

The Talkeetna Transition Report

Ideas for *whomever* is elected Governor

Prepared at the Talkeetna Alaskan Lodge
by the participants in Alaska Dialogue VII
hosted by the Institute of the North

Presented to gubernatorial candidates
Sarah Palin and Andrew Halcro,
and lieutenant governor candidate Ethan Berkowitz,
representing Tony Knowles.

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120 participants from many parts of Alaska, representing a variety of political persuasions, professions, and points of view, contributed to the ideas in this report. We did not reach consensus on these proposals nor did we try to do so. Instead, we compiled the most imaginative ideas proposed at the Alaska Dialogue this year to help you address some of the biggest opportunities and challenges ahead. We appreciate your willingness to step forward to serve the people of Alaska. We offer this report to you in good will and in the spirit of this Great Land.

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Dear Governor-to-be:

You seek a governorship unique in America. Our constitution is your contract with the Alaska people. Even more than your responsibility to manage, you have a responsibility to lead.

Ours is a great state. If November 7th opens a new door in your life, we hope you will keep in mind these six points.

- 1) The governor has the responsibility to lead with firmness, to think creatively, and to act with integrity.*
- 2) The governor must manage and advance what the people own.*
- 3) The resources of Alaska should be equitably and universally shared by all its governments, institutions and peoples.*
- 4) You should discharge your responsibility by recognizing diversity and leading with consensus.*
- 5) You are responsible to use your powers wisely.*
- 6) The people of Alaska will hold you accountable; if well done, we will hold you in esteem.*

Good luck.

Jobs for Alaskans and Preparing Alaskans for Those Jobs

The Challenge:

Alaska workforce development has grown without coordination and needs major alignment and reform.

Recommendation:

Reinvent the Alaska Workforce Investment Board (AWIB).

- Appoint a full-time chair that reports directly to the governor.
- Appoint five commissioners (chair not included) representing five sectors of the Alaska economy. The term of appointment should mirror that of the Board of Regents.
- Provide first-year funding of \$25 million to replicate best practices.
- The charter must include authority to promote collaboration.
- Provide for equality of training opportunities in all regions of Alaska.

Issues:

- No one organization owns the workforce development issue, therefore no one is responsible for success.
- Alaska does not provide funding. All programs are funded by the federal government. Thus, the state lacks flexibility.
- Workforce Investment Board members are not active participants and have no authority.

Discussion of Solution:

The Governor needs to respond to a complex and dynamic set of workforce development issues. The state must require predictable and measurable outcomes while being open and responsive to emerging needs. This was the original intent of the AWIB.

Maintaining a full-time chair, accountable to the Governor, with a discretionary budget, indicates commitment to a solution. The AWIB should be empowered to coordinate across departmental organizations. Limiting the AWIB commission to six sector representatives will ensure manageability, accountability and equity. Mirroring appointments to the Board of Regents will provide consistency and continuity between administrations.

The Alaska Workforce Investment Board should be a model of collaboration that ensures all workforce training entities are aligned and avoiding redundancy. The Board should be a one-stop resource for workforce development information and resources. Finances should be directed toward programs that utilize proven, best-practices in workforce development. Funds should also support programs that ensure access by all Alaskans.

A New Partnership Between Urban and Rural Alaska

Recommendations:

- **Reinstate Cabinet-level Department of Community and Regional Affairs**
 - Institutionalize dialogue between rural and urban entities and encourage travel and understanding across communities.
 - Support higher education opportunities at community campuses and online. This would serve to stem the “brain drain” from rural regions and provide greater human capital for community and economic development.
 - Support professional preparation programs for teachers, aides and administrators in rural Alaska in order to increase local employment and stability in education.
 - Encourage expanded partnerships with regional non-profits in broad service delivery areas.
 - Invest greater attention in human infrastructure – i.e. educational, cultural, professional and vocational development.

- **A Proactive “New Federalism” strategy**
 - The next governor should institute a coherent strategy in Congress to mitigate the risks anticipated when Sen. Ted Stevens one day leaves the scene. Education and communication can diminish the potential backlash affecting Alaska.
 - Engage local communities in a process of prioritizing federally-supported services in order to maximize local initiative, to more efficiently allocate resources and anticipate the potential of reduced funding.

- **Reinstate Municipal Revenue Sharing to foster control, accountability and strength at the local level.**

Using Our Financial Capital for the Benefit of Alaskans

The Challenge:

Our Alaska world is one of volatile revenues and underperforming or underutilized assets. We are concerned about the lack of capital investment (particularly risk capital for start-ups) in Alaska. There was extensive discussion about the appropriate ways to spend our capital, but eventually the group coalesced around a broad set of assumptions, principles and structures.

Recommendations:

- Get a gas pipeline. Nothing happens without a gas pipeline, and it is truly the 800 pound gorilla in the room.
- The other (perhaps 600 pound gorilla) is that Federal revenues will also decline in the future, representing a significant loss of additional capital in Alaska's economy.
- The State needs a plan: a fiscal plan that prepares us to get beyond the transfer economy. A plan that bridges the gap between present day payments and the expected surpluses from a gas pipeline. A budget is not a plan.
- We are blessed with a successful Permanent Fund. We should continue to invest in our Permanent Fund, and furthermore, consider depositing significant portions (if not all) of our future revenues from a gas pipeline into the fund in the future, and then manage the fund.
- The group was committed to establishing some form of community dividend program, using Permanent Fund earnings, providing for a stable, predictable and significant stream of revenue to our communities. The Permanent Fund should continue to pass income into Alaskans' pockets in order to meet constitutional intent (either using a POMV approach or with surplus earnings).
- The state should reorganize its Government Sponsored Enterprises (GSE) like AHFC, AIDEA, AMBB, ASLC, etc. under a permanent, separate board governed by trustees and charged with maximizing the revenue from Alaska's assets. We must separate politics from the management of these corporations that were established to be profitable and fulfill many of the roles Alaskans' ascribe to the Permanent Fund. For example: an expansion of AIDEA to provide venture capital to small Alaska businesses.
- Finally, the GSE model represents an important concept in how the state should manage a gas pipeline. The group coalesced around the idea that while Government is, and can be, an effective owner and overseer of assets, it should not be an operator of those assets.

Getting Alaska's Energy to Alaska's People

We begin with Article 8, Section 2 of the Alaska State Constitution that mandates, “utilization, development, and conservation of all natural resources belonging to the state, including land and waters, for the maximum benefit of the people”. Our group interprets people as not only today's Alaskans, but future generations of Alaskans as well.

Using Alaska's energy resources to meet the direct energy needs of Alaskans should be high on any list of how our resources should be used.

With these two values in mind, we recommend establishing a cabinet-level State Department of Energy charged with adopting a statewide energy plan.

In addition, the following issues, among many, should receive immediate attention from your administration:

- Force cooperation among entities that make up the current power system.
- Continue the current program of power equalization until a better system of meeting the energy needs of rural Alaska is developed.
- Examine possible monopolies that may exist on the supply or logistic side of energy in Alaska.
- Look at alternatives and renewable energy sources.
- Develop and conduct consumer education programs explaining the benefits of energy conservation to reduce consumers' energy bills and to increase the state's energy efficiency.

Our final recommendation is that you look to the University system to develop curriculum to train Alaskans to lead us in energy development, production and delivery, further encouraging and supporting energy research that will benefit Alaska in the 21st century.

Infrastructure for Alaska in the 21st Century

The big story is that the “Bricks and Mortar” group did not go the route of recommending a list of projects. The group came to a position of strategy as the way to begin Project 21.

The new vision: Let’s move beyond being a welfare state and become a globally competitive investment state.

There are several directions to begin this transformation.

1. Leverage investments by partnering, such as:
 - The Denali Commission is joining Philanthropy Northwest to attract outside capital.
 - State funds should match federal funds for the Denali Commission.
 - The successful federal fish matching grant program should be replicated.
2. Develop human capacity along with infrastructure development.
3. Coordinate planning and strategy.
 - Create an Office of Strategic Planning to optimize financial and beneficial returns.
 - Establish a Department of Oil and Gas
 - Consider the Commonwealth North Asset II study.
4. Demonstrate short-term success to show progress.
 - A “Timber Community Development Quota” could replicate the success of the CDQs in fisheries.
 - Complete the Southeast Electrical Intertie with a Canadian connection
 - Aviation matching grants will enable pilots to take advantage of new technology
5. Provide basic infrastructure to support future development and entrepreneurial efforts.
 - Transportation improvements
 - Data access
 - Affordable energy
 - Ongoing and deferred maintenance

Mammoths in the Room

- 1) All good ideas require investment which presupposes an adequate fund source.
- 2) Investments pass through the legislature and the partisan process.
- 3) The role of the federal government with over half the land and investment.
- 4) Environmental changes and global warming.

Educating the World in Our Classrooms

A fresh, knowledgeable look at education is imperative because it is Alaska's primary renewable resource. Maintenance of the status quo is tantamount to regression. Thriving in a competitive world requires an enlightened, comprehensive approach, not a piecemeal one.

Preconceptions about education need be reconsidered and, if need be, demolished. For instance: the length of the school day, the length of the school year, and the dropping of valuable curricula when they are stigmatized as frills.

Categories:

We need seamless life-long learning – from preschool through graduation and life

- **Communications**
 - Help the public understand what is required to achieve desired outcome
 - Encourage greater input from rural Alaska about the needs of education
 - Place an education member on the Workforce Development Commission
 - Maintain ongoing, meaningful partnership with parents on education.
 - Begin parenting instruction at conception
 - Help parents understand financial and political aspects of educational decisions and requirements

- **Re-Visioning the school structure**
 - Expanded school day/year – Make the calendar flexible to meet the needs of the individual community
 - minimally, add days to the school calendar for mandated state testing
 - acknowledge the significance of the resource of time
 - Increase meaningful and effective distance learning opportunities that can transcend district boundaries – create a global classroom.
 - High touch and high tech
 - Expand vocational/apprenticeship/mentoring opportunities, and award credit as appropriate.
 - Provide students with strong vocational opportunities.
 - have more inclusive counseling/advising on available opportunities
 - Provide wrap-around social services at the school site.
 - Reexamine structure of Carnegie Units and seat time

- **Diversity and individualization**
 - Acknowledge and honor the growing diversity in our population
 - Provide culturally responsive education with culturally relevant curricula
 - Acknowledge developmental differences among students that don't fit the models required by traditional school configurations and the requirements of No Child Left Behind.

- **Recruitment/retention of teachers**
 - Incentives are needed for students to enter education
 - Offer student loan forgiveness for those choosing to teach and remain in the state
 - Initiate a statewide program to grow our own teachers
 - Future Teachers of America – type programs
 - Create alternate certification programs
 - Fully fund Alaska School Performance Incentive Fund – remove cap
 - Examine different models of professional development – acknowledge the critical element of time for teacher planning and collaboration
 - Establish full state reciprocity for teacher certification

- **Funding**
 - Solve the TRS/PERS issue and DO NOT use it as an excuse to ignore other pre-K-20 funding requirements
 - Make a long-term investment in education
 - Appropriate state financial student aide
 - Supplement funding for UA Scholars program to increase percentage to 15% and increase allocation above the current \$11,000
 - Set up an educational endowment for innovative education projects
 - Invest in K-1 to keep class size small.

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