of comparative case studies, legal analysis, and policy evaluation to assess the governance and fiscal challenges of Alaska's unorganized borough. The methodology is structured around three primary approaches: comparative case study analysis, legal review, and policy evaluation, all of which provide a multi-faceted understanding of the issue and inform the potential reforms proposed.

### **1.1.1 Comparative Case Study Analysis**

A key aspect of this research is the comparison of Alaska's unorganized borough with other governance models in similarly remote and sparsely populated regions. The NSAD serves as the primary comparative case study, as it shares several characteristics with Alaska's unorganized borough, including geographic isolation, low population density, and limited local governance capacity. The comparative case study method was chosen because it allows for the identification of similarities and differences between governance models, providing insights into potential solutions that could be adapted to Alaska's context. This method involves a detailed examination of how Northern Saskatchewan has addressed its governance challenges, including the role of the provincial government, local municipalities, and

Indigenous communities. These findings are then compared to the challenges faced by Alaska's unorganized borough, allowing for a better understanding of how different governance frameworks can either mitigate or exacerbate issues related to fiscal management, service delivery, and local autonomy.

In developing an understanding of the governance and fiscal challenges facing Alaska's unorganized borough, this thesis adopts a comparative approach grounded in the principles outlined by Charles Ragin in *The Comparative Method* (2014). Ragin emphasizes the value of comparative case studies for identifying and understanding patterns of causation within complex social and political structures. By comparing Alaska's unorganized borough with the NSAD, this thesis seeks to uncover insights into how regions with limited local governance capacity can effectively address service delivery, fiscal management, and equitable resource distribution. Ragin (2014) describes the comparative method as particularly useful for examining cases that share certain structural similarities but differ in key institutional arrangements or outcomes. Applying Ragin's approach, this research examines Alaska's unorganized borough and the NSAD as two entities with similar challenges but different governmental approaches. Whereas Alaska relies on centralized state control to provide services, Northern Saskatchewan has developed a provincial oversight model with localized governance elements. According to Ragin, these variations allow researchers to use comparative analysis to "infer causation by identifying differences between cases that systematically co-occur with different outcomes" (p. 72). Contrasting these models provides insights into how distinct governance structures influence fiscal sustainability, service provision, and local autonomy.

Ragin (2014) further emphasizes the importance of "case-oriented" comparison, which examines each case in detail to understand the context-specific factors that shape governance



outcomes. Rather than reducing the cases to isolated variables, this approach considers the “configurational” nature of each region’s social and political structure (p. 87). This case-oriented comparison enables a nuanced understanding of how governance models are adapted to meet local needs, recognizing that the factors influencing governance in rural, remote regions are often intertwined. By taking a configurational approach, this thesis aims to account for the unique aspects of each region. This research builds on Ragin’s concept of “qualitative comparative analysis” (QCA), which allows for identifying patterns and contrasts within small-N cases (Ragin, 2014, p. 111). The qualitative comparison of these governance models illustrates the benefits and limitations of centralized versus semi-localized governance in rural areas. The analysis provides a foundation for proposing adaptable governance reforms that might address Alaska’s unorganized borough’s unique challenges while drawing from practical insights observed in Northern Saskatchewan. Ultimately, this thesis situates the analysis of Alaska’s unorganized borough within a broader context, examining the efficacy of governance structures in fostering local autonomy and ensuring equitable resource distribution in sparsely populated and geographically challenging regions.

### **1.1.2 Legal Review and Constitutional Analysis**

The legal framework governing Alaska’s borough system plays a central role in this thesis. Therefore, legal review and constitutional analysis are key methodological components. The research examines relevant Alaska statutes, constitutional provisions, and legal precedents to assess the current governance structure and identify legal challenges that may arise from proposed reforms. Key legal cases such as *Kasayulie v. State of Alaska* are analyzed to explore the implications of Alaska’s constitutional clauses – specifically the Equal Rights Clause, Public Education Clause, and Local Government Clause - on the unorganized borough. By examining how these legal principles have been interpreted in court

rulings, this method identifies the legal barriers to reform and the potential for litigation to address issues of inequality in resource distribution and service provision. The legal review is also informed by a comparison with relevant legislation in other jurisdictions, such as Saskatchewan's *Northern Municipalities Act* and Canada's *Provincial North* governance model. This approach allows for a broader understanding of how legal and constitutional frameworks can be adapted to promote more equitable governance in remote regions.

The third component of the methodology involves evaluating the policy implications of proposed reforms for Alaska's unorganized borough. This includes an assessment of current policies, such as the allocation of state funds for education and infrastructure in the unorganized borough, and an analysis of how these policies contribute to fiscal disparities between organized and unorganized areas. Policy evaluation is conducted through a combination of qualitative analysis of existing reports, including state government documents, Local Boundary Commission reports, and fiscal studies, alongside a review of secondary literature on governance and fiscal management in Alaska. By evaluating the effectiveness of existing policies, this research identifies gaps in governance and fiscal equity and assesses the potential for alternative solutions, such as the introduction of a statewide property tax or the establishment of borough-tribal compacts. By assessing both the legal and political aspects of proposed policy changes, this research provides a comprehensive evaluation of the potential pathways for addressing the unorganized borough's governance and fiscal challenges.

### **1.1.3 Limitations of the Methodology**

While the methodology employed in this thesis provides a robust framework for analyzing Alaska's unorganized borough, there are several limitations to note. First, the comparative case study approach is constrained by the unique geographic, demographic, and

political contexts of each region. While the comparison to Northern Saskatchewan offers valuable insights, it may not fully capture the complexities of Alaska's political and economic environment. Second, the reliance on qualitative legal analysis limits the ability to quantitatively assess the fiscal impacts of proposed reforms. Future research could benefit from incorporating detailed financial modeling to provide a more comprehensive understanding of the fiscal implications of borough reorganization or the introduction of a statewide property tax.

## **2 Literature Review**

The unique governance system in Alaska, particularly the concept of organized and unorganized boroughs, has been a critical area of study since the state's inception. Scholars like Morehouse and Fischer (1971) laid the foundation of understanding borough formation in Alaska, noting that boroughs were created to manage services over large geographic areas to ensure regional development and self-governance. However, the existence of unorganized boroughs, where the state acts as a de facto local government, presents ongoing systemic challenges. According to Morehouse & Fischer (1971), these regions often lack the fiscal capacity to form organized boroughs, thus remaining under the state's administrative control for essential services such as education, planning, and public safety.

A comparative framework between Alaska and other states can be observed in Lee's (2001) analysis of county-level governments across the United States. While counties generally serve as primary units of local governance, Alaska's use of boroughs, both organized and unorganized, differentiates its approach. Lee (2001) examines how states like Connecticut and Rhode Island transfer many of these responsibilities to municipalities, while in Alaska, boroughs serve as the equivalent of counties. In the unorganized borough, state agencies like the Department of Education and Early Development (DEED) and the

Department of Transportation and Public Facilities (DOT&PF) take on local responsibilities, often leading to inefficiencies due to a lack of local decision-making authority.

The Alaska Constitution envisioned boroughs as flexible and regionally tailored entities to ensure local self-governance, with Article X, Section 3 emphasizing that boroughs must be created where they can support local functions. Despite this, the creation of a single large unorganized borough, as discussed by Morehouse and Fischer (1971), has led to constitutional and practical concerns. The Local Boundary Commission (LBC, 2003) notes the failure to reorganize the unorganized borough into smaller units as a violation of the common interests clause, which has led to unequal governance and service provision.

The financial disparities between organized and unorganized boroughs in Alaska have been well-documented. In the unorganized boroughs, nearly 10% of the population receives essential state-funded services without contributing to a local tax base (LBC, 2003). This has led to significant fiscal inequality. Recent studies on the allocation of funds reveal that the per capita expenditure on transportation and other infrastructure projects is significantly higher in the unorganized borough compared to organized regions, leading to calls for reform (Fairbanks North Star Borough, 2021). As observed in school construction and maintenance, transportation infrastructure, and public health services, state expenditures per capita are significantly higher in the unorganized borough compared to organized boroughs (State of Alaska, 2020).

A critical area of concern is the disparity in education funding between organized and unorganized boroughs, highlighted in *Kasayulie v. State of Alaska* (Education Law Center, 2020). The ruling found the state's school funding system to be racially discriminatory against Indigenous and rural communities within the unorganized borough. The establishment of the REAA Fund attempted to address these disparities, yet challenges remain due to the

absence of local taxation, limiting the ability of REAAs to augment their budgets (Cooper, 1982). Bradner (2019) discusses ongoing education funding debates in Alaska, highlighting how state and local contributions impact educational attainment differently across the state.

Efforts to reorganize the unorganized borough into smaller units have faced significant legal and political hurdles. Wheelock (2017) argues that the current governance structure fails to meet constitutional mandates for borough formation. The LBC (2004) identified seven regions within the unorganized borough that met the requirements for borough incorporation, but legislative inaction has stalled these efforts. A key challenge, as highlighted by O'Neill (2020), is the state's reliance on centralized governance in rural and Indigenous communities, which has stunted local capacity building and self-governance.

Comparing Alaska's governance challenges with other rural or Indigenous regions offers valuable insights for potential reforms. Jorgensen (2007) explores how Indigenous governance models in the U.S. and Canada have successfully addressed similar governance gaps, offering a potential path for Alaska's unorganized boroughs. The NSAD illustrates the importance of provincial support for local governance (Garcea, 2005). Hall and Olfert (2015) note that while government strategies have targeted economic development, the absence of local governance capacity has hindered long-term success, a pattern mirrored in Alaska.

Governance reform proposals, such as the creation of regional governance structures or borough-tribal compacts, offer potential solutions for Alaska's unorganized boroughs. Fischer and Morehouse (1971) emphasized that boroughs should be capable of adapting their governance to regional needs. In the context of fiscal inequities, a statewide property tax, as suggested by Dornfest et al. (2010), could address disparities in public service funding between organized and unorganized boroughs, leveling the financial playing field.

The role of local governments in rural and remote regions is often underestimated, yet these entities are crucial for fostering sustainable development, maintaining public services, and supporting community needs. Lobao and Kelly (2021) highlight that rural development has traditionally been seen through a private-sector lens, which promotes business growth but may overlook broader community needs like infrastructure, health, and education. Local governments play an essential role in addressing these gaps, serving as the backbone for comprehensive community development that goes beyond economic growth (Lobao & Kelly, 2021, p. 83). In rural and remote areas, however, local governance is challenged by structural limitations, especially regarding fiscal health and service capacity. Lobao and Kelly (2021) note that many rural counties in the U.S. report state-level revenue losses, which exacerbate their fiscal stress and limit their ability to respond to rising community needs, especially those related to social and economic distress and climate change (p. 86). These constraints are mirrored in Alaska's unorganized borough, where financial resources are limited and depend heavily on state funding for essential services, further complicating local self-determination and sustainability (Sherman, 2023, p. 308-309).

Research suggests that incorporating more local governance structures could mitigate these challenges by encouraging local participation and tailoring services to meet regional needs. For instance, Sherman (2023) argues that borough incorporation could enhance local voice and accountability by creating municipalities where there currently are none. This would allow for economies of scale in service provision, such as education and infrastructure, and foster collective regional policymaking – a crucial step toward self-determination for rural populations (p. 338). The geographic and demographic characteristics of rural regions also complicate governance models. According to the OECD (2023), rural areas often lack the economic advantages of urban regions, such as innovation spillovers and productivity gains

derived from density and proximity (p. 24). This makes it necessary for rural governance to adapt by sharing resources, forming collaborative networks, and building alliances with the private sector and civil society to address local needs (Douglas, 2018, p. 5). This governance model calls for a departure from traditional, hierarchical government structures toward a more networked approach that is flexible and responsive to the realities of rural life.

Fiscal federalism offers insights into how multilevel governance can facilitate rural service delivery by assigning specific responsibilities across government layers (Driessen & Hughes, 2020). This approach supports intergovernmental collaboration to address local fiscal shortfalls through transfers, loans, or shared responsibilities. However, the effectiveness of fiscal federalism depends on robust local government structures that can effectively manage resources, a significant limitation in Alaska's unorganized borough, where local tax revenue and governance capacity are minimal (Sherman, 2023, p. 332).

For Indigenous and rural communities, governance reform must also include considerations of cultural and political sovereignty. This may involve establishing Aboriginal affairs committees or co-management arrangements to address the needs of Indigenous residents within municipal boundaries (Government of Canada, 2010). In practice, rural governance reform involves recognizing local governments as active leaders in tackling socio-economic issues, including housing, poverty, and public health. Martin et al. (2021) suggest that local councils in rural areas, as the government bodies closest to their communities, have the ability to identify unintended consequences of centralized policies and develop locally tailored solutions. This adaptive capacity is essential for addressing issues beyond the administrative scope of traditional local governance, allowing councils to lead initiatives that foster social equity and community resilience (p. 17).

Alaska's unorganized borough exemplifies the challenges rural areas face when reliant on higher-level governments for essential services. By studying various governance models and reform strategies, this thesis situates itself within an evolving discourse on how to empower rural regions and Indigenous communities through governance reform, economic resilience, and sustainable service delivery. The literature on Alaska's borough governance highlights the systemic challenges of managing vast, sparsely populated regions with centralized state control. The current governance structure has led to financial inequities, underfunded education systems, and inefficiencies in service delivery. Comparative studies from other rural and Indigenous governance models suggest that greater local autonomy, fiscal reforms, and regional governance structures could provide more equitable and efficient outcomes.

### **3 County-Equivalent Governments in Alaska**

In the United States, nearly 90% of the country is organized into some form of county-level government. According to Lee (2001), over 3,000 counties exist across the nation, except in Connecticut and Rhode Island (p. 31). While the services provided by counties vary from state to state, the majority are responsible for essential public functions, including courts, corrections, law enforcement, natural resource management, public health, welfare services, and infrastructure maintenance, such as roads and bridges. Lee (2001) emphasizes that the scope of county responsibilities is typically defined by state governments, noting that "traditionally counties have delivered only those services that the state government wanted to localize" (p. 37).

Unique exceptions to the standard county governance model can be found in Rhode Island and Connecticut. In Rhode Island, county government functions were abolished and transferred to the state government, while in Connecticut, cities have assumed the



responsibilities typically held by counties (Lee, 2001). Similarly, Alaska does not employ the traditional county system. Instead, the state is divided into boroughs, which serve as county-equivalents for specific federal programs, such as the Payment in Lieu of Taxes (PILT) and Secure Rural Schools (SRS) programs. Alaska has eleven census areas that are considered county-equivalents for population and administrative purposes.

Alaska also features several examples of city-county or unified municipality arrangements, where local governments operate in a capacity similar to counties. These include the Municipality of Anchorage and the Municipality of Skagway, which are both unified municipalities. Additionally, cities such as Juneau, Wrangell, and Sitka serve as city-borough combinations, performing the functions typically associated with counties. Meanwhile, independent cities, such as Unalaska, Valdez, and Nenana, function as home rule cities, providing local governance without being part of an organized borough. These models reflect Alaska's flexible approach to local governance, where the state facilitates self-governance over its vast geographic areas. Nevertheless, the majority of the United States is fully covered by organized county boundaries.

In Alaska, the county-equivalent is a borough, designed to offer “maximum local self-government,” a principle enshrined in the state’s constitution to ensure broad autonomy over large geographic regions. Morehouse and Fischer (1971), in their comprehensive study of borough government in Alaska, describe boroughs as entities “primarily responsible for functions best carried out on an areawide, rather than a limited community, basis,” with the flexibility to adapt their shape and powers in response to changing population and economic conditions (p. 6). In keeping with this model, Alaska’s constitution provided for the creation of unorganized boroughs, acknowledging that certain areas of the state might lack the tax base or administrative capacity to organize but would still require state services. As a result,

unorganized boroughs became instrumentalities of the state, with the goal of ensuring that essential services remained responsive to regional needs (Morehouse & Fischer, 1971).

The state has treated all unorganized areas as part of a single unorganized borough, a policy that has raised concerns about equity, governance efficiency, and compliance with Alaska's constitutional intent. Borough governments in organized regions provide crucial coordination across their territories, delivering services such as education, planning, and platting without conflicting with local city governments. Under Alaska statute, boroughs are required to provide at least two key services on an areawide basis: education and planning/platting. Although boroughs can extend their powers beyond these functions, these are considered the baseline services that justify the existence of a borough government.

The unorganized borough operates differently. Though unorganized, state agencies perform many of the functions typical of organized boroughs. For example, education in the unorganized borough is managed through REAAs, which are overseen by the DEED. Similarly, planning and platting responsibilities fall under the purview of the Department of Natural Resources, while transportation and public infrastructure projects are managed by the DOT&PF, which organizes its work by region. Public safety in the unorganized borough is handled by the Alaska State Troopers, with districts corresponding to regional boundaries. In essence, Alaska's state agencies have created a form of regionalization that mimics borough functions without requiring formal borough organization. The notable exception is taxation – unlike organized boroughs, the State does not apply general taxation to the region, which limits its ability to generate revenue to support public services.

The current policy of treating the unorganized borough as a singular unit, without regional distinction, contradicts the principles of borough incorporation as outlined in Alaska's constitution. The Local Boundary Commission (LBC) in its 2003 report argued that

the unorganized borough's vast geographic, economic, social, and cultural diversity violates the common interests' clause of Article X, Section 3 of the state constitution. This clause requires that boroughs be established based on shared regional interests. The LBC recommended amending Alaska Statute 29.03.010 to reorganize the unorganized borough into multiple smaller unorganized boroughs, better aligned with constitutional requirements (LBC, 2003, p. 20). Despite this recommendation, Alaska's statutes and legislative actions have yet to address these constitutional deficiencies, leaving an unresolved gap in the state's approach to regional governance.

A critical distinction between organized and unorganized regions of Alaska lies in the provision and funding of public services. According to the LBC (2003), nearly 10% of Alaskans reside in the unorganized borough, receiving state-provided services at no cost to themselves, without consideration for fiscal capacity. Meanwhile, residents in organized boroughs are compelled to pay for these same services through local taxes (p. 21). This disparity raises concerns about equal protection and fiscal equity, suggesting that reforming borough governance could address broader issues of fairness in Alaska's public policy.

Beyond matters of equity, organized boroughs offer several public policy advantages. As the LBC (2003) outlines, borough governments promote enhanced service delivery through economies of scale, increased financial support for fundamental services, greater capacity for economic development, and the ability to address regional social services and public safety needs. Furthermore, boroughs provide residents with greater local control over governance decisions (p. 22).

In 2003, the LBC identified seven regions within the unorganized borough that met the standards for borough incorporation. The commission's report emphasized the need for a stronger state policy promoting borough incorporation, characterizing the absence of such a

policy as the “most pressing local government boundary problem facing Alaska” (LBC, 2003, intro). In determining the necessity for borough incorporation, the LBC evaluates regions based on four criteria: economic capacity, population size and stability, regional commonalities, and the broad public interest. These issues highlight the critical need for policy reforms that address both the constitutional and practical challenges posed by the current governance framework in Alaska’s unorganized borough.

### **3.1 Community Perspectives: Analysis of Survey Results**

A May 2003 Committee (Alaska State Legislature) hearing with public comments responding to borough evaluation points to a strong thread of opposition; little has changed with the passage of time. Comments include:

- Kathie Wasserman, Pelican – “difficulty financially supporting a borough” (p. 10)
- Carl Crosman, Kenny Lake – “if residents came up with a plan to fund their school, if that would address the legislative concern” (p. 10)
- Terry Kennedy, Tenakee Springs – “it would create a financial hardship for residents” (p. 11)
- Galen Atwater, Meyers Creek – “no need to hurry the process until they get some kind of tax base” (p. 12)
- Peter Jack, Sr., Angoon – “the community had investigated forming a borough and determined they had little to gain” (p. 13)
- Glen Marunde, Tok – “city government is the most proper choice for government in small communities in unorganized Alaska” (p. 14)
- Roslyn Isaac, Tanacross - “Unemployment is high in this area and supporting a borough government is economically unfeasible at this time” (p. 14)

The majority of the comments pointed to financial hardship, unemployment, and lack of a tax base.

A survey was conducted as part of this thesis, with response from community leaders in unincorporated communities within the unorganized borough and to municipal leaders in incorporated communities within the unorganized borough. A total of ten responses (of nearly 100 communities) does not represent a comprehensive sample but may still be instructive. Municipal officials in incorporated communities within the unorganized borough included the following responses: The majority (five of seven) indicated they received less State support than necessary to cover their administrative expenses. Where a service was provided by the city government, it was more likely to exceed resident expectations. The majority of services that residents depended on were deficient. State maintenance of the airport was cited as of critical importance. No respondent indicated they were opposed to borough formation, with the majority interested in more information. Concerns raised about borough formation focused on increased taxation or an additional level of government

Community leaders in unincorporated communities within the unorganized borough included the following. The majority (two of three) indicated they received less State support than necessary to cover their administrative expenses (the third's budget was entirely comprised of State support). The majority of services are provided either by the State or are non-existent. Almost all services were rated as deficient. All three respondents indicated they had sufficient tribal government in place of a city, and that taxation and additional government concerned them. The majority of respondents indicated they had enough information and did not support borough formation, with no response indicating an interest in more information

There are valid concerns raised by the responses – services in the unorganized borough are largely rated as deficient, State support was insufficient, and there is general concern about additional taxation.

### **3.2 Discussion**

Lee (2001) offers a comprehensive framework for evaluating the efficacy of county-level governments by analyzing three distinct levels: community environmental factors, extra-community variables, and political system variables. The community environmental factors include demographic characteristics such as population size, poverty rates, and population density, all of which directly influence the ability of local governments to deliver services. Extra-community variables involve external influences, such as state and federal aid or mandates, which often play a crucial role in non-metropolitan regions with limited tax bases, like those found in Alaska's unorganized borough. Finally, political system variables encompass the structural characteristics of government, including the type, class, and overall governance model (Lee, 2001, pp. 9-11). Together, these variables condition a county or borough's policy outputs, forming what Lee calls a functional responsibility index, which measures how effectively local governments meet their service obligations based on their respective environments.

A key metric for evaluating functional responsibility is expenditure analysis. As Lee (2001) posits, higher levels of funding typically correlate with improved service delivery, assuming resources are allocated efficiently. However, this assumption must be balanced with an assessment of the total number of functions performed by local governments, regardless of budget. For instance, a borough may have high spending but perform fewer essential functions compared to others with lower budgets. When applied to Alaska's borough system, this metric becomes particularly relevant given the disparity in functions between organized

and unorganized boroughs. Additionally, Lee (2001) stresses the importance of considering per capita spending and distinguishing between required versus optional responsibilities, as these factors can greatly influence a borough's capacity to meet the needs of its residents. As Lee observes, "expenditures for nonmetro counties are primarily determined by federal aid and state aid" (p. 134), which holds especially true in regions with limited local revenue sources, such as Alaska's unorganized borough.

In applying this framework to Alaska's unorganized borough, it becomes clear that state contributions disproportionately support service delivery in these regions. In two of three key areas – education, transportation, and public safety – state funding surpasses that deployed in organized boroughs. Yet, despite the high level of state contributions, these are often insufficient to fully meet the needs of the population. This raises questions about the adequacy of the existing system and highlights the imbalance between state aid and local contribution. The reliance on state funding in the unorganized borough essentially offsets local fiscal responsibility, creating a dependency that complicates governance and raises concerns about equity.

A significant legal dimension further complicates this issue, particularly concerning the partnership between the state and local governments in Alaska. Wheelock (2017) examines the landmark case *State v. Ketchikan*, in which the court considered Ketchikan's challenge to the state's requirement for local contributions in organized boroughs – a requirement that does not apply to the unorganized borough. The court's ruling was based on the constitutional principle of state-local cooperative programs, in which both levels of government share responsibility for providing public services (Wheelock, 2017, p. 123). This cooperative framework, envisioned by Alaska's constitutional framers, underscores the shared

obligations between state and local governments, particularly in areas such as education, which predate statehood.

However, the court in *Ketchikan* did not address the broader question of whether the requirement for local contributions in municipal school districts, but not in REAAs, complies with the Public Schools Clause of Alaska's Constitution. This unresolved legal question points to a fundamental challenge in determining the extent of the state's obligation to fund public education equitably across all boroughs, regardless of their organizational status. Wheelock (2017) suggests that this issue remains central to understanding the state's responsibilities and the degree to which these obligations can be shared with local governments while still fulfilling constitutional requirements.

Further legal complexity arises from *Mat-Su v. State* (1998), a case that attempted to address the role of local contributions in creating disparities in educational outcomes between different school districts. While the court ultimately found that local contributions did not significantly impact educational attainment at the time, more recent research has revealed persistent inequities. This suggests that the reliance on local contributions may, in fact, exacerbate disparities in educational quality, particularly in regions like the unorganized borough, where local governments lack the authority to levy taxes to support education. In response to these ongoing challenges, the state conducted a comprehensive study of its education funding formula, which produced a series of important findings and recommendations. Most notably, the study found a clear correlation between funding levels and student performance: for every \$1,000 increase in instructional expenditures per pupil, there is an associated two-percentage-point increase in reading proficiency and a one-point increase in math proficiency (Silverstein, Brown, & Fermanich, 2015, p. xi). This finding underscores the critical role of funding in shaping educational outcomes and highlights the



disparities faced by school districts in the unorganized borough, where the absence of local contributions severely limits available instructional resources.

Silverstein, Brown, and Fermanich (2015) further argue that where local contributions are made, student success is significantly higher. In districts with the fiscal capacity to contribute beyond the state's base funding, schools can invest more heavily in instructional services, which directly benefit student outcomes (p. 70). In contrast, REAAs in the unorganized borough, which cannot levy local taxes, spend a larger proportion of their funding on operational costs rather than instructional services (p. 85). This misalignment in resource allocation places students in these regions at a distinct disadvantage. The study's recommendation for the state to adopt a formal measure of local fiscal capacity would help ensure a more equitable distribution of educational funding across boroughs, enabling a balanced local contribution system (Silverstein, Brown, & Fermanich, 2015, p. 104).

The discussion of Alaska's unorganized borough highlights the complex interplay between fiscal responsibility, governance, and legal frameworks. The current system, heavily reliant on state contributions, presents significant challenges in terms of equity, efficiency, and long-term sustainability. Legal precedents like *Ketchikan* and *Mat-Su* provide a partial framework for understanding the division of responsibilities between the state and local governments, but unresolved questions regarding education funding and the Public Schools Clause underscore the need for continued reform. As the state considers its future approach to borough governance, measures such as enhancing local fiscal capacity, redefining cooperative state-local programs, and ensuring equitable funding for education will be essential.

### **3.2.1 Public Education**

The formation of REAAs in 1976 marked a significant shift in Alaska's public education system, replacing the previously state-operated model. Designed to serve rural

areas where local governments lacked the resources to support education through taxation, REAAs were intentionally excluded from the authority to levy local taxes, a restriction rooted in the Alaska Constitution. This constitutional limitation makes REAAs entirely dependent on state funding, which imposes strict budgetary constraints. These constraints are set by state-level decisions, which limits the flexibility and capacity of REAAs to respond to local needs (Cooper, 1982). By contrast, municipal school districts – the majority of which occur in organized boroughs – benefit from a combination of state funding and locally generated revenue. Local governments in these districts have the ability to contribute beyond the minimum required, offering them a distinct advantage in augmenting their educational budgets and providing a higher level of services. This disparity in funding sources has led to an inequitable system, where REAAs, constrained by state-imposed limits, cannot match the fiscal capacity of municipal school districts.

The inequitable funding structure in Alaska’s education system has been a source of ongoing legal and policy debate. Wheelock (2017) provides potential solutions to address these disparities, particularly in relation to Alaska’s Public Schools Clause. Wheelock argues that while the constitutionality of the existing funding mechanism has not yet been directly challenged, a claim based on the state’s responsibility to fund public education at a minimally constitutionally adequate level could succeed (p. 125). This argument centers on the idea that the state must ensure that all students, regardless of their location or the structure of their school district, receive an adequate education.

Comparative legal precedents from other states offer insights that could inform reforms in Alaska. In Washington, for example, the state Supreme Court ruled that the use of local levies to fund education could not absolve the state of its obligation to fund basic education. In a 2012 ruling, the court found that Washington’s education system was

inadequately funded, partly because the state was not providing sufficient resources to pay teachers (Wheelock, 2017, p. 137). In response, Washington legislators considered a “levy swap,” wherein a state tax would replace local taxes as the primary funding mechanism for education. A similar approach could be explored in Alaska, where the state could assume responsibility for the Required Local Contribution (RLC) through a statewide property tax, ensuring a more equitable distribution of educational funding across all districts.

A further example comes from Vermont, where the state Supreme Court declared that the state could not delegate its fundamental responsibility for education to local governments. Like Alaska, only a small number of Vermont’s local governments levy property taxes, leading to significant disparities in the ability of different regions to contribute to their educational systems. In response to this inequity, the State of Vermont assumed full responsibility for funding education, financing the system through an elevated income tax (Wheelock, 2017, p. 138). This precedent underscores the importance of a strong, centralized funding mechanism to ensure that education is adequately and equitably financed, particularly in states with significant regional disparities.

Wheelock (2017) concludes that Alaska’s RLC may be the most economically viable option for sustaining public education funding, but it could ultimately be deemed unconstitutional under the Public Schools Clause (p. 141). The clause mandates the state’s responsibility to ensure adequate public education, and the RLC system, which shifts part of the burden onto local governments, may fall short of this requirement. The state’s lack of a broad-based tax, such as a state income or sales tax, exacerbates the challenge of adequately funding education. By requiring local governments to fund a portion of education costs, the state effectively defers its own constitutional obligations. This has created an inequitable and insufficient funding mechanism that, while keeping the system functional, does not ensure

equal educational opportunities for students across the state. In the absence of a statewide tax system to generate revenue for education, Alaska's reliance on local contributions from organized boroughs and home-rule cities deepens the divide between well-funded municipal school districts and the underfunded REAAs.

### **3.2.2 Borough Formation**

Following the LBC review of the unorganized borough and the potential for establishing model boroughs, the Commission presented its findings to the Senate Community and Regional Affairs Committee. The review emphasized the original intentions of Alaska's constitutional framers regarding local government, as outlined during the Alaska Constitutional Convention of 1956. Key insights from the Committee's documentation reveal the following points regarding the implementation of the borough concept (Alaska State Legislature, 2003, pp. 5-6).

Constitutional Delegates formally considered the Local Government Article on January 19, 20, and 30, 1956. During these discussions, John Rosswog, the Chair of the Committee on Local Government, expressed that the framers anticipated some boroughs remaining unorganized until they were ready to assume local government responsibilities. He stated, "...we allow for the boroughs remaining unorganized until they are able to take on their local government functions." Delegate Barrie White raised concerns about whether the provisions offered sufficient incentives for areas to organize, suggesting that regions might prefer to remain unorganized if not adequately motivated to do otherwise. In response, Member Victor Rivers emphasized that the state would provide enough inducements to encourage voluntary organization of boroughs. Member Maynard Londborg from Unalakleet further supported this notion, stating that boroughs could be organized on a voluntary or mandatory basis, with the voluntary route being the preferred approach.

Delegate James Hurley asked whether any organized borough could be established without the approval of the local population, to which Secretary Vic Fischer responded, “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.” Fischer continued by noting that the state did not foresee forcing boroughs to organize, as the intention was to create conditions that would naturally lead to voluntary organization. While there was a clear intention to allow areas within the Unorganized Borough to self-organize, Delegate Rosswog emphasized the need for a structured approach, stating, “in order to have good local government in Alaska, the whole state should be divided -- we would not want to have loose sections here and there” (Constitutional Convention, 1956, p. 2612). Rosswog argued that the establishment of borough boundaries should not be left entirely to local communities but should instead be determined by a higher authority within the state government.

The concept of boroughs was envisioned as a means of providing broad authority at an intermediate level of government, leaving only reserved powers to the state. According to Delegate Rivers, the organization of boroughs was intended to foster cooperation and regional unity, rather than competition, stating, “we would allow it in such a way that we would base our plan of thinking upon cooperation of those elements, and in such cooperation that rather than spending time, money, and energy in conflict, they could spend the same time, money, and energy in cooperative growth and progress” (Constitutional Convention, 1956, p. 2616). The underlying principle was that boroughs would fulfill areawide obligations, while cities would focus on local governance functions. Delegate Fischer articulated the importance of balancing local autonomy and state involvement, combining “the maximum amount of flexibility with the maximum amount of home rule, and at the same time with the maximum

amount of state interest and participation in local affairs” (Constitutional Convention, 1956, p. 2617).

A critical point of the discussions centered around the concept of "maximum extent possible" in determining borough size. Delegate White questioned whether this meant the largest geographic area possible, to which Delegate Doogan responded affirmatively, while Delegate Rosswog added that the size, population, and common interests of an area should be considered in the determination of borough boundaries (Constitutional Convention, 1956, p. 2638). The issue of size and boundaries was further discussed in relation to their correspondence with election districts.

Delegate White voiced concerns about whether the state would continue to provide essential services in areas that did not organize as boroughs, potentially incentivizing communities to remain unorganized (Constitutional Convention, 1956, p. 2650). The debate then shifted to two possible approaches for borough organization: 1) voluntary organization, incentivized by state support, or 2) mandatory organization, wherein the state would intervene and establish borough boundaries if regions did not organize independently. Delegate Londborg expressed confidence that communities would eventually organize voluntarily, driven by the desire for self-governance (Constitutional Convention, 1956, p. 2651). Fischer echoed this sentiment, explaining that boroughs were not conceived as purely local governments but as units of government designed to carry out state functions. He emphasized that borough formation was not meant to be imposed by the state but encouraged through inducements, including the potential reduction of state-provided services (Constitutional Convention, 1956, pp. 2673-2678). True local control, Fischer argued, would only be realized when boroughs adopted their own charters (Constitutional Convention, 1956).

The envisioned progression for borough formation followed these key steps: 1) The state would establish model boundaries for all regions of Alaska, with boundaries as large as possible while reflecting common interests; 2) organized borough formation would be encouraged and induced, with the expectation that most areas would organize quickly; 3. in regions that remained part of the Unorganized Borough, the state would continue to administer certain base functions; 4) over time, the state could reduce its level of service provision to encourage boroughs within the unorganized regions to organize; and 5) eventually, the distinction between boroughs would be based on their governance structure, with some organizing by home rule charters and others following general law.

Another key issue discussed during the Constitutional Convention was the taxing authority of school districts. In other states, school districts often have the power to levy taxes, but this authority was not granted to districts in Alaska. Delegate Davis raised concerns that if a city were the only taxing entity, schools would compete with other municipal services for limited tax revenue. Fischer argued that education should be a primary responsibility of the boroughs, which would have more limited but focused responsibilities, including education, health, and public safety (Constitutional Convention, 1956, pp. 2629-2630). Fischer explained that boroughs would allocate their tax dollars across these essential functions, ensuring that critical services like education were adequately funded.

Bartholomew (1959) observed that the establishment of organized and unorganized boroughs reflected Alaska's frontier character, allowing flexibility in local government formation while granting the legislature discretion in establishing borough boundaries and responsibilities. However, this flexibility required balance. As the LBC later noted, the philosophy of home rule was not inconsistent with a strong state role in matters of incorporation and boundaries. While the creation of local governments was viewed as a state

responsibility, once established, the internal operations of these governments were intended to be primarily local concerns (LBC, 2004, pp. 8-9, citing Morehouse & Fischer, 1971).

The lack of clear organization in rural Alaska, as Christensen (1989) argues, created challenges for these communities. Without formal boundaries or governance structures, rural areas were left to navigate complex interactions between federal, state, and private entities, often leading to overlapping roles and inefficiencies. This disorganization resulted in what Christensen called “over-organization,” where competing interests and unclear authority undermined the effective delivery of services (p. 81). The formation of the Northwest Arctic Borough during the 1980s, however, demonstrated that with proper planning and community engagement, rural regions could successfully organize and establish functional borough governments. As Christensen (1989) notes, the region’s efforts to develop a coastal zone planning process provided the tools and confidence necessary for the creation of a borough government in 1985 (p. 141). Essentially, borough formation advances the conditions for collaboration and improvements to community conditions.

### **3.2.3 Mandatory Borough Act**

In the wake of Alaska’s statehood and the adoption of its constitution, the 1961 Legislature sought to implement the founders’ vision of borough incorporation. This effort culminated in the development of policies and procedures to establish organized boroughs across the state, including the creation of a single unorganized borough. The Committee report from the Alaska State Legislature (2003) highlights some of the challenges and resistance that the state faced in promoting borough formation. Representative Jay Hammond remarked, “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?” Roger W. Pegues, Director of the Affairs Agency, noted, “It



was generally believed that the 1963 legislature would adopt a mandatory incorporation law.” A later study revealed that Alaskans were generally not motivated to voluntarily incorporate into boroughs.

Recognizing the lack of voluntary borough formation, the state shifted from policy discussion to legislative action with the passage of the *Mandatory Borough Act of 1963*. This landmark legislation required the creation of eight boroughs, using election district boundaries that coincided with school district boundaries. The following year, in 1964, the Alaska Supreme Court reinforced the constitutionality of this mandate, characterizing it as “a constitutional objective of establishing borough government.” As Representative Rader stated, “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” (Alaska State Legislature, 2003, p. 8). This marked the last significant exercise of state power to mandate borough incorporation.

Wheelock (2017) notes that the *Mandatory Borough Act of 1963* explicitly included a “clear and formal statement of intent that no area incorporated as an organized borough shall be deprived of state services, revenues, or assistance or be otherwise penalized because of incorporation” (p. 133). However, despite this assurance, the requirement for organized boroughs to contribute more to education and infrastructure development created what could be seen as a penalty – or at least a perverse disincentive – discouraging further voluntary incorporation. This system places additional financial responsibilities on organized boroughs, which contribute through local taxes, while residents in the unorganized borough continue to receive state services without a local tax burden.

In 1972, the Alaska Legislature passed *HB 208*, establishing Title 29, which governs the administration of local government in the state. Title 29, Chapter 3, formally declared that

“areas of the state that are not within the boundaries of an organized borough constitute a single unorganized borough” (Alaska State Legislature, 1972, p. 1). This statute provided for the creation of service areas within the unorganized borough, allowing for the administration of schools and the enforcement of zoning regulations through the state Division of Lands. By codifying the structure of the unorganized borough, the state effectively maintained centralized control over public services in these regions, while leaving the door open for future organization efforts.

### **3.2.4 2004 Model Borough Boundary Study**

The LBC has long argued that Alaska’s approach to the unorganized borough is constitutionally deficient. According to the LBC’s 2004 report, the state’s policy fails to meet the criteria for borough formation as outlined in the Alaska Constitution, particularly the requirement that boroughs encompass common areas and shared interests (LBC, 2004, p. 12). To address this, the Commission has been proactive in proposing solutions, including the development of 18 model borough boundaries in 1992 and the subsequent production of a comprehensive *Model Borough Boundary Study* in 2000.

The study provided a detailed review of factors necessary for determining borough boundaries, including population size, economic capacity, regional commonalities, and public interest. The LBC identified at least seven areas within the unorganized borough that met the standards for borough incorporation, as well as an additional six regions that could be included within existing borough boundaries. These recommendations underscored the feasibility of further borough formation, but also highlighted the challenges of achieving it without legislative intervention.

The 1961 establishment of the unorganized borough as a single entity was a pragmatic solution at the time, but the LBC’s 2003 report contends that this structure is no longer

tenable. It argues that the unorganized borough fails to meet the constitutional test for borough formation, particularly the requirement that boroughs be based on common areas and shared interests (LBC, 2003, p. 20). The Alaska Municipal League echoed this concern, noting that service delivery in the unorganized borough is, in practice, the opposite of what the framers of the constitution intended (LBC, 2003, p. 22).

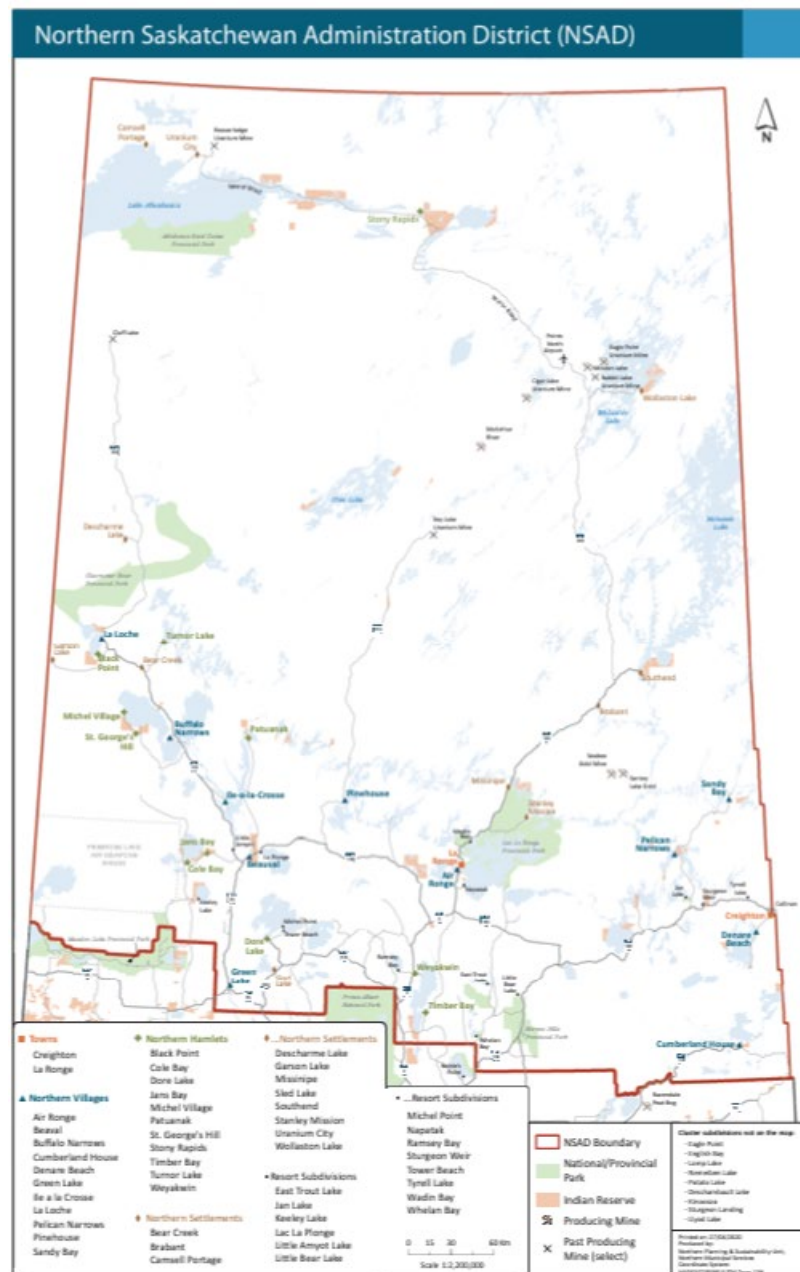
Following the release of the *Model Borough Boundary Study*, the Alaska State Legislature introduced Senate Concurrent Resolution 12 in 2003, which called on the LBC to proceed with a more comprehensive process of borough incorporation in the Unorganized Borough. The resolution cited several constitutional provisions, including the Equal Rights Clause and the Public Education Clause, while also highlighting the inequities faced by organized boroughs, which shoulder a disproportionate share of the state's fiscal burdens (Alaska State Legislature, 2003, pp. 2-3). The resolution pointed out that 96% of Alaskans lived in areas that had not voluntarily initiated borough incorporation, further demonstrating the ineffectiveness of the local option for borough formation (LBC, 2003, p. 28). Despite the resolution's strong language and the Commission's recommendations, no legislative action was taken to advance borough incorporation.

The *Model Borough Boundary Study* remains a key document in understanding the state's challenges in creating equitable and effective local governance structures. The failure to act on the LBC's findings reflects broader issues in Alaska's governance model, where the balance between state control and local autonomy remains unresolved. Legislative inaction on borough incorporation has perpetuated inequities between organized and unorganized regions, leaving a significant portion of the state without the local governance structures envisioned by the framers of Alaska's constitution.

### 3.3 Lessons Learned: Northern Administrative District

With the review of the unorganized borough in mind, it is worth comparing this region to others similarly situated. A comparative study was initiated to review Saskatchewan’s Northern Saskatchewan Administration District (NSAD), which is tasked with the “administration and development of the northern part of Saskatchewan” (Saskatchewan,

2019). This region is vast and sparsely populated, consisting of isolated municipalities, First Nations reserves, and unincorporated communities. The challenges of governing such a region are substantial, as governance is retained by the Province of Saskatchewan with no direct linkage to local administrative units. The lack of significant revenue generation in the region further exacerbates these challenges. As a result, supplemental provincial



Map 2: Northern Administrative District  
<https://www.planningforgrowthnorthsk.com/uploads/7/9/7/4/7974185/nsad-map-2021.pdf>

funding is essential to support the development needs of the region, yet such funding is insufficient to address the area's long-standing economic, infrastructure, and social challenges.

Following the passage of the *Northern Municipalities Act* of 1983, the Government of Saskatchewan's Local Government Finance Commission published a final report in 1986. The report identified several key issues, noting that northern municipal governments were hindered by "limited property tax assessment bases, high levels of unemployment, high levels of social problems, and high costs for capital projects and operational purposes" (Garcea, 2005, p. 83). These conditions have persisted in the decades since, compounded by geographical isolation, a lack of an economic base, and a skills gap in the local population. These challenges require not only financial investment but also a comprehensive strategy to build local capacity and offset the region's structural deficiencies. Since the 1986 assessment, further analysis by Hall and Olfert (2015) has revealed ongoing concerns in the region, including the "infrastructure maintenance and upgrade (including access to drinking water), access to quality health care and education, demographic trends, and appropriate access to decision-making" (p. 27). Without adequate resources and a systematic approach to ensure their effective distribution the investments made in both hard infrastructure (e.g., roads and public utilities) and social infrastructure (e.g., education and healthcare) have eroded over time. T

Northern Saskatchewan's communities represent only four percent of the province's total population but occupy nearly half of its landmass (Saskatchewan, 2019). The region includes 24 incorporated municipalities (Hall & Olfert, 2015) and a large number of unincorporated areas and First Nations reserves. The absence of a robust economic base has made it difficult for these communities to meet basic governance needs. As a result, the

NSAD is managed by the Ministry of Government Relations, which assumes administrative duties for the region. These duties include revenue collection, redistribution of funds, support for capital projects, and the delivery of additional programs.

The governance structure of the NSAD faces several critical challenges, including: limited capacity of local governments to effectively engage in decision-making processes; inability to meet provincial reporting requirements, leading to gaps in communication between the Ministry and the Legislative Assembly; insufficient resources within the Ministry of Government Relations, hindering its ability to fulfill its mandate in the region.; and inadequate support for strengthening local governance, resulting in a perpetuation of the status quo and weakening of local institutions.

The provincial government's approach to governing the NSAD has been characterized as a "caretaker" model, which prioritizes maintaining basic administrative functions over proactive leadership and development. This model may, in fact, weaken existing institutions as their infrastructure deteriorates due to a lack of sufficient resourcing. Despite the importance of governance in the region, Northern Saskatchewan remains one of the poorest parts of Canada, an issue that is compounded by its small population and large geographic area (Rayner & Needham, 2009, p. 139).

The economic and social challenges facing Northern Saskatchewan mirror those found throughout Canada's Provincial North. As Coates, Holroyd, and Leader (2014) point out, the Provincial North is characterized by widespread poverty and significant economic challenges, particularly within Indigenous communities (p. 8). Despite being resource-rich, Northern Saskatchewan has not reaped the full benefits of its natural resources. Garcea (2005) noted that a 1998 report by the Task Force on Municipal Legislative Renewal highlighted the region's need for "improved municipal infrastructure including roads, water, and waste

management” and “increased availability of and improved condition of housing units” (p. 87). These needs have remained largely unmet, leading Coates et al. (2014) to describe Northern Saskatchewan as a paradox: “resource-rich and yet quite poor, sparsely populated but with a growing transient population, filled with promise but lacking basic services” (p. 21). While the region’s needs are great, development opportunities do exist. Hall and Olfert (2015) suggest that “development options for remote rural communities will rely on taking advantage of local niche market activities in a variety of sectors including services and natural resource activity” (p. 27). Despite extensive provincial government strategies, Northern Saskatchewan remains one of the poorest parts of the country (Coates & Poelzer, 2014, p. 4).

The *Northern Administration Act of 1953* (Saskatchewan, 1953) established the framework for revenue collection in the provincial north, setting aside local development areas and placing revenues in a trust account. Later iterations of the legislation, including the 2010 amendment, directed funds for the “benefit of municipalities generally, the administration of the district as a municipality, and the disbursement of revenues derived from the collection of taxes and other revenues on behalf of northern hamlets and the district” (Saskatchewan, 2010, p. 248). These provisions have undergone incremental changes over time, but the region’s fundamental challenges remain.

The *Northern Municipalities Act* established the current system of municipal governance in northern Saskatchewan, which comprises 27 municipalities and 11 settlements with populations below 30 people (Garcea, 2005, p. 83). These municipalities vary significantly in terms of authority and autonomy, with smaller villages and hamlets often reliant on provincial municipal officials for key administrative functions (Garcea, 2005). Coates et al. (2014) elaborate on the governance model, explaining that “Northern municipalities are governed by an elected council that can hire staff to manage daily

administration and maintain municipal services” (p. 21-22). However, the limited capacity of local governments hampers their ability to meet the scale of the region’s challenges.

The governance structure in Northern Saskatchewan has been described as colonial, with the provincial government maintaining control over northern development while leaving local governments with little autonomy (Coates & Poelzer, 2014, p. 3). This system of governance, overseen by the Ministry of Government Relations and its Northern Municipal Services branch, replaces genuine local governance with advisory bodies. Although the region once had a Department of Northern Affairs, it has been replaced by the Ministry of Government Relations, which lacks the focused mandate necessary to drive meaningful development (Hall & Olfert, 2015, p. 27).

A key recommendation from various reports is the need for more robust mechanisms to build local capacity. The Northern Saskatchewan municipalities’ inability to meet reporting requirements under the *Northern Municipalities Act* further illustrates the region’s lack of governance capacity. In 2009, only 13% of municipalities submitted clean financial statements on time, down from 28% in 2008 (ICNGD, 2011, p. 1). This governance deficit underscores the need for improved financial management systems and greater collaboration between municipalities. As Coates and Poelzer (2014) argue, there has been “no systematic empowerment of northerners and their government representatives” (p. 5), leaving the region dependent on provincial oversight. Meaningful reform will require the province to strengthen local governance, provide adequate resources, and create a framework that empowers northern communities to manage their own development.

### **3.3.1 Critical Assessment**

The NSAD represents one of the least prosperous regions within the least prosperous western province of Canada. Municipal governance in this area suffers from a severe lack of



capacity, both in terms of resources and the way governance was established by the provincial government. The Ministry of Government Relations, which oversees the region, lacks a direct mandate for northern development and has been criticized for failing to adequately perform its oversight and reporting duties. This lack of effective governance and accountability has hindered progress and exacerbated the challenges faced by the region's residents.

The need for reform in municipal governance is critical to ensuring the long-term sustainability and success of northern communities. As Coates et al. (2014) argue, the “socioeconomic prosperity of the Provincial North requires a new approach. To a substantial degree, the future of Canada will also be determined by the country’s willingness and ability to rethink the governance” (p. 43). The solution lies not solely at the federal or provincial level but in empowering northern communities with the capacity and autonomy to address their own needs. As the ICNGD (2011) asserts, “Northern communities want the capacity and the autonomy to meet the needs of their communities” (p. 4).

### **3.3.2 Municipal Reform**

The status quo governance structure in Northern Saskatchewan reflects a common approach among provinces, where provincial governments have “endeavoured to create governance systems that respond to provincial realities and northern needs, but without relinquishing significant control to local or regional authorities” (Coates et al., 2014, p. 42). This centralized approach has led to serious shortcomings, including a lack of decision-making authority, inadequate resources, and a failure to effectively meet the developmental needs of the region. In the short term, several practical solutions can be implemented to address capacity issues. For example, the ICNGD (2011) recommends a regional recruitment strategy, shared training opportunities, the development of professional networks, and the sharing of best practices as essential steps toward building local capacity (p. 17). Increasing

capacity will ultimately lead to greater autonomy, as envisioned under the *Northern Municipalities Act* (ICNGD, 2011, p. 17). This autonomy would allow northern communities to participate more effectively in decisions that impact their futures and create a stronger sense of self-governance.

The 1998 recommendations by the Task Force on Municipal Legislative Renewal remain relevant today. The Task Force proposed the establishment of a variety of organizational entities to address the governance challenges in Northern Saskatchewan. These entities included:

- Regional municipal governments that would perform a broad range of governance functions, similar to those in other jurisdictions.
- Regional municipal authorities responsible for specific governance functions that are best handled by specialized entities rather than local or regional governments.
- Regional support services agencies that would provide planning, management, and development services to both regional and local governments.
- Regional coordinating agencies to facilitate cooperation among different levels of government, including municipal, provincial, Aboriginal (First Nations and Métis), and federal governments (Garcea, 2005, p. 89).

The creation of a two-tier governance system, with a regional layer, would address the lack of capacity at the local level while preserving the existence of local municipal governments to perform representative, advocacy, and service provision roles for their communities (Garcea, 2005, p. 90).

### **3.3.3 Moving Toward Regional Development**

There is a compelling case for transferring governance of the NSAD from the Ministry of Government Relations to a re-established Ministry of Regional Development. Such a

ministry would prioritize economic and community development in the region, ensuring that governance is linked to the specific needs and goals of Northern Saskatchewan. Governance reform in the region must go beyond simply maintaining local government structures or exercising provincial oversight. It should be purpose-driven, with a focus on increasing economic development and fostering capacity at the local level, including to provide the leadership and resources needed to drive this transformation.

A more transformative step would involve removing the provincial government from direct decision-making in the NSAD and establishing a regional governance body. This regional council could function similarly to a county or borough in other jurisdictions, with area-wide powers. Including both municipal governments and First Nations in this governing body would provide a more inclusive and effective approach to regional governance. This proposal aligns with the Government of Saskatchewan's *Planning and Development Act*, which emphasizes the importance of inter-jurisdictional coordination and reinforces "municipal authority over land use planning, transparency, and accountability" (Rayner & Needham, 2009, p. 146). Furthermore, the rise of Aboriginal self-government and the growing confidence of Indigenous communities demonstrate the critical role that capacity building plays in the north, as well as the need for continued improvements (Coates et al., 2014, p. 21).

### **3.4 Strategic Implications**

Addressing the challenges of the NSAD will require collaboration among multiple stakeholders, including local governments, provincial agencies, First Nations, and federal authorities. Any reform measures must be implemented in stages, allowing for necessary public input and ensuring that changes can be successfully executed by provincial and local governments alike. At the municipal level, the most pressing issue is capacity. Each

municipality or quasi-municipal body should undergo a review of its base-level funding to ensure that resources are adequate to meet both current and future demands. Increased funding is critical to enable local governments to take on greater responsibilities and meet the expectations placed on them by the province.

A comprehensive review of current responsibilities, including those of First Nations, is also needed. This review should focus on redistributing responsibilities where appropriate and determining which functions might be better managed by a newly created regional governing body. The proposed regional council would need to have clear authority over area-wide responsibilities such as land-use planning, education, public safety, and possibly housing and energy management (New North, 2018). The provincial government, during this period of transition, should evaluate the effectiveness of its current role and consider shifting more responsibilities to a Ministry of Regional Development. This ministry must be well-resourced to address both municipal capacity issues and the transactional costs associated with governance in such a remote and vast region.

Reform without sufficient resources will only lead to dissatisfaction and further erosion of services. An intentional and well-supported effort is needed to build confidence among stakeholders and ensure that reforms lead to tangible improvements in governance, service delivery, and community development. The governance of the NSAD is an innovative but incomplete approach to managing a region with unincorporated communities, municipalities with weak institutional capacity, and a lack of a regional coordinating body. While the Government of Saskatchewan has filled some governance gaps, it cannot effectively serve as a local government without the legitimacy of a locally elected governing body. Municipal reform is one step toward greater local governance, and regional coordination will be key to overcoming the capacity challenges faced by individual

municipalities. A regional governing body, inclusive of First Nations and locally elected officials, could serve as a catalyst for more effective governance.

## **4 Recommendations for the Unorganized Borough**

In examining the NSAD, this thesis highlights the operational and fiscal constraints that characterize governance in remote, sparsely populated regions. Like Alaska's unorganized borough, the NSAD faces logistical difficulties, limited local governance capacity, and high service delivery costs due to geographical isolation. These similarities make NSAD an informative comparative case for Alaska, offering insights into the successes and limitations of a provincially managed governance structure in rural areas.

A primary takeaway from the NSAD is the benefit of intergovernmental approaches that coordinate provincial oversight with local engagement. Saskatchewan's approach to municipal governance – while provincially managed – suggests potential strategies for strengthening local governance and service delivery. In Alaska, a similar structure could include formalizing state administrative roles for unorganized regions while establishing mechanisms that empower local leaders and tribal representatives to participate in governance processes. The NSAD model demonstrates that even under provincial management, local advisory bodies and municipal councils can play a critical role in contextualizing and prioritizing service delivery based on community needs. Alaska could adopt a similar model, embedding local advisory or borough-tribal councils within the governance structure to enhance service alignment with local priorities.

Fiscal disparities also emerge as a parallel challenge between the two regions. Saskatchewan's NSAD relies heavily on provincial subsidies due to limited revenue generation within the district. This dependency restricts the district's financial autonomy and perpetuates a cycle where minimal local contributions make self-sufficiency difficult to

achieve. In Alaska's unorganized borough, where service provision relies almost entirely on state funding, implementing a modest property tax or cost-sharing model, similar to Saskatchewan's provincial transfer mechanisms, could help bridge fiscal gaps. As seen in the NSAD, such fiscal adjustments enable remote regions to meet community needs more sustainably while reducing the fiscal strain on the state government.

The NSAD's structure of dispersed local councils, centralized support, and strategic fiscal contributions exemplifies a pathway for Alaska's unorganized borough to gradually build local governance capacity without abandoning centralized support. Alaska can draw from this case to establish a balanced framework that includes state-supported regional governance with pathways for gradual fiscal and administrative autonomy. By connecting these observations with Alaska's context, this thesis outlines how Alaska could pursue legislative reforms for borough organization, fiscal equity, and regional governance, advancing sustainable governance for its unorganized regions.

## **4.1 State Administration**

Drawing parallels to the NSAD, it may be feasible for portions of Alaska's unorganized borough to remain under state administration in cases where borough formation is not viable. The LBC sets criteria for borough formation, and where areas do not meet these requirements, the creation of unorganized boroughs could continue with the appointment of a state-appointed (unorganized) borough manager. This approach would ensure that essential services are delivered efficiently while maintaining the option for future borough organization when conditions permit. While this model would require significant state oversight, it offers a pragmatic solution for regions lacking the capacity for self-governance.

## **4.2 Legal Challenges**

Several legal avenues may also be pursued to address the systemic inequities between organized boroughs and the unorganized borough. Alaska's current governance structure may violate the Equal Rights Clause by creating an inequitable system of resource distribution and service delivery. Boroughs are responsible for funding education, planning, and platting, while the state funds these obligations in the unorganized borough. This discrepancy results in a fundamentally unfair system where some residents are required to bear greater financial burdens than others, with certain regions subject to taxes while others are exempt.

While Alaska's public education system lawfully incorporates local contributions, this funding model has led to disparities in educational attainment between residents of organized boroughs and the Unorganized Borough. The state's deficiency in adequately funding school construction and major maintenance in rural and unorganized areas further exacerbates these inequities. Litigating under the Public Education Clause could challenge the state's obligation to provide equal educational opportunities to all students, regardless of their location.

The Legislature's creation of a single unorganized borough may violate the Alaska Constitution's requirement for boroughs to consist of populations with common interests in geographically consistent areas. The current structure, which encompasses a vast and diverse region, fails to adhere to the principles of borough formation envisioned by the state's constitution. Legal action under this clause could pressure the state to address the disparities inherent in maintaining a single, unorganized jurisdiction that lacks cohesion and common interests.

## **4.3 Municipal Dissolution and Regional Governance**

Another potential recommendation is the dissolution of second-class cities within the unorganized borough, transferring their funding streams and responsibilities to a regional

government. This approach would streamline governance, eliminating duplication of authority and aligning with the state constitution's call for regional governance. As Anderson (2012) explains, "The shutting down of municipal government signals that a community can no longer sustain the cost and institutional responsibility of cityhood" (p. 121). Federal law remains silent on the issue of municipal dissolution, leaving it to state law to define the circumstances and processes for such actions (Anderson, 2012). Under Alaska law, voluntary dissolution is permitted under *Local Government Statutes 29.06.450-29.06.530*, offering three pathways: a city may petition for dissolution; the LBC may recommend dissolution to the Legislature; or a municipality's powers may become areawide borough responsibilities (State of Alaska, 2019). Dissolution could reduce costs and promote efficiency by consolidating governance at the borough level, particularly in regions with low populations or limited tax bases.

Alaska could consider implementing population minimums for the establishment of cities, whereby borough governments would assume municipal responsibilities in sparsely populated areas. This aligns with Anderson's (2012) observation that dissolution "creates the potential for counties... to serve goals associated with regional government, such as land-use coordination, reduced interlocal conflict, and service consolidation" (p. 1419). For Alaska, this approach could improve governance in regions where maintaining individual city governments is no longer viable.

#### **4.4 Statewide Property Tax**

A statewide property tax offers another potential solution to address the disparities between organized and unorganized regions. Alaska currently lacks any statewide, broad-based tax, having eliminated its income tax and reduced local taxes after the influx of oil revenues (Jackstadt & Lee, 1995). The state is now reliant on resource rents and investment



earnings, which are insufficient to meet the growing needs of its residents, particularly in rural and unorganized areas. A statewide property tax could address this imbalance by capturing revenue from all regions, including the unorganized borough. Most U.S. states assess personal (business) property, as well as infrastructure such as railroads and transportation networks, while exempting properties related to charitable, educational, governmental, hospital, and religious organizations (Dornfest, Van Sant, Anderson, & Brown, 2010). Under Alaska's current system, local governments can assess a property tax of up to 30 mills, although none exceed 20 mills (DCRA, 2020). This leaves room for the state to claim up to 10 mills, potentially generating \$500 million annually (Alper, 2020).

Implementing a statewide property tax would eliminate the current argument against borough formation, which is often based on concerns over unequal taxation. A statewide tax would ensure that all regions contribute to the cost of public services, thereby leveling the playing field and offsetting the requirement for local contributions in organized boroughs and first-class cities within the unorganized borough.

## **4.5 Alaska Lands Act**

The *Alaska Lands Act of 1963* was intended to promote settlement and development, fulfilling the vision outlined in the state constitution's Article VII. The Act encouraged the formation of large boroughs and provided these entities with a source of revenue by allowing them to select ten percent of the "vacant, unappropriated, unreserved state land" within their boundaries (Dengel, 1976, p. 19). The *Entitlement Act of 1978* further clarified this process, transferring nearly one million acres of land to municipalities for public use (Dengel, 1976).

However, the unorganized borough has not been able to take advantage of these provisions, as the state has not transferred lands to this jurisdiction. This failure hinders the ability of this region to develop a local tax base and use state lands for public purposes. One

potential path forward would involve transferring these lands to the unorganized borough, as something like a land bank, encouraging development, and establishing service areas that could be taxed appropriately. Such efforts would reduce the risk of tax flight and ensure that development benefits both the borough and the state.

## **4.6 Borough-Tribal Compacts**

The Alaska Federation of Natives (AFN) has long advocated for increased tribal authority to enter into compacts with the state government for service delivery in rural Alaska. Tribes have successfully managed federal funding through *PL-638* compacts, using these resources to provide social services and healthcare for decades (AFN, 2020). Tribal governments, as sovereign entities, are uniquely positioned to collaborate with the state in delivering essential services, particularly in unincorporated areas of the unorganized borough.

Tribal governments in Alaska operate at the local level, delivering services in both incorporated cities and unincorporated communities. In unincorporated communities, tribes often fulfill the role of local government, managing programs that overlap with or complement municipal services. Importantly, tribes have access to non-competitive federal funding, which can be leveraged to deliver state-mandated services in rural areas (AFN, 2020). While compacts are typically associated with federal-tribal or state-tribal collaborations, they could also be applied at the local level. In cases where an unorganized borough lacks the resources or capacity to fully organize under its own charter, collaborating with tribal governments could establish a new era of local governance in Alaska. By combining the administrative strengths of both borough and tribal governments, this model could ensure more effective delivery of services, improved governance, and greater self-determination for Alaska's rural communities.

## 5 Conclusion

The unorganized borough of Alaska has often been described as an "amorphous mass of territory" that lacks regional unity and identity, failing to provide a solid foundation for either state service delivery or local self-governance (Christensen, 1989, p. 80). This characterization reflects the systemic issues that have plagued the region for decades, where the absence of a coherent governance structure has led to an inequitable distribution of resources and inconsistent service delivery. The governance and fiscal structures of Alaska's unorganized borough present significant challenges, not only to the state but to the residents who depend on state-administered services in the absence of local governance. The unorganized borough encompasses vast territories, much of which is inhabited by widely dispersed and often Indigenous populations. These communities rely heavily on state-run services such as education, transportation, and public safety – services that in organized boroughs would be funded through local taxes. The absence of local tax contributions in the unorganized borough has created fiscal disparities between the organized and unorganized regions, an arrangement that is unsustainable in the long term.

Alaska's borough system, as envisioned in the state constitution, was designed to promote flexible and regionally responsive governance. The original framers saw boroughs as adaptable structures capable of addressing the unique needs of diverse regions across the state. The continued existence of a single unorganized borough, which spans an immense geographic area and encompasses a highly diverse population, contradicts the intent of fostering local self-governance. Instead, the state has been forced into the role of the default local government, leading to significant constitutional and legal challenges.

Throughout this thesis, several potential reforms have been explored to address the governance and fiscal challenges posed by the unorganized borough. These include

reorganizing the unorganized borough into smaller, more manageable units, establishing borough-tribal compacts to empower local governance, and implementing a statewide property tax to address fiscal inequities. Each of these solutions presents an opportunity to reform the current system, yet each is also fraught with significant legal, political, and practical challenges. Legislative action will be necessary to bring about meaningful change, and any successful reform must navigate these hurdles while ensuring equitable service delivery and sustainable governance.

Drawing on comparative case studies, such as that of the NSAD, this thesis underscores the importance of local capacity-building and the need for governance structures that are responsive to the specific challenges of remote, sparsely populated regions. While the state plays a critical role in service provision, long-term sustainability will require a shift toward more localized governance, where communities within the unorganized borough are empowered to take on greater responsibilities for their own governance. The unorganized borough's dependence on the state represents a fundamental governance and fiscal challenge that demands urgent attention. By exploring potential reforms and drawing on lessons from other regions, this thesis offers a framework for policymakers as they work toward a more sustainable and equitable future for all Alaskans. The path forward will not be simple, but it is clear that the status quo is unsustainable. Alaska must act to ensure that its governance structures reflect the needs of all its residents, fostering greater equity and self-determination across the state.

In examining Alaska's unorganized borough through comparative analysis and applying governance theory in rural and remote contexts, this thesis contributes to broader academic discussions on decentralization, fiscal federalism, and sustainable governance in marginalized regions. By highlighting the challenges of providing equitable services and

effective governance in sparsely populated areas, this research bridges a critical gap in the literature on local governance reform in areas with limited economic and administrative capacity. The comparative case study of the NSAD offers a model for evaluating governance strategies in geographically isolated settings, allowing this thesis to propose adaptable solutions grounded in both theory and real-world practice. Through this analysis, the thesis extends academic theory on the role of networked and multi-level governance, offering insights into how state-level oversight can coexist with localized decision-making structures. This research not only provides a framework for potential governance reforms in Alaska but also advances the field by illustrating practical applications of governance theory in similarly structured remote regions globally.

## Works cited

Alaska Constitutional Convention (1956) Fifty-Eighth Day. Retrieved from

<http://www.akleg.gov/library/unorganized%20borough/>.

Alaska Federation of Natives (2020) Annual Conference Resolutions Packet. Retrieved from

[https://www.nativefederation.org/wp-content/uploads/2020/10/Draft-2020-Resolutions\\_Delegate\\_Review\\_10.13.2020-1.pdf](https://www.nativefederation.org/wp-content/uploads/2020/10/Draft-2020-Resolutions_Delegate_Review_10.13.2020-1.pdf).

Alaska State Legislature (1972) Free Conferences CS for Senate CS for CS for House Bill

No. 208. Retrieved from <http://www.akleg.gov/library/unorganized%20borough/>.

Alaska State Legislature (April 2003) Legislative directive for Unorganized Borough review.

Senate Community and Regional Affairs Standing Committee. Retrieved from

<http://www.akleg.gov/library/unorganized%20borough/>.

Alaska State Legislature (April 2003) Senate Concurrent Resolution No. 12. Retrieved from

<http://www.akleg.gov/library/unorganized%20borough/>.

Alaska State Legislature (May 2003) Hearing on Senate Concurrent Resolution No. 12.

Senate Community and Regional Affairs Standing Committee. Retrieved from

<http://www.akleg.gov/library/unorganized%20borough/>.

Anderson, M. W. (2012, April). Dissolving cities. *Yale Law Journal*, 121(6), 1364+.

Retrieved from [https://link-gale-](https://link-gale-com.cyber.usask.ca/apps/doc/A287109309/EAIM?u=usaskmain&sid=EAIM&xid=c7)

[com.cyber.usask.ca/apps/doc/A287109309/EAIM?u=usaskmain&sid=EAIM&xid=c7](https://link-gale-com.cyber.usask.ca/apps/doc/A287109309/EAIM?u=usaskmain&sid=EAIM&xid=c7)  
[ee7326](https://link-gale-com.cyber.usask.ca/apps/doc/A287109309/EAIM?u=usaskmain&sid=EAIM&xid=c7)

Bartholomew, P. (1959). The Constitution of the State of Alaska. *The Southwestern Social*

*Science Quarterly*, 40(1), 40-53. Retrieved August 16, 2020, from

[www.jstor.org/stable/42866337](http://www.jstor.org/stable/42866337)

Bohan, C. (Sept. 2020) Personal interview by phone.

- Christensen, J. D. (1989). *Power in the darkness: The northwest arctic inupiat search for self-determination, 1978--1982* Retrieved from <http://cyber.usask.ca/login?url=https://search.proquest.com/docview/303772725?accountid=14739>
- Coates, K., Holroyd, C., & Leader, J. (2014) Managing the Forgotten North: Governance Structures and Administrative Operations of Canada's Provincial Norths. *The Northern Review* 38: 6–54. Retrieved from <https://thenorthernreview.ca/index.php/nr/article/view/324>.
- Coates, K. & Poelzer, G. (2014) The Next Northern Challenge: The Reality of the Provincial North. Macdonald-Laurier Institute. Retrieved from <https://www.macdonaldlaurier.ca/files/pdf/MLITheProvincialNorth04-14-Final.pdf>.
- Cooper, J. B. (1982). *The effects of the area differential on financial equity in the Alaska school foundation program*. Retrieved from <http://cyber.usask.ca/login?url=https://search.proquest.com/docview/1634879973?accountid=14739>
- Crown-Indigenous Relations and Northern Affairs Canada. (2010). *Highlights from the report of the Royal Commission on Aboriginal Peoples*. Government of Canada. <https://www.rcaanc-cirnac.gc.ca/eng/1100100014597/1572547985018>
- Dengel, D. A. (1985). *Land selection and management in Alaskan municipalities*. Retrieved from <http://cyber.usask.ca/login?url=https://search.proquest.com/docview/1548886291?accountid=14739>
- Dornfest, A. S., Van Sant, S., Anderson, R., & Brown, R. (2010). State and provincial property tax policies and administrative practices (PTAPP): Compilation and

- report. *Journal of Property Tax Assessment & Administration*, 7(4), 5-111. Retrieved from  
<http://cyber.usask.ca/login?url=https://search.proquest.com/docview/853849850?accountid=14739>
- Douglas, D. J. (2018). Governance in rural contexts: Toward the formulation of a conceptual framework. *EchoGéo*(43). Retrieved from  
<https://journals.openedition.org/echogeo/15265>
- Driessen, G. A., & Hughes, J. S. (2020). *Fiscal federalism: Theory and practice*. Congressional Research Service. Retrieved from  
<https://crsreports.congress.gov/product/pdf/R/R46382>
- Education Law Center (2020) Alaska, Major Cases. Retrieved from  
<https://edlawcenter.org/states/alaska.html>
- Garcea, J. (2005) Municipal governance for northern communities: perspectives from Saskatchewan. *Northern Review* #25/26. Retrieved from  
<https://thenorthernreview.ca/index.php/nr/article/download/154/148/>.
- Hall, H. & Olfert, R. (2015) Saskatchewan. State of Rural Canada Report; Canadian Rural Revitalization Foundation. Retrieved from <http://sorc.crrf.ca/>.
- Halseth, G., & Ryser, L. (2010). *A primer for understanding issues around rural poverty*. Community Development Institute, University of Northern British Columbia.  
[https://www.unbc.ca/sites/default/files/sections/community-development-institute/a\\_primer\\_for\\_understanding\\_issues\\_around\\_rural\\_poverty.pdf](https://www.unbc.ca/sites/default/files/sections/community-development-institute/a_primer_for_understanding_issues_around_rural_poverty.pdf)
- ICNGD (2011) NMTA Needs Assessment: Building Administrative Capacity in Northern Saskatchewan's Municipalities. University of Saskatchewan. Retrieved from



<https://www.schoolofpublicpolicy.sk.ca/documents/research/archived-publications/icngd-publications/icngd-reports/NMTA%20report.pdf>.

Jackstadt, M. & Lee, D. (1995) Economic Sustainability: The Sad Case of Alaska. *Society*. 1995;32(3):50-54. doi:10.1007/BF02693308.

Jann, W., & Wegrich, K. (2007). Theories of the policy. In *Handbook of Public Policy Analysis: Theory, Politics, and Methods*, Frank Fischer, Gerald M. Miller & Mara S. Sidney (Eds), (pp. 43-62). CRC Press: Taylor & Francis Group.

Jenkins, N. T. (2016). *Community: A manifesto*. Retrieved from

<http://cyber.usask.ca/login?url=https://search.proquest.com/docview/1861666323?accountid=14739>

Lee, Y. Y. (2001). *A comparison of county government service functions: Determinants of functional responsibility in county government*. Retrieved from

<http://cyber.usask.ca/login?url=https://search.proquest.com/docview/251736131?accountid=14739>.

Lenze, D. G. (2011). Local area personal income for 2009. *Survey of Current Business*, 91(5), 40-72. Retrieved from

<http://cyber.usask.ca/login?url=https://search.proquest.com/docview/868918646?accountid=14739>

Lobao, L., & Kelly, P. (2021). Local governments across rural America: Status, challenges, and positioning for the future. In D. Sanchez & D. M. Barkley (Eds.), *Investing in rural prosperity* (Chapter 5). Federal Reserve Bank of St. Louis.

<https://www.stlouisfed.org/-/media/project/frbstl/stlouisfed/files/pdfs/community-development/investing-rural/investinginruralprosperity-book.pdf>

Local Boundary Commission (2004) *Local Government in Alaska*. State of Alaska.

- Martin, J., Beer, A., Morris, A., Paris, C., & Budge, T. (2021). *Rural local governance and housing: Local government as facilitator*. Australasian Journal of Regional Studies, 27(1), 4-25. Retrieved from <https://www.anzrsai.org/assets/Uploads/PublicationChapter/AJRS-27.1-pages-004-to-025.pdf>
- Ministry of Municipal Affairs (2010) Annual Report: Agreement on the Transfer of Federal Gas Tax Revenues, Agreement on the Transfer of Funds for Public Transit. Retrieved from <http://www.publications.gov.sk.ca/redirect.cfm?p=84808&i=98226>.
- New North – SANC Services (2014) Annual Report 2013-14. Retrieved from [https://0b8e4204-443f-4508-8f55-82be1bba8095.filesusr.com/ugd/d1e0d3\\_0aad603a16be45d6955e666f480cb3c0.pdf](https://0b8e4204-443f-4508-8f55-82be1bba8095.filesusr.com/ugd/d1e0d3_0aad603a16be45d6955e666f480cb3c0.pdf).
- New North/SANC (2018) Annual Report 2017-18. Retrieved from [https://0b8e4204-443f-4508-8f55-82be1bba8095.filesusr.com/ugd/d1e0d3\\_9304aae1d2d74e57b1d952c61e6206da.pdf](https://0b8e4204-443f-4508-8f55-82be1bba8095.filesusr.com/ugd/d1e0d3_9304aae1d2d74e57b1d952c61e6206da.pdf).
- Office of Management and Budget (2017) Department UGF/DGF/Other/Fed Summary - Capital Budget. State of Alaska. Retrieved from [https://omb.alaska.gov/ombfiles/18\\_budget/PDFs/5\\_Department\\_UGF\\_DGF\\_Other\\_Fed\\_Summary\\_All\\_Capital\\_7-31-17.pdf](https://omb.alaska.gov/ombfiles/18_budget/PDFs/5_Department_UGF_DGF_Other_Fed_Summary_All_Capital_7-31-17.pdf)
- Organisation for Economic Co-operation and Development (OECD). (2023). *Enhancing rural innovation in the United States*. OECD Rural Studies. <https://www.eda.gov/sites/default/files/2024-09/Enhancing-Rural-Innovation-in-the-United-States.pdf>
- Pal, Leslie (2014) *Beyond Policy Analysis: Public Issue Management in Turbulent Times*. Nelson Education Ltd., Canada.

- Provincial Auditor Saskatchewan (2005) 2005 Report – Volume 1. Retrieved from  
[https://auditor.sk.ca/pub/publications/public\\_reports/2005/Volume\\_1/2005v1\\_fr.pdf](https://auditor.sk.ca/pub/publications/public_reports/2005/Volume_1/2005v1_fr.pdf).
- Provincial Auditor Saskatchewan (2011) 2011 Report – Volume 1. Retrieved from  
<https://auditor.sk.ca/publications/public-reports/item?id=20>.
- Provincial Auditor Saskatchewan (2015) 2015 Report – Volume 1. Retrieved from  
<https://auditor.sk.ca/publications/public-reports/item?id=138>.
- Provincial Auditor Saskatchewan (2018) 2018 Report – Volume 2. Retrieved from  
<https://auditor.sk.ca/publications/public-reports/item?id=155>.
- Ragin, C. (2014). *The Comparative Method: Moving Beyond Qualitative and Quantitative Strategies*. Berkeley: University of California Press. <https://doi.org/10.1525/9780520957350>
- Rayner, J. & Needham, F. (2009) Saskatchewan: Change without direction, *Policy and Society*, 28:2, 139-150, DOI: 10.1016/j.polsoc.2009.05.003.
- Saskatchewan (2008) Annual Report – Northern Revenue Sharing Trust Account.
- Saskatchewan (1953) The Northern Administration Act; being Chapter 373 of the Revised Statutes of Saskatchewan. Retrieved from  
<https://publications.saskatchewan.ca/#/products/70392>.
- Saskatchewan – Water Security Agency (2018) Annual Report for 2017-18: State of Drinking Water Quality in Saskatchewan. Retrieved from  
<https://www.wsask.ca/Global/About%20WSA/Annual%20Reports%20and%20Plans/Drinking%20Water%20Annual%20Report/2017-18%20SDWS-Annual-Report.pdf>.
- Saskatchewan (2010) The Northern Municipalities Act, 2010; being Chapter N-5.2 of the Statutes of Saskatchewan. Retrieved from  
<https://publications.saskatchewan.ca/#/products/31500>.

Saskatchewan (2019) Northern Saskatchewan Administration District. Retrieved from <https://www.saskatchewan.ca/business/first-nations-metis-and-northern-community-businesses/economic-development/northern-administration-district>.

Sherman, J. (2023). Towards better local governance in Alaska's unorganized borough. *Alaska Law Review*, 40(2), 306. <https://scholarship.law.duke.edu/alr/vol40/iss2/>

Silverstein, J., Brown, A. & Fermanich, M. (2015) Review of Alaska's School Funding Program. Augenlick, Palaich and Association. Prepared for the Alaska State Legislature. Retrieved from [http://www.alasbo.org/wp-content/uploads/2015/08/APA\\_Review-of-Alaskas-School-Funding-Program\\_Final-Report.pdf](http://www.alasbo.org/wp-content/uploads/2015/08/APA_Review-of-Alaskas-School-Funding-Program_Final-Report.pdf).

Slama, M. B. (1984). *Creation and Dissolution of the Alaska state-operated school system*. Retrieved from <http://cyber.usask.ca/login?url=https://search.proquest.com/docview/303323849?accountid=14739>

Wheelock, K. (2017) The Future of challenges to the Alaska public school funding scheme after State v. Ketchikan. *Alaska Law Review*, Vol. 34:1. Retrieved from <https://scholarship.law.duke.edu/cgi/viewcontent.cgi?article=1528&context=alr>.

