



Improving Lives Through Cost Effective, Sustainable Infrastructure Development

DENALI COMMISSION

STRATEGIC PLAN

FY 2018 – 2022

October 4, 2017



Table of Contents

Table of Contents.....	2
Message from the State and Federal Co-Chairs	3
Executive Summary.....	4
Mission, Purpose Statement, Organizing Principles and Priority Initiatives	5
Overview	6
Rural Alaska	6
The Commission.....	7
The Commissioners	7
Work Plan Process.....	8
Funding History	8
Investment History.....	9
Programs	10
About the Strategic Plan.....	17
Strategic Landscape	18
Issues.....	18
Challenges	18
Opportunities.....	18
Strategic Goals and Objectives	18
Facilities Management	19
Village Infrastructure Protection	19
Energy	21
Innovation and Collaboration	21
Agency Priorities.....	22
Summary	24
APPENDIX A – FUNDING AND OPERATIONS	25
APPENDIX B – PERFORMANCE MEASURES	26
APPENDIX C – DENALI COMMISSION ACT OF 1998, AS AMENDED.....	28



Message from the State and Federal Co-Chairs

Rural Alaska has long faced many challenges beyond our cold climate. Several years before statehood in 1959 the Federal Government carried out a study (The [Parran Report](#), 1954) on Alaska's health and found that life expectancy in rural Alaska was decades less than the national average. A variety of reasons were identified such as poor sanitation, crowded housing, inadequate access to health care, high rates of infant mortality and other factors. Perhaps due to the report, but certainly based upon need, the Federal Government responded with significant investments in health care, sanitation, housing, transportation, energy and other core community infrastructure. The State of Alaska, in turn, has also made significant investments in rural Alaska. As a result, life expectancy in rural Alaska is now only several years behind the national average. (See [JAMA Internal Medicine](#), "Inequalities in Life Expectancy Among US Counties 1980 to 2014", July 2017.)

Twenty years ago, the late U. S. Senator Ted Stevens saw a need for more targeted investments in rural Alaska to address the compelling issues of the day – issues that were challenging for the large cabinet level agencies with 50-state portfolios to address quickly and in keeping with the needs of rural Alaska communities. Senator Stevens envisioned a Federal agency that could be nimble, complementary but not duplicative of other agencies, and was responsive to current and projected rural Alaska needs. A key component in the Commission's authorizing legislation that the Senator drafted was to empower the six Commissioners, named by position in the agency's statute, to identify annual investments.

This *Denali Commission Strategic Plan FY2018-2022* generally outlines the Commissioners vision for the agency's investments over the next five years. Furthermore, the Strategic Plan is one of a number of agency documents prepared in response to requirements set forth by Congress in the [GPRA Modernization Act of 2010](#) and the Office of Management Budget for the Commission's FY2019 budget request. These other documents include an Agency Reform Plan, an Agency Performance Plan, Agency Priority Goals, Evidence Template (for agency evaluation), and Cross-cutting Reform Proposal.

The Commission intends to continue our long-standing investment for energy related improvements. In addition, the Commission in the past couple of years has been pivoting toward more investments that maintain, sustain and protect existing rural Alaska infrastructure, including both facility management solutions and our new Village Infrastructure Protection (VIP) Program. The Strategic Plan further outlines these three broad investment priorities. Lastly, the Commission will continue our efforts to bring Federal agencies together to seek collaborative solutions in partnership with the State of Alaska, municipal governments, Tribes and other Alaska stakeholders in addressing significant needs in rural Alaska.

A handwritten signature in black ink, appearing to read "Byron Mallott".

Byron Mallott, State Co-Chair
Lt. Governor, State of Alaska

A handwritten signature in blue ink, appearing to read "Joel Neimeyer".

Joel Neimeyer
Federal Co-Chair

Executive Summary

The Denali Commission was formed when U.S. Senator Ted Stevens drafted the Denali Commission Act of 1998, signed into law by President Bill Clinton in October 1998. The Commission was established as an independent Federal agency focusing on the development of basic infrastructure, economic development, and workforce training needs for rural Alaska in collaboration with federal, state, local, tribal and private partners.

There are more than 200 remote Alaska communities not connected by a road network that are often served by individual diesel-powered electrical systems and some may not have access to community water and sewer systems or basic community infrastructure as compared to many of their peers in rural “Lower 48” states.

The vision for the Commission is to operate efficiently and effectively while continuing to adapt the agency’s working model to lead the way in the innovative delivery of essential programs and services. This is evident by the footprint of the Commission investments across Alaska, including primary care health services, critical energy infrastructure, road and waterfront transportation improvements, workforce training, and new initiatives like the Village Infrastructure Protection program which focuses on the built environment in rural Alaska communities threatened by erosion, flooding and permafrost degradation.

The Commission is committed to a public and transparent process in both the development and execution of programs, projects and activities. It is led by a Federal Co-Chair and a guiding body of six Commissioners, including the Lt. Governor who currently serves as the State Co-Chair.

This Strategic Plan capitalizes on the unique authorities in the Commission’s authorizing statute; assumes the Commission will complement and not duplicate other Federal agencies and programs; challenges management to eliminate barriers so staff can efficiently implement programs and initiatives; and encourages a paradigm shift to emphasize investments that extend the lifespan of publicly-funded infrastructure in rural Alaska.

The specific Strategic Goals and Objectives in the plan are:

1. **Facilities Management:** Invest in projects and initiatives that maintain, sustain, and protect existing rural infrastructure.
2. **Village Infrastructure Protection:** Develop and implement adaptation frameworks that include both relocation and protect-in-place measures, giving priority to the 31 communities in GAO Report 09-551.
3. **Energy:** Continue to invest in projects and initiatives that improve the affordability, safety and/or reliability of fuel storage, the production and storage of energy, electrical distribution systems, and heating the built environment.
4. **Innovation and Collaboration:** Continue to convene partners and stakeholders on rural Alaska issues.

Mission, Purpose Statement, Organizing Principles and Priority Initiatives

Mission

The mission of the Denali Commission is to provide infrastructure, job training and to support economic development. The Commission was established with a specific focus on promoting rural development in the following areas: bulk fuel storage, power generation, health care facilities, surface transportation and waterfront facilities, communication systems and specialty housing (e.g. domestic violence shelters). In executing the mission, the Commission strives to deliver services in the most cost-effective manner possible.

Purpose Statement

Promote Rural Development by Unlocking More Powerful Solutions

Organizing Principles

- Lead transformational change to meet the infrastructure needs of rural communities in a sustainable manner
- Deliver federal services in the most cost-effective and transparent manner, utilizing public input every step of the way
- Focus on community infrastructure
- Use existing statutory authority, maximize Federal agencies in Alaska to effectively leverage infrastructure funds and maximize federal-state-municipal-tribal coordination
- Actively promote good governance, accountability and innovation

Priority Initiatives

1. Develop scenarios to present to the State of Alaska, Alaska Congressional Delegation, the White House and U.S. Office of Management and Budget (OMB) to define the future of the Denali Commission and ensure alignment of all partners.
2. Protect existing infrastructure investments.
3. Continue to develop and implement the new Village Infrastructure Protection program.
4. In a time of reduced state and federal funding, maintain relevance and impact in rural Alaska.

Overview

Rural Alaska

Alaska covers 656,425-square miles, has 3-million lakes over 20 acres in size (compared with Minnesota's 10,000 lakes), 10,000 glaciers (covering nearly 5 percent of the state), 80 percent of all active volcanoes in the U.S., and 39 mountain ranges containing 17 of the 20 highest peaks in the U.S. The state is home to 229 of the 564 federally recognized tribes. Alaska's vast wilderness and harsh climate results in many natural barriers and challenges to transportation and the longevity of local infrastructure. Most cities and villages in the state are accessible only by sea or air, including Juneau, the state capital.

The challenges in rural Alaska are particularly daunting. Alaska is more than twice the size of Texas with fewer than 16,000 miles of public roads, only 30 percent of which are paved. Several census areas in the state have an unemployment rate greater than 15 percent, more than 50 percent in some individual communities. One-fifth of the state's population has the second highest poverty rate of any race/ethnic group in the country and one in three families living in rural communities still do not have an adequate supply of safe drinking water or a sanitary way to dispose of sewage. Alaska as a whole has one of the highest suicide rates in the nation, and the rates in rural Alaska are more than twice that in the urban areas. Most rural families have very limited access to healthcare. In the Bering Straits region, there is one hospital for an area the size of Indiana. The cost of energy in rural Alaska is staggering. Home heating oil can cost \$10 per gallon, and the median cost of electricity, without factoring in State subsidies, is \$0.62 per kilowatt-hour. Reliable electrical service is not a given, and many families spend nearly half their annual income on heating fuel, electricity and gasoline. Fuel delivery to rural Alaska is limited to one or two annual shipments via barge. Purchasing and storing enough fuel to last a community for 12 months is a constant challenge.



The Commission

In 1965 Congress established the Appalachian Regional Commission ([ARC](#)) - a federal, state and local government partnership to address the lack of adequate infrastructure, poverty and unemployment in the rural areas of 13 neighboring states. Building on ARC's success, Congress subsequently established three additional economic development agencies to address similar conditions in other parts of the country that are particularly distressed. Created in 1998, the Denali Commission was the second such agency formed. It was U.S. Senator Ted Stevens who drafted the [Denali Commission Act of 1998](#), (Title III of Public Law 105-277, 42 USC 3121) establishing the Commission, headquartered in Anchorage, Alaska. The full text of the Act appears in Appendix C. It can also be accessed via the referenced link.

The [Commission](#) is an independent Federal agency that focuses on developing the basic infrastructure, economic development, and workforce training needs for rural Alaska in collaboration with state, local, tribal and private partners. The Commission is small, nimble and has a proven track record of delivering projects and services in a cost-effective manner possible.

The Commissioners

The Act names seven leading Alaskan policy makers to provide overall agency leadership and guidance. Specifically, the Act stipulates that the incumbents in the following positions shall serve as Denali Commissioners:

- **State of Alaska** – The Governor (who serves as the State Co-Chair)
Gov. Bill Walker who has delegated to Lt. Governor Byron Mallott
- **American Federation of Labor and Congress of Industrial Organizations** - Alaska President
Vince Beltrami
- **Alaska Federation of Natives** – President
Julie Kitka
- **Alaska Municipal League** – Executive Director
Kathie Wasserman
- **Associated General Contractors of Alaska** – Executive Director
John MacKinnon
- **University of Alaska** – President
Dr. Jim Johnsen

The Act also stipulates that the U.S. Secretary of Commerce appoint a Federal Co-Chair, who serves as the Agency head responsible for managing the Commission on a day to day basis. The current Federal Co-Chair is Joel Neimeyer, who is in his second four-year term that expires in April 2018.

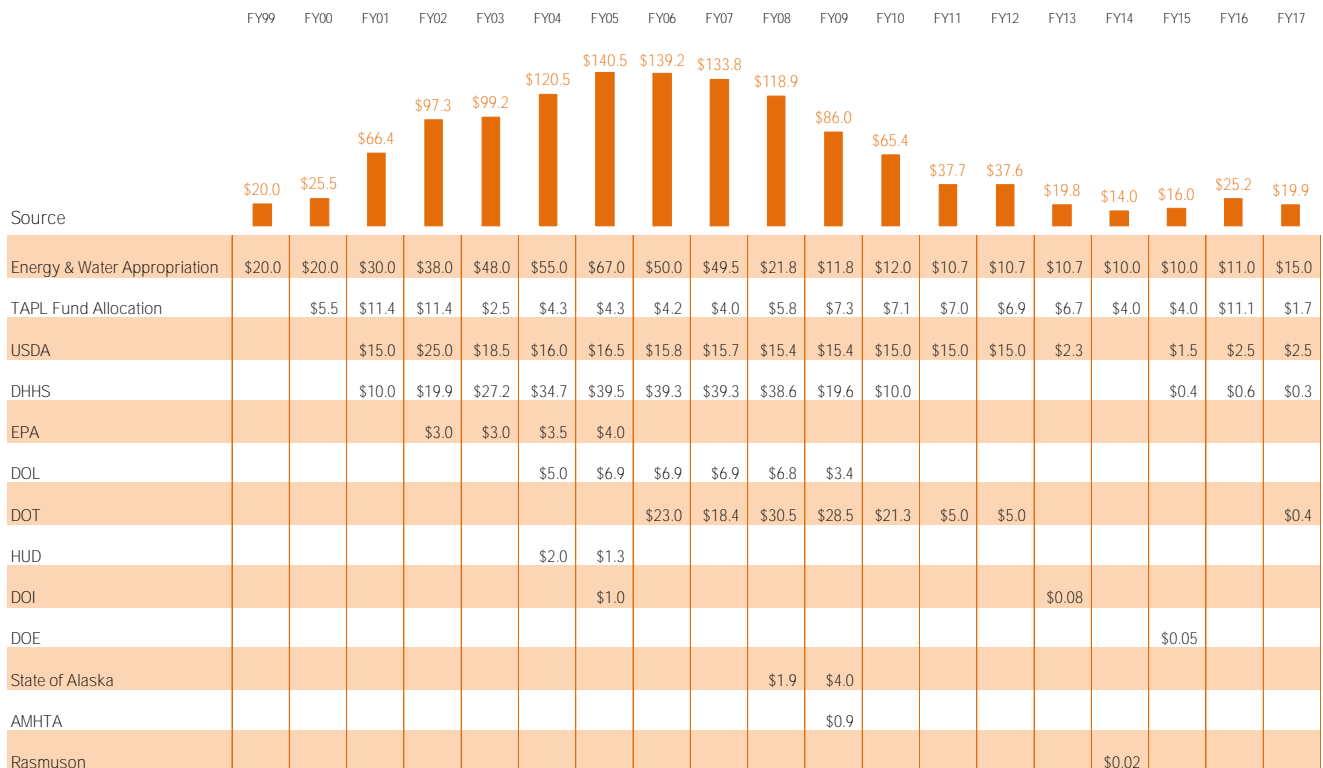
Work Plan Process

Each year, the Commission produces an [annual work plan](#) (i.e. investment plan) based on public input and direction from the Commissioners. The work plan includes target investment amounts in various program areas such as Energy Reliability & Security, Bulk Fuel Safety & Security, and Transportation System Improvements to name a few. The investment amounts are based on anticipated appropriations, match, and other funding sources. Commission staff implement the annual work plan via grants, cooperative agreements, and contracts.



Funding History

The following table is a summary of the Commission’s total funding from FY99 thru FY17. All values are in millions.



Investment History

The pillars of the Commission’s investment strategy over the past 18 years can be summarized as follows:

- Investments must be tailored to the needs of rural Alaska - versus other factors such as grant writing skills, capacity of applicants to carry out projects, etc.
- Owner/operators for prospective capital project investments must demonstrate that both the grant applicant and the proposed project are sustainable.
- Investments should complement, but not duplicate the work of other Federal and State agencies.

Based on reduced appropriations over the last several years, the annual work plans have begun to include more resources for maintaining, sustaining and protecting existing community infrastructure. The following table summarizes the Commission’s investments by broad program area over the years. It includes funds made available directly to the Commission, as well as match funds for projects from partners such as the State of Alaska, U.S. Department of Agriculture, Alaska Native Tribal Health Consortium, Alaska Mental Health Trust Authority, etc. In total, Commission investments have resulted in over \$2 billion of new infrastructure and workforce development initiatives in nearly every rural community in the state. Projects are summarized on the Commission’s public [Database](#). The Database can be searched by community, recipient and/or project type.

DENALI COMMISSION INVESTMENT SUMMARY								
<i>As of May 2017</i>								
Program	Completed Projects				Active Projects			
	No.	Commission Funding	Match Funding	Communities Served ¹	No.	Commission Funding	Match Funding	Communities Served ¹
Energy Reliability & Security	243	\$287,300,000	\$292,200,000	124	46	\$33,140,000	\$25,000,000	243
Bulk Fuel Safety & Security	125	\$223,500,000	\$44,450,000	111		\$29,520,000	\$16,050,000	67
Transportation System Improvements	233	\$130,100,000	\$61,800,000	157	4	\$15,400,000	\$6,200,000	22
Village Infrastructure Protection	0	\$0	\$0	0	16	\$12,000,000	\$1,252,000	4
Special / Pass Thru Initiatives	1	\$200,000	\$0	1	5	\$0	\$1,050,000	1
Healthcare	224	\$327,000,000	\$362,600,000	155	0	\$0	\$0	0
Housing	128	\$87,000,000	\$103,100,000	72	0	\$0	\$0	0
Workforce Development	312	\$39,600,000	\$13,400,000	250+	0	\$0	\$0	0
Sanitation	41	\$34,000,000	\$13,000,000	128	0	\$0	\$0	0
General Economic Development	67	\$44,500,000	\$16,500,000	64	0	\$0	\$0	0
Totals	1,374	\$1,173,200,000	\$907,050,000	1,062	71	\$90,060,000	\$49,552,000	337

1. New Infrastructure and/or energy efficiency related construction projects supported in whole, or in part, with Denali Commission funds. Note that this column does not include "soft" projects such as design only, studies, mapping, general community planning, etc.

Programs

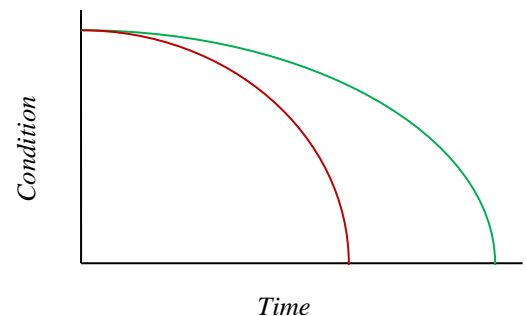
Bulk Fuel Safety and Security

The Bulk Fuel Program was the first program established by the Commission. Congress charged the Commission with “the repair or replacement of bulk fuel storage tanks in Alaska that are not in compliance with [federal or state law].” In 1998, virtually every tank farm in rural Alaska needed significant upgrades in order to be code-compliant, and there was a very real threat that communities would no longer be able to receive fuel in bulk quantities due to the substandard condition of their tank farms.

Early on, the Commission identified the Alaska Energy Authority ([AEA](#)) and Alaska Village Electric Cooperative ([AVEC](#)) as its primary program partners for the bulk fuel program. The first task was to prioritize rural communities based on condition/need. Based on a statewide prioritized list developed by AEA, the Commission has funded new fuel storage facilities in approximately 100 communities to date. AEA estimates the remaining unmet need at approximately \$170 million.

The Bulk Fuel program is largely funded through an annual interest allocation from the Trans-Alaska Pipeline Liability Fund (TAPL), which has ranged from \$2 to \$11 million over the last 18 years. Beginning in FY18, annual TAPL funding is expected to level off at about \$1.7 million for the next five years.

Approximately 70 bulk fuel facilities constructed with Commission funds are now at least 10 years old and due for a comprehensive inspection according to industry standards. The economic life-cycle graph to the right shows how, in general, neglecting maintenance and operator training (red line) can cause a facility to fail well before a properly maintained facility (green line).



In the first couple of years of the agency’s history, Commissioners recognized the value of timely maintenance and required that new bulk fuel projects require business plans that support this concept. Furthermore, the Commission provided funding for the development of [Rural Alaska Fuel Services](#) which is a non-profit organization that provides contract support services to owner/operators of rural bulk fuel farms.

Note too, that some of the existing facilities still on the upgrade list can be brought up to code, and their useful life extended by approximately 20 years for roughly half the cost of a full replacement project (i.e. refurbish existing tanks where feasible). Based on reduced future funding, and the facility management issues summarized above, the Commission and our Bulk Fuel Program partners believe at least a portion of the Commission’s future bulk fuel investments should focus on training, maintenance and repair. In the January 2017 [Alaska Affordable Energy Strategy](#) published by AEA, they estimated that \$13 million per year is needed to protect, maintain and sustain existing bulk fuel infrastructure.

Energy Reliability and Security

The Bulk Fuel Program quickly evolved to include rural power system upgrades, including renewable energy micro-grid projects and electric interties for closely-paired villages. The Commission has also invested in energy efficiency and conservation programs, renewable energy programs and AEA's Emerging Energy Technology Fund.

To date, the Commission has invested over \$240 million in power system and intertie projects based on project priority lists developed in partnership with AEA and AVEC. The majority of these funds have come from the Commission's Energy and Water Appropriations (Base funds), and USDA Rural Utilities Service ([RUS](#)) and Environmental Protection Agency (EPA) funds transferred directly to the Commission. These funds have been combined with another \$225 million of match funding from partners such as AEA and AVEC.

The Commission's primary partner for community energy efficiency projects is the Alaska Native Tribal Health Consortium ([ANTHC](#)). The primary investment is in their Sanitation Energy Efficiency Program which strives to reduce energy consumption in rural water supply and wastewater treatment systems.

AEA estimates the unmet need related to rural power system upgrades is \$200 million. Another \$250 million is needed for interties according to AVEC. The unmet need for energy efficiency is difficult to quantify, but it is certainly many tens of millions. In a 2012 Commonwealth North [report](#) it is estimated the need related to wind/micro-grids, renewables, and investments in emerging technology is approximately \$2 billion. The *Alaska Affordable Energy Strategy* referenced above estimates \$20 million per year is needed to protect, maintain and sustain existing rural power system infrastructure.



Transportation System Improvements

From 2006 to 2012 the Commission received approximately \$125 million of direct appropriations from the U.S. Department of Transportation, Federal Highway Administration (FHWA) and Federal Transit Authority (FTA), which was matched by \$400 million from other sources. Since the inception of the Transportation Program the Commission has focused on two types of projects: rural roads and waterfront development.

To date, the Commission has completed 112 road projects and 124 waterfront projects in 140+ communities throughout the state. Barge Landing & Mooring Point (BLMP) waterfront projects were recommended for funding and prioritized by the Transportation Advisory Committee (TAC) beginning in 2010. The TAC is the oversight committee for the program as stipulated in the Commission's statute. Because the Commission no longer receives FHWA or FTA funds, and because we received authority in FY2016 to use TAPL funds for BLMP projects, along with a one-time additional TAPL allocation, the only active Transportation Program projects are [BLMP type projects](#) (approximately \$10 million currently available).

The Commission's traditional partners for implementing Transportation Program projects are the U.S. Army Corps of Engineers and USDOT Western Federal Lands Highway Division. The State of Alaska provides match funds for Commission transportation projects.

The unmet need related to rural Transportation system infrastructure is undocumented, but it is certainly many billions.



Village Infrastructure Protection

In 2015 the White House directed the Commission to establish a Village Infrastructure Protection (VIP) Program to assist rural Alaskan communities that are threatened by erosion, flooding and permafrost degradation. The goal of the VIP Program is to mitigate the impact of these threats with respect to safety, health and the protection of infrastructure.

The basis for the program is the Government Accountability Office (GAO) [Report 09-551](#) that was published in 2009. The report identified 31 rural Alaska communities that face significant damage to infrastructure, and/or relocation due to these threats. The State of Alaska has also done significant research on this problem through an *Immediate Action Workgroup* established by Governor Sarah Palin in 2007; reference [Recommendations to the Governor's Subcabinet on Climate Change](#) published in 2009.

The village that faces the most imminent threat is [Newtok](#), where permafrost degradation acting in combination with Ninglick River currents has resulted in a river bank erosion rate of 70 feet per year. Numerous homes, the school and the airport will be destroyed within the next 2 to 4 years. Relocating the community to safer ground is the only alternative.



Recently published reports put the estimate of damage to Alaska public infrastructure at \$2.3 to \$5.5 billion due to climate related threats. The Commission has received no new appropriations for the VIP Program. However, the agency in FY16 and FY17 invested a total of \$12 million of base (discretionary) funds for VIP related initiatives; primarily in support of the four most vulnerable communities identified in GAO Report 09-551 ([Kivalina](#), [Newtok](#), [Shaktolik](#), and [Shishmaref](#)). Our primary program partners are ANTHC who is co-funding the VIP program manager position, and the U.S. Army Corps of Engineers and University of Alaska – Fairbanks.

Health Program

In 2000 the Commission was charged with the planning, design and construction of [health facilities](#) throughout rural Alaska. Between 2000 and 2010 the program received \$320 million in direct appropriations from the U.S. Department of Health and Human Services (DHHS). These funds were matched by \$180 million from other Federal agencies, the State of Alaska, philanthropic organizations and local communities.

The program funded various types of projects including: village primary care clinics, residential psychiatric treatment centers, behavioral health facilities, long term care facilities, emergency medical service (EMS) and tele-health equipment, and the design of Indian Health Service (IHS) replacement hospitals. The program also provided technical assistance for the development of clinic business plans, and conducted facility code/condition surveys and energy audits. The final projects funded with DHHS dollars were completed in 2015.

There is still immense unmet need in the health program. A 2016 Indian Health Service report to Congress estimated the need for Alaska health care facilities at \$1.6 billion.



Housing

The Commission began investing in a variety of housing projects in 2004. The primary source of funding was the Department of Housing and Urban Development (DHUD). Other partners included the Alaska Housing Finance Corporation (AHFC), State of Alaska, Alaska Mental Health Trust Authority, Foraker Group, and Rasmuson Foundation. Projects have included domestic violence shelters, assisted living and elder supportive housing, health professional housing, and teacher housing.

While the Commission has not received housing-related funding since 2010, an immense need remains in rural Alaska with respect to both domestic violence shelters and teacher housing. The latest cost estimate to address the deferred maintenance needs of the 17 existing domestic violence shelters in the state is \$5.3 million.

AHFC continues to manage a state-supported [teacher housing](#) program that is based on a loan/grant model that the Commission was an early investor. New units cost approximately \$400,000 to construct. AHFC typically uses a combination of grant funds, local match, and loans for the capital development costs. The loans are repaid via rent that teachers pay to the school district. Historically, the AHFC annual budget for this program has been approximately \$2.5 million which has funded three to five projects per year. Given limited resources, AHFC is encouraging the repair and renovation of existing teacher housing or conversion of other space into teacher housing versus building new facilities. AHFC estimates an immediate need for 60 units of teacher housing statewide at a cost of \$26 million.

Workforce Development

The Denali Commission Act of 1998, as amended (Section 302(2)) states that the purpose of this Act is: "...to provide job training and other economic development services in rural communities..." Accordingly, the Commission established a Training and Workforce Development Program in 1999 as a standalone program to provide training and employment opportunities to rural residents in support of the construction, maintenance and operation of Commission-funded capital projects.

From 1999 through 2009, the Denali Commission Training Program received approximately \$36 million from the U.S. Department of Labor (USDOL), which was supplemented with \$8 million of Commission Base funding. These funds were primarily used to train rural workforces so they could participate in the construction of essential facilities such as bulk fuel storage, clinics, water and sewer, schools, etc. throughout rural Alaska.

With respect to the operation of completed projects, the Program worked to build capacity for rural facility maintenance workers, allied health professionals, and tribal, municipal and utility administrators.

Primary program partners included the Alaska Department of Labor (AKDOL), University of Alaska (UA), Alaska Works Partnership (AWP), First Alaskans, and the Construction Education Foundation (CEF). Final reports for the UA, AKDOL and AWP partnerships can be found at Denali.gov/publications.

While the final projects supported by USDOL appropriations were completed and closed in 2015, the Commission sponsored two initiatives through 2016 using a modest amount of Base funds. The Rural Alaska Maintenance Partnership (RAMP) established by the Commission in 2011 developed a state standard certificate for Facility Maintenance Technician (level I) currently offered at [Yuut Elitnaurviat](#) in Bethel, UAF College of Rural and Community Development (CRCDD) campuses in Fairbanks and Dillingham, and AVTEC in Seward. The Alaska Rural Manager Initiative (ARMI) was a collaboration of rural employers, post-secondary education and vocational training institutions, Native profit and non-profit organizations, regional governments, and state and Federal agencies, with the purpose of improving education and training programs for tribal, municipal and utility administrators. ARMI's efforts successfully leveraged support and partners for the development of curriculum and programs that are relevant to Alaska's rural administrators.

Because of a lack of historical emphasis on training and a near-constant turnover in key positions in local governments, utilities and rural health facilities, it is fair to say that the training unmet need in rural Alaska is effectively unlimited.

Other

Throughout the agency's history it has at times received funding for small or modest programs and/or projects. Some examples are provided below.

Sanitation: In the first decade of the agency it was provided funding of approximately \$9 million to refurbish existing washeterias in rural Alaska. A washeteria is a laundromat that also includes a water treatment plant, water storage and serves as a central watering point for a community that lacks a piped distribution water system.

Economic Development and General Community Support: During its first 10 years the agency also invested in [Alaska Growth Capital](#), which is a commercial lending and venture-capital funding operation that looks for lending and investment opportunities not served or underserved by conventional banks and investors. Since 1997 the lender has closed over \$400M in loans, many to high risk and minority lending.

Rural Public Health: The Commission is currently partnering with the Centers for Disease Control on rural drinking water and other public health studies, using funds provided via the Commission's *Moving Ahead for Progress in the 21st Century Act* (MAP-21) authority (Section 311 of the Denali Commission Act of 1998, as amended).

About the Strategic Plan

The plan is based on the framework shown below, which demonstrates the connection between the strategic and operational focus of the Commission, linking the strategic and agency priority goals to the programs that deliver services to rural Alaska. The plan is a communication tool to inform partners and stakeholders about the Commission's work.

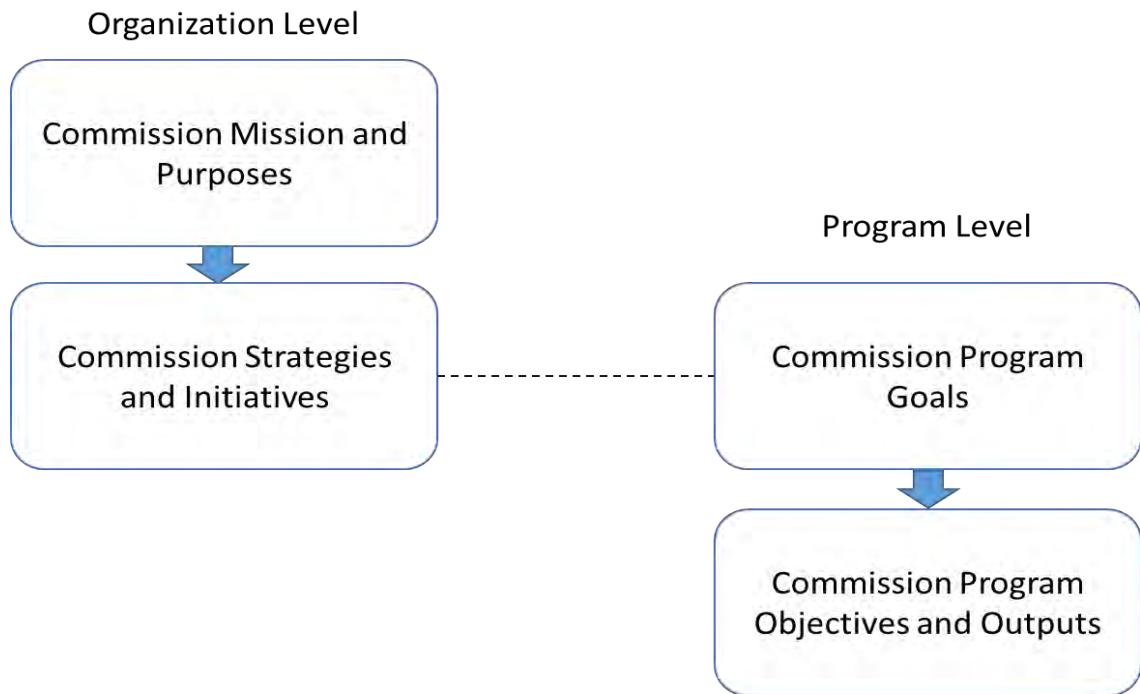


Figure 1: Comprehensive Strategic Management Framework

The plan is consistent with the format for Federal agencies. That format is part of the Government Performance and Results Modernization Act ([GPRMA](#)) of 2010. By aligning to the GPRMA, the Commission is addressing the recommendation for a strategic plan in the March 2015 [GAO Report 15-72](#) about agency options to address management issues.

Strategic Landscape

While discussing rural Alaska and the delivery of Commission services, Commissioners identified the following major issues, challenges and opportunities.

Issues

- Unmet infrastructure needs throughout rural Alaska
- Aging of existing rural infrastructure
- Historical emphasis on new construction vs. maintenance of existing infrastructure
- The risks to existing infrastructure due to flooding, erosion and permafrost degradation are increasing

Challenges

- Limited federal and state funding for rural Alaska needs
- Continued escalating costs for producing and delivering energy in rural Alaska
- Federal and State agencies with duplicative and at times contradictory missions

Opportunities

- The Commission's flexible statutory authority, long-standing relationships and subject-matter experience in rural Alaska
- The Commission's experience in developing need-based prioritization methodologies that other Federal and State agencies can use to allocate resources

Strategic Goals and Objectives

The strategic goals provide direction on how to implement the Denali Commission's mission and purpose statement. Goals and objectives were developed acknowledging that in a decreased funding environment, the Commission must transform in order to continue to effectively perform its mission.

The following goals and objectives also acknowledge that the Commission is uniquely positioned as an independent Federal government agency to serve the needs of rural Alaska communities, with a significant experience in working with a network of State agencies, Tribes, municipal governments, non-profit organizations, and other partners. The Commission will continue to capitalize on its history of being an innovator and a catalyst for ideas and services to improve lives in rural Alaska. Performance measures related to the goals and objectives are included in Appendix B.

1

Facilities Management

Maintain, sustain, and protect existing rural infrastructure.

- 1.1) Increase investments that shift the paradigm to an owner/operator perspective and that focus on sustainability; to include training, maintenance and improvement projects, etc.
- 1.2) Engage stakeholders on broad-based facilities management solutions.
- 1.3) Promote improved predictive and preventive maintenance practices, and inform owner/operators on how they can pay for these services.

2

Village Infrastructure Protection

Develop and implement adaptation strategies that include both relocation and protect in place measures – giving priority to the 31 communities in GAO Report 09-551.

- 2.1) Evaluate the various community-level risks, threats, and security factors related to permafrost degradation, erosion and flooding.
- 2.2) Build awareness through public involvement and outreach at the local, regional, statewide and national levels.
- 2.3) Develop a framework for both relocation or protect in place solutions; work with other Federal agencies to endorse, support and integrate this guidance document into their respective resource allocation methodologies.
- 2.4) Use Denali Commission funds to fill gaps in other Federal agency programs.
- 2.5) Coordinate with the Federal Emergency Management Administration (FEMA) and Alaska Division of Homeland Security, which have specific statutory authorities related to disaster mitigation, response and recovery.

Based upon the Commission’s recent work with communities facing relocation, it is worth noting the critical role the local community plays in the planning and implementation process. The graphic below is a general management structure for the implementation phase of a village relocation.

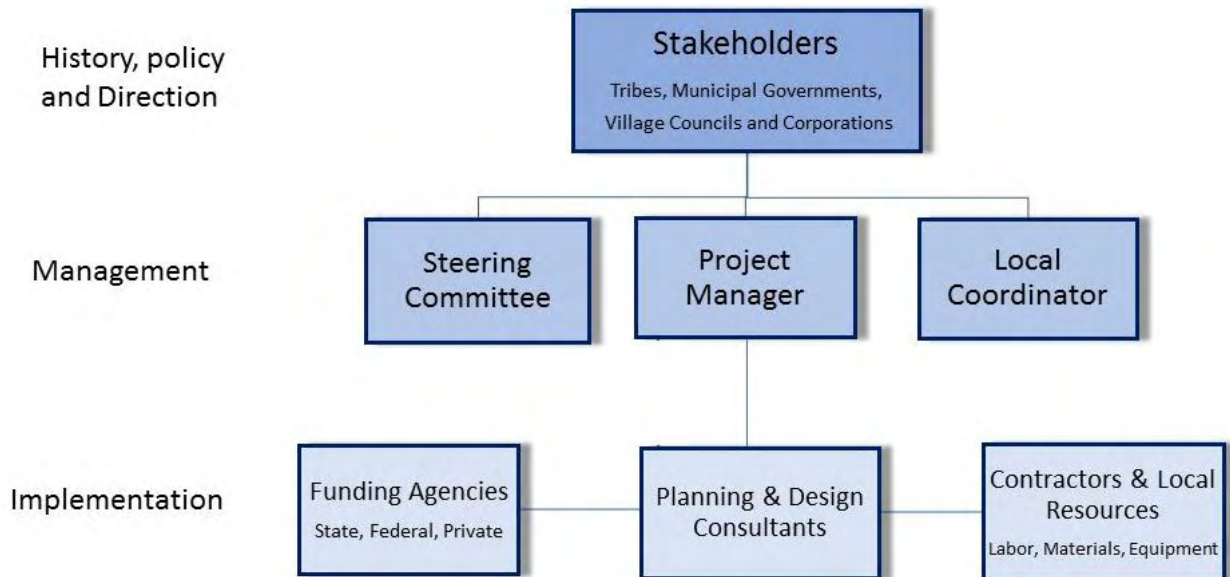


Figure 2: Village Relocation Implementation Phase Management Structure

As discussed previously in this document, Newtok is the one community that is actively implementing relocation related projects at this time. In the case of Newtok the project manager is a senior professional contracted to work directly for the Newtok Village Council. The Steering Committee is comprised of representatives from the tribe, the village corporation, the Commission, and State of Alaska.

3

Energy

Continue to invest in projects and initiatives that improve the affordability, safety and/or reliability of fuel storage, the production and storage of energy, electrical distribution systems, and heating the built environment in rural Alaska.

- 3.1) Invest in a variety of both capital and non-capital projects/initiatives that include data collection, energy planning, maintenance & improvement, and training.
- 3.2) Continue the barge mooring point and fuel header upgrade program to insure the safe delivery of fuel.

4

Innovation and Collaboration

Continue to convene partners and stakeholders on rural Alaska issues.

- 4.1) Serve as a convener for rural Alaska issues of the day, as identified by governmental, tribal, non-profit, business, community and other stakeholders.
- 4.2) Use unique Commission authorities to complement but not duplicate the work of other Federal agencies, and streamline Commission investments/initiatives.
- 4.3) Encourage a paradigm shift among facility owners and operators that results in an emphasis on maintaining existing infrastructure.
- 4.4) Encourage all funders to make investments based on need, as opposed to other factors such as good grant writing skills.
- 4.5) Act as a conduit for Federal agencies with a role in energy policy and infrastructure development, to partner with the Alaska Energy Authority in a consistent and collaborative way.

Agency Priorities

In contrast to the strategic goals, which are investment oriented, agency priorities are focused on how best to manage the agency in support of the stated strategic goals. Agency priorities are meant to be fully actionable within one to three years. The Commission has been undergoing significant transformation since FY2014 due to large reductions in annual appropriations (see Funding History, page 8) and the agency's work with other agencies on initiatives related to shared services via our MAP 21 authority. Changes at the Commission are also the result of recommendations from both GAO and the Inspector General (IG). Reference [GAO Report 15-72 Denali Commission - Options Exist to Address Management Challenges](#) in particular. The agency priorities summarized below are all related to fundamental changes already put in place.

- 1) **Support The Transformed Workforce.** Based on a reorganization that was completed in early 2017, key permanent staff are now generalists who have broad technical expertise, but who also understand federal regulations and business operations. Permanent staff are augmented on an intermittent basis by hiring short-term subject matter experts and/or contractors for specific services as needed. This workforce model results in an overall reduction in both program and administrative staff (and hence costs), while maintaining the core competencies required to implement the Commission's mission and strategic goals. It will be important to develop administrative policies, procedures, and a staff training plan that support the new model. The Commission should also be proactive with respect to succession planning to ensure continuous efficient operations.

Supports Strategic Goals 1-4

- 2) **Monitor Grants Effectively.** GAO Report 15-72 underscored grants management as a key function of the Commission. During the last two years, the Commission management team has improved the grants management process to enhance the Commission's ability to manage and monitor the Commission's grants, in accordance with [2 CFR 200](#). The following are a few examples:
 - New Award Terms and Conditions were prepared in July 2015
 - Recipient Risk Assessment forms are being completed prior to finalizing Awards
 - Single Audit findings are being reviewed by the Grants Officer prior to finalizing Awards
 - More site visits are being made by Program Managers

Assembling these new templates, policies and procedures into a single reference manual for Program staff will help maintain consistency with respect to the overall administration and monitoring of grants, cooperative agreements and contracts.

Supports Strategic Goals 1-3

- 3) **Improve Certain Specific Operational Procedures.** Management should work to make the agency look and function more like other federal agencies in certain key areas such as IG support and ethics documentation. Overall process improvement should be an on-going effort at the Commission.

In 2015 the Commission entered into a five-year agreement with the Department of Commerce – Office of Inspector General (DOC-OIG) for IG and financial audit services. The Commission finds this independent oversight of our work to be invaluable. It is important that the agency continue to maintain an agreement for these services with a cabinet-level agency with experienced staff that can help the Commission understand and comply with federal requirements.

In December 2016, the Commission was reauthorized by Congress. The reauthorization included additional guidance with respect to ethics standards for the Commissioners. The ethics guidelines provided by Congress better allows Commissioners to provide their expertise when making investment decisions during the development of the annual workplan. The guidelines include disclosure/reporting requirements, annual training, and clarification of actions that could be a conflict of interest. Language in the reauthorization also clarified the steps for developing, adjusting, and finalizing the workplan during each Fiscal Year, which will expedite the obligation of appropriated funds for program projects and activities. It is noteworthy that language in the reauthorization confirmed that public input is a vital part of the process for making Commission investment decisions.

While there is consensus that the Commission should continue to use needs based directive grants as its primary funding tool, management believes that contract tools which can be used to implement certain program projects and activities should be explored.

Supports Strategic Goals 1-3

- 4) **Expand Use of MAP-21 Authority.** This authority is a powerful tool (see Section 311 of the Denali Commission Act of 1998) and Management should aggressively pursue MAP-21 opportunities both for program projects/activities and initiatives related to shared services.

The first MAP-21 initiative undertaken by the Commission began in 2013, and is an ongoing partnership with the U.S. Department of Health and Human Services, Administration for Children and Families (ACF), which manages a Grants Center of Excellence (COE). The COE provides grants management lifecycle software and services across the Federal government in order to realize improved efficiencies. The partnership between the Commission and ACF will allow small agencies to access the COE at an affordable rate. To date, ACF has transferred \$35 million to the Commission. Of this, approximately \$700,000 has gone to offset general Commission administrative costs.

Supports Strategic Goals 1-4

Summary

The Denali Commission Act of 1998, as amended, affords the agency significant latitude and authority to address issues facing rural Alaska, as well as common issues facing other Federal agencies. The Commission can invest in a host of projects/initiatives and do so in a relatively quick and flexible fashion given a number of tools provided in the statute.

In a time of reduced Federal and State funding the Commission understands that a primary challenge for the family of Federal agencies is to allocate limited resources where they can do the most good. The Federal Government in the past decade, or more, has moved towards a block grant/formula driven/competitive grant allocation model for a 50-state solution that, at times, does not work well in rural Alaska. This approach rewards the communities that have administrative capacity to compete, yet often the highest needs are in communities with limited administrative capacity.

The Commission's historic investment approach has been to issue awards based upon need (i.e. develop a prioritization methodology) and provide necessary technical support and administrative capacity mechanisms when and where appropriate. Although this investment approach is not statutorily driven, it is encouraged by our Commissioners who believe that public funds should go to the highest need. We have had success in our almost 20 year history working in multi-agency/multi-jurisdictional collaborations including energy, transportation, sanitation, health facilities, housing, and most recently, our VIP program using this investment approach. An important goal of the agency in the next five years is to continue our work to collaborate with other funders so they may consider a similar investment approach for their work in rural Alaska.

It was through our recent work in developing this Strategic Plan that we came to understand one of the principles Congress intended with the passage of the [GPRM Modernization Act of 2010](#). Namely, Congress envisions that the first budget presented by a new Presidential Administration (inclusive of new agency Strategic Plans) would outline priorities, goals and proposed investments that will better the lives of all Americans. For the Commission, as an independent Federal agency, over the next five years we will seek to focus our future investments towards:

1. Owner/operators of existing rural Alaska infrastructure, and other stakeholders, so that they can better maintain, sustain and protect their existing facilities,
2. Continued energy infrastructure investments to keep energy costs down, and
3. Addressing flooding, erosion and permafrost degradation that threaten the built environment in rural Alaska communities.

APPENDIX A – FUNDING AND OPERATIONS

The table below and the monetary figures referenced in the discussion regarding operational costs assume an annual appropriation of \$15 million of Discretionary (i.e. Base) funds, per language in the Agency’s reauthorization passed by Congress in 2016, plus actual recent and anticipated additional funding streams per the table footnotes.

Source / Activity	FY18	FY19	FY20	FY21	FY22
Discretionary¹	11	11	11	11	11
TAPL²	2	2	2	2	2
Other Program³	3	3	3	3	3
Other Shared Services⁴	3	4	5	6	6
Total \$ (in Millions)	19	20	21	22	22

1. *Based on 2016 reauthorization (Public Law No. 114-322)*
2. *Based on current interest rate on TAPL principal*
3. *Includes funds transferred to the Commission via MAP-21 and USDA HECG grants for program activities*
4. *Includes funds transferred to the Commission via MAP-21 and the Economy Act*

The DOC-OIG, OMB, GAO, and the IG’s Financial Auditor have all recommended that the Denali Commission change its staffing structure to align with the priorities and goals outlined in this Strategic Plan. Starting in FY 2016, the agency recognized this need and adjusted its organization chart and position descriptions accordingly. It is anticipated the operations budget (funded with discretionary dollars) will remain at \$4 million per year between now and FY2022.

APPENDIX B – PERFORMANCE MEASURES

The majority of the performance measures below are based on initiatives and/or projects under the direct control of the Commission. However, for the strategic goals associated with the Energy Program, certain other indirect performance measures have been included. These indirect measures are more general indicators that Commission investments, whether for capital projects or support initiatives such as power plant operator training, community energy planning, etc. are contributing to overall improvements with respect to providing sustainable and affordable energy for rural Alaska communities. Note that the performance measures below also address Agency Priorities. All performance measures will be evaluated on an annual basis.

The performance measures expressed as a percentage of the Commission’s annual investments assume the total amount of funding available for program activities in any one year is approximately \$15 million from Base Appropriations, the annual TAPL Allocation and other prior year unobligated balances.

Energy

1. No less than 5% of the Commission’s total annual workplan investments in the Energy Program allocated for initiatives focused on energy planning, efficiency and/or conservation.
2. One or more completed mooring point and/or fuel header replacement/upgrade projects per year.

Other Indirect Measures

3. Positive trend in the following metrics:
 - Average electrical distribution system line loss for all [Power Cost Equalization](#) eligible communities (*decrease*)
 - Number of operational rural interties (*increase*)
 - Number of operational Tier I and II type generator sets (*increase*)
 - Number of power plants with operational waste heat recovery systems (*increase*)
 - Number of generator sets deployed to rural Alaska by AEA on an emergent basis per year (*decrease*)
 - Number of communities that have integrated renewable energy sources into their micro-grids (*increase*)
 - Number of independent power companies producing less than 100,000 Kilowatt-hours per year using diesel fuel only (*decrease*)

Village Infrastructure Protection

4. No less than 30% of the Commission's total annual workplan invested in the VIP Program.
5. No less than \$10 million per year secured from other Federal and State agencies for the development of infrastructure at Mertarvik in support of the new village site plan.
6. Environmental Impact Statement documents for the relocation of Newtok and other villages to be relocated meet the cross-agency performance goal on Infrastructure Permitting Modernization established by OMB pursuant to [Executive Order 13807](#).

Facilities Management

7. No less than 30% of the Commission's total annual workplan investments in the Energy Reliability and Security and Bulk Fuel Programs allocated for Facilities Management related projects/initiatives.
8. No less than three new Rural Alaska Fuel Service (RAFS) contracts per year.

Innovation and Collaboration

9. Match fund ratio for annual legacy program investments no less than 0.65.
10. No less than \$100,000 per year secured from other Federal agencies for rural Alaska power plant and bulk fuel tank farm training.

Agency Priorities

11. Develop a formal staff training plan no later than 30 September 2018.
12. Finalize an updated Grants Management Handbook no later than 30 September 2018.
13. Use direct contracts (vs grants) to complete \$500,000 - \$1,000,000 of program projects and/or activities prior to 30 September 2022 and make recommendations with respect to undertaking additional program work via contract.
14. No less than \$6 million per year brought into the Commission via MAP21 authority.

Appendix C – DENALI COMMISSION ACT OF 1998, AS AMENDED¹

Denali Commission Act of 1998. PL 105-277 42 USC 3121.

TITLE III--DENALI COMMISSION

SEC. 301. SHORT TITLE.

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

SEC. 302. PURPOSES.

The purposes of this title are as follows:

- (1) To deliver the services of the Federal Government in the most cost-effective manner practicable by reducing administrative and overhead costs.
- (2) To provide job training and other economic development services in rural communities particularly distressed communities (many of which have a rate of unemployment that exceeds 50 percent).
- (3) To promote rural development, provide power generation and transmission facilities, modern communication systems, water and sewer systems and other infrastructure needs.

SEC. 303. ESTABLISHMENT OF COMMISSION.

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

(b) Membership.—

(1) Composition.--The Commission shall be composed of 7 members, who shall be appointed by the Secretary of Commerce (referred to in this title as the ``Secretary''), of whom—

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

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

(C) one shall be the President of the Alaska Municipal League or an individual selected from nominations submitted by the President of the Alaska Municipal League;

¹ A redline copy of the enabling legislation that highlights amendments and specific laws that specified the change is available at Denali.gov

(D) one shall be the President of the Alaska Federation of Natives or an individual selected from nominations submitted by the President of the Alaska Federation of Natives;

(E) one shall be the Executive President of the Alaska State AFL-CIO or an individual selected from nominations submitted by the Executive President;

(F) one shall be the President of the Associated General Contractors of Alaska or an individual selected from nominations submitted by the President of the Associated General Contractors of Alaska; and

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

(2) Federal Co-chairperson.—

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

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

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

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

(c) Period of Appointment; Vacancies.—The Federal Co-Chairperson shall serve for a term of four years and may be reappointed. All other members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(d) Meetings.—

(1) In general.--The Commission shall meet at the call of the Federal Co-chairperson not less frequently than 2 times each year, and may, as appropriate, conduct business by telephone or other electronic means.

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

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

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

(e) Quorum.--A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

(f) No Federal Employee Status.-No member of the Commission, other than the Federal Co-chairperson, shall be considered to be a Federal employee for any purpose.

(g) Conflicts of Interest.--

(1) In general.--Except as provided in paragraphs (2) and (3), no member of the Commission (referred to in this subsection as a 'member') shall participate personally or substantially, through recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract claim, controversy, or other matter in which, to the knowledge of the member, 1 or more of the following has a direct financial interest:

(A) The member.

(B) The spouse, minor child, or partner of the member.

(C) An organization described in subparagraph (B), (C), (D), (E), or (F) of subsection (b)(1) for which the member is serving as an officer, director, trustee, partner, or employee.

(D) Any individual, person, or organization with which the member is negotiating or has any arrangement concerning prospective employment.

(2) Disclosure.--Paragraph (1) shall not apply if the member-

(A) immediately advises the designated agency ethics official for the Commission of the nature and circumstances of the matter presenting a potential conflict of interest;

(B) makes full disclosure of the financial interest; and

(C) before the proceeding concerning the matter presenting the conflict of interest,

receives a written determination by the designated agency ethics official for the Commission that the interest is not so substantial as to be likely to affect the integrity of the services that the Commission may expect from the member. The written determination shall specify the rationale and any evidence or support for the decision, identify steps, if any, that should be taken to mitigate any conflict of interest, and be available to the public.

(3) Annual disclosures.--Once each calendar year, each member shall make full disclosure of financial interests, in a manner to be determined by the designated agency ethics official for the Commission.

(4) Training.--Once each calendar year, each member shall undergo disclosure of financial interests training, as prescribed by the designated agency ethics official for the Commission.

(5) Clarification.--A member of the Commission may continue to participate personally or substantially, through decision, approval, or disapproval on the focus of applications to be considered but not on individual applications where a conflict of interest exists.

(6) Violation.--Any person that violates this subsection shall be fined not more than \$10,000, imprisoned for not more than 2 years, or both.

SEC. 304. DUTIES OF THE COMMISSION.

(a) Work Plan.—

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

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

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

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

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

(b) Review by Federal Co-chairperson.—

(1) In general.-- Upon receiving a work plan under this section, the Secretary, acting through the Federal Co-chairperson, shall publish the work plan in the Federal Register, with notice and an opportunity for public comment. The period for public review and comment shall be the 30-day period beginning on the date of publication of that notice.

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

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

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

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

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

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

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

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

(4) Review of disapproval or partial approval.--If the Secretary, acting through the Federal Co-chairperson, disapproves or partially approves a work plan, the Federal Co-chairperson shall submit that work plan to the Commission for review and revision.

SEC. 305. POWERS OF THE COMMISSION.

(a) Information From Federal Agencies.--The Commission may secure directly from any Federal department or agency such information as it considers necessary to carry out the provisions of this Act. Upon request of the Federal Co-chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission. Agencies must provide the Commission with the requested information in a timely manner. Agencies are not required to provide the Commission any information that is exempt from disclosure by the Freedom of Information Act. Agencies may, upon request by the Commission, make services and personnel available to the Commission to carry out the duties of the Commission. To the maximum extent practicable, the Commission shall contract for completion of necessary work utilizing local firms and labor to minimize costs.

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

(c) GIFTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Commission, on behalf of the United States, may accept use, and dispose of gifts or donations of services, property, or money for purposes of carrying out this Act.

(2) **CONDITIONAL.**—With respect to conditional gifts—

(A)

(i) the Commission, on behalf of the United States, may accept conditional gifts for purposes of carrying out this Act, if approved by the Federal Co-chairperson; and

(ii) the principal of and income from any such conditional gift shall be held, invested, reinvested, and used in accordance with the condition applicable to the gift; but

(B) no gift shall be accepted that is conditioned on any expenditure not to be funded from the gift or from the income generated by the gift unless the expenditure has been approved by Act of Congress; and

(d) The Commission, acting through the Federal Co-Chairperson, is authorized to enter into contracts and cooperative agreements, award grants, and make payments necessary to carry out the purposed of the Commission. With respect to funds appropriated to the Commission for fiscal year 1999, the Commission, acting through the Federal Co-Chairperson, is authorized to enter into contracts and cooperative agreements, award grants, and make payments to implement an interim work plan for fiscal year 1999 approved by the Commission.

SEC. 306. COMMISSION PERSONNEL MATTERS.

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

(b) **Travel Expenses.**--The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) **Staff.**—

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

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

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

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

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

(g) Administrative Expenses and Records. The Commission is hereby prohibited from using more than 5 percent of the amounts appropriated under the authority of this Act or transferred pursuant to section 329 of the Department of Transportation and Related Agencies Appropriations Act, 1999 (section 101 (g) of division A of this Act) for administrative expenses. The Commission and its grantees shall maintain accurate and complete records which shall be available for audit and examination by the Comptroller General or his or her designee.

(h) Inspector General. Section 8G(a)(2) of the Inspector General Act of 1978 (5 USC App 3, Section 8G(a)(2)) is amended by inserting 'the Denali Commission,' after 'the Corporation for Public Broadcasting,'.

SEC. 307. SPECIAL FUNCTIONS.

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

(b) Bulk Fuels.-- Funds transferred to the Commission pursuant to section 329 of the Department of Transportation and Related Agencies Act, 1999 (section 101(g) of division A of this Act) shall be available without further appropriation and until expended. The Commission, in consultation with the Commandant of the Coast Guard, shall develop a plan to provide for the repair or replacement of bulk fuel storage tanks in Alaska that are not in compliance with applicable—

(1) Federal law, including the Oil Pollution Act of 1990 (104 Stat. 484); or

(2) State law

(c) Demonstration Health Projects- In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health and

Human Services is authorized to make grants to the Denali Commission to plan, construct, and equip demonstration health, nutrition, and child care projects, including hospitals, health care clinics, and mental health facilities (including drug and alcohol treatment centers) in accordance with the Work Plan referred to under section 304 of Title III – Denali Commission of Division C – Other Matters of Public Law 105-277. No grant for construction or equipment of a demonstration project shall exceed 50 percentum of such costs, unless the project is located in a severely economically distressed community, as identified in the Work Plan referred to under section 304 of Title III – Denali Commission of Division C – Other Matters of Public Law 105-277, in which case no grant shall exceed 80 percent of such costs. To carry out this section, there is authorized to be appropriated such sums as may be necessary.

(d) **SOLID WASTE-** The Secretary of Agriculture is authorized to make direct lump sum payments which shall remain available until expended to the Denali Commission to address deficiencies in solid waste disposal sites which threaten to contaminate rural drinking water supplies.

(e) **DOCKS, WATERFRONT TRANSPORTATION DEVELOPMENT, AND RELATED INFRASTRUCTURE PROJECTS.-** The Secretary of Transportation is authorized to make direct lump sum payments to the Commission to construct docks, waterfront development projects, and related transportation infrastructure, provided the local community provides a ten percent non-Federal match in the form of any necessary land or planning and design funds. To carry out this section, there is authorized to be appropriated such sums as may be necessary.

SEC. 308. EXEMPTION FROM FEDERAL ADVISORY COMMITTEE ACT.

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

SEC. 309. DENALI ACCESS SYSTEM PROGRAM.

(a) **ESTABLISHMENT OF THE DENALI ACCESS SYSTEM PROGRAM.**—Not later than 3 months after the date of enactment of the SAFETEA–LU, the Secretary of Transportation shall establish a program to pay the costs of planning, designing, engineering, and constructing road and other surface transportation infrastructure identified for the Denali access system program under this section.

(b) **DENALI ACCESS SYSTEM PROGRAM ADVISORY COMMITTEE.**—

(1) **ESTABLISHMENT.**—Not later than 3 months after the date of enactment of the SAFETEA–LU, the Denali Commission shall establish a Denali Access System Program Advisory Committee (referred to in this section as the ‘advisory committee’).

(2) **MEMBERSHIP.**—The advisory committee shall be composed of 9 members to be appointed by the Governor of the State of Alaska as follows:

(A) The chairman of the Denali Commission.

(B) 4 members who represent existing regional native corporations, native nonprofit entities, or tribal governments, including one member who is a civil engineer.

(C) 4 members who represent rural Alaska regions or villages, including one member who is a civil engineer.

(3) TERMS.—

(A) IN GENERAL.—Except for the chairman of the Commission who shall remain a member of the advisory committee, members shall be appointed to serve a term of 4 years.

(B) INITIAL MEMBERS.—Except for the chairman of the Commission, of the 8 initial 11 members appointed to the advisory committee, 2 shall be appointed for a term of 1 year, 2 shall be appointed for a term of 2 years, 2 shall be appointed for a term of 3 years, and 2 shall be appointed for a term of 4 years. All subsequent appointments shall be for 4 years.

(4) RESPONSIBILITIES.—The advisory committee shall be responsible for the following activities:

(A) Advising the Commission on the surface transportation needs of Alaska Native villages and rural communities, including projects for the construction of essential access routes within remote Alaska Native villages and rural communities and for the construction of roads and facilities necessary to connect isolated rural communities to a road system.

(B) Advising the Commission on considerations for coordinated transportation planning among the Alaska Native villages, Alaska rural villages, the State of Alaska, and other government entities.

(C) Establishing a list of transportation priorities for Alaska Native village and rural community transportation projects on an annual basis, including funding recommendations.

(D) Facilitate the Commission's work on transportation projects involving more than one region.

(5) FACIA EXEMPTION.—The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the advisory committee.

(c) ALLOCATION OF FUNDS.—

(1) IN GENERAL.—The Secretary shall allocate funding authorized and made available for the Denali access system program to the Commission to carry out this section.

(2) DISTRIBUTION OF FUNDING.—In distributing funds for surface transportation projects funded under the program, the Commission shall consult the list of transportation priorities developed by the advisory committee.

(d) PREFERENCE TO ALASKA MATERIALS AND PRODUCTS.—To construct a project under this section, the Commission shall encourage, to the maximum extent practicable, the use of employees and businesses that are residents of Alaska.

(e) DESIGN STANDARDS.—Each project carried out under this section shall use technology and design standards determined by the Commission to be appropriate given the location and the functionality of the project.

(f) MAINTENANCE.—Funding for a construction project under this section may include an additional amount equal to not more than 10 percent of the total cost of construction, to be retained for future maintenance of the project. All such retained funds shall be dedicated for maintenance of the project and may not be used for other purposes.

(g) LEAD AGENCY DESIGNATION.—For purposes of projects carried out under this section, the Commission shall be designated as the lead agency for purposes of accepting Federal funds and for purposes of carrying out this project.

(h) NON-FEDERAL SHARE.—Notwithstanding any other provision of law, funds made available to carry out this section may be used to meet the non-Federal share of the cost of projects under title 23, United States Code.

(i) SURFACE TRANSPORTATION PROGRAM TRANSFERABILITY.—

(1) TRANSFERABILITY.—In any fiscal year, up to 15 percent of the amounts made available to the State of Alaska for surface transportation by section 133 of title 23, United States Code, may be transferred to the Denali access system program.

(2) NO EFFECT ON SET-ASIDE.—Paragraph (2) of section 133(d), United States Code, shall not apply to funds transferred under paragraph (1).

(j) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated out of the Highway Trust Fund (other than the Mass Transit Account) to carry out this section \$15,000,000 for each of fiscal years 2006 through 2009.

(2) APPLICABILITY OF TITLE 23.—Funds made available to carry out this section shall be available for obligation in the same manner as if such funds were apportioned under chapter 1 of title 23, United States Code; except that such funds shall not be transferable and shall remain available until expended, and the Federal share of the cost of any project carried out using such funds shall be determined in accordance with section 120(b).

SEC. 310. (no title provided)

(a) The Federal Co-chairman of the Denali Commission shall appoint an Economic Development Committee to be chaired by the president of the Alaska Federation of Natives which shall include the Commissioner of community and Economic Affairs for the State of Alaska, a representative of the Alaska Bankers Association, the chairman of the Alaska Permanent Fund, a representative from the Alaska Chamber of Commerce, and a representative from each region. Of the regional representatives, at least two each shall be from Native regional corporations, Native non-profit corporations, tribes, and borough governments.

(b) The Economic Development Committee is authorized to consider and approve applications from Regional Advisory Committees for grants and loans to promote economic development and promote private sector investment to reduce poverty in economically distressed rural villages. The Economic Development Committee may make mini-grants to individuals applicants and may issue loans under such terms and conditions as it determines.

(c) The State Co-Chairman of the Denali Commission shall appoint a Regional Advisory Committee for each region which may include representatives from local, borough, and tribal governments, the Alaska Native non-profit corporation operating in the region, local Chambers of Commerce, and representatives of the private sector. Each Regional Advisory Committee shall develop a

regional economic development plan for consideration by the Economic Development Committee.

(d) The Economic Development Committee, in consultation with the First Alaskans Institute, may develop rural development performance measures linking economic growth to poverty reduction to measure the success of its program which may include economic, educational, social, and cultural indicators. The performance measures will be tested in one region for two years and evaluated by the University of Alaska before being deployed statewide. Thereafter performance in each region shall be evaluated using the performance measures, and the Economic Development Committee shall not fund projects which do not demonstrate success.

(e) Within the amounts made available annually to the Denali commission for training, the Commission may make a grant to the First Alaskans Foundation upon submittal of an acceptable work plan to assist Alaska Natives and other rural residents in acquiring the skills and training necessary to participate fully in private sector business and economic and development opportunities through fellowships, scholarships, internships, public service programs, and other leadership initiatives.

(f) The Committee shall sponsor a statewide economic development summit in consultation with the World Bank to evaluate the best practices for economic development worldwide and how they can be incorporated into regional economic development plans.

(g) There is authorized to be appropriated such sums as may be necessary to the following agencies which shall be transferred to the Denali commission as a direct lump sum payment to implement this section:

- (1) Department of commerce, Economic Development Administration
- (2) Department of Housing and Urban Development
- (3) Department of the Interior, Bureau of Indian Affairs
- (4) Department of Agriculture, Rural Development Administration, and
- (5) Small Business Administration

SEC. 311. TRANSFER OF FUNDS FROM OTHER FEDERAL AGENCIES.

(a) IN GENERAL.—Subject to subsection (c), for purposes of this Act, the Commission may accept transfers of funds from other Federal agencies.

(b) TRANSFERS.—Any Federal agency authorized to carry out an activity that is within the authority of the Commission may transfer to the Commission any appropriated funds for the activity.

(c) TREATMENT.—Any funds transferred to the Commission under this subsection—

(1) shall remain available until expended; and

(2) may, to the extent necessary to carry out this Act, be transferred to, and merged with, the amounts made available by appropriations Acts for the Commission by the Federal Co-chairperson.

SEC. 312. AUTHORIZATION OF APPROPRIATIONS

(a) In General.--There are authorized to be appropriated to the Commission to carry out the duties of the Commission consistent with the purposes of this title and pursuant to the work plan approved under section 304, \$15,000,000 for each of fiscal years 2017 through 2021.

(b) Availability.--Any sums appropriated under the authorization contained in this section shall remain available until expended.

Note: The following “open meetings” language is incorporated into the Commission’s energy program authorizations within the *Energy Policy Act of 2005*, PL 109-190, SEC 356. The Act does not specify its insertion into the enabling legislation.

(c) OPEN MEETINGS-

(1) IN GENERAL- Except as provided in paragraph (2), a meeting of the Commission shall be open to the public if--

(A) the Commission members take action on behalf of the Commission; or

(B) the deliberations of the Commission determine, or result in the joint conduct or disposition of, official Commission business.

(2) EXCEPTIONS- Paragraph (1) shall not apply to any portion of a Commission meeting for which the Commission, in public session, votes to close the meeting for the reasons described in paragraph (2), (4), (5), or (6) of subsection (c) of section 552b of title 5, United States Code.

(3) PUBLIC NOTICE-

(A) IN GENERAL- At least 1 week before a meeting of the Commission, the Commission shall make a public announcement of the meeting that describes--

(i) the time, place, and subject matter of the meeting;

(ii) whether the meeting is to be open or closed to the public; and

(iii) the name and telephone number of an appropriate person to respond to requests for information about the meeting.

(B) ADDITIONAL NOTICE- The Commission shall make a public announcement of any change to the information made available under subparagraph (A) at the earliest practicable time.

(4) MINUTES- The Commission shall keep, and make available to the public, a transcript, electronic recording, or minutes from each Commission meeting, except for portions of the meeting closed under paragraph (2).