QUARTERLY PROGRESS REPORT

A. PROJECT IDENTIFIERS

Project Number: 0039-DC-2001-E1 (Denali Commission) and 01CA11100000231 (United States Forest Service)

Project Title: FFY 01 Mini-Grant Assistance Program (State Fiscal Year 2002)

Name of Recipient Organization: State of Alaska, Department of Community & Economic Development, Division of Community & Business Development

Principal Contacts: Jo E. Grove for Grants and Nelda Warkentin for Applications

Funding: Federal: $ ($500,000 DC & 204,300 USFS)
Recipient Share: $34,000 ($0.00 for DC and $34,000 for USFS)

Award Period: From: July 1, 2001 through June 30, 2003 for DC
From September 1, 2002 through September 30, 2003 for USFS

Period Covered by this Report: April 1, 2002 through June 30, 2002

B. PROJECT SUMMARY and STATUS OF INDIVIDUAL GRANTS

The Department of Community & Economic Development administers the Mini Grant Assistance Program with funds from the Denali Commission and the United States Forest Service. The Department awards Mini-Grant Assistance funds for both agencies through an annual competitive application process to local governments, tribal governments and non-profit organizations. The application materials are generally made available in May; applications are due in October; and awards are made in January. We experienced a delay in the awards process in FY 02 due to the quantity of applications received, (approximately 100) and due to problems convening the review committee during December. Awards were announced in February 2002.

As reflected in the FY 01 Mini Grant report, the Department made several changes in the application process for FY 02. First, we did not require applicants to submit resolutions of support from both the City and the Tribal governments, although we encouraged it. Instead, we agreed to accept other evidence of community support and assigned points in the review process based on the strength of the evidence submitted. This seemed to be much more workable for applicants and it provided both the Department and the funding agencies an acceptable level of assurance that those projects with the most community support were brought to the table for funding consideration. We plan to continue this practice with future application cycles.

A second issue which was reconsidered after the FY 01 application cycle was the process of having the applications ranked for priority by the ARDORs. This regional ranking process was developed out of a desire, on the part of both the Department and the funding agencies, to make the funding decisions as close to the regional level as possible. We found however that the mechanics of this process and inconsistencies in the ranking procedures made this process unworkable. With the FY 02 application process, we left all ranking of applications to the official selection and review committee. Again we found this practice to be a better choice.

One change in the FY 03 Mini Grant Program which is under consideration would allow the Department to make Mini Grant awards with recovered or unobligated funds throughout the year as the funds become available. The Department would convene a review and selection committee to evaluate applications as we receive them and we would utilize the same funding criteria as is used during the regular award cycle. Implementing this practice would allow more flexibility in responding to the needs of communities throughout the year. Only "time sensitive" applications would be considered in this proposed manner.

With a total of $644,755,000 in new FY 02 funds available for grants and anticipating some recovered funds from FY 01, 28 applicants were awarded a total of $704,635 in grant funds from the two pots of money. A copy of the awards list was attached with the last quarterly report.

To date 24 of the 28 grants awarded are well underway. There are 3 grants which have been sent out for signature and should begin activity this month. Only 1 grant, Chilkoot Indian Association remains unwritten. We are working with them to resolve questions they have about the required waiver of sovereign immunity form.

The following grants were executed in March 2002:

1.	Kenai Peninsula RC&D for Livestock Feasibility Study	$21,430
2.	City of King Cove for Waterfront Utilities Plan	$30,000
3.	McGrath Native Village Council for Strategic Plan	$26,363
4.	Togiak Traditional Council for Dock & Boat Launch Eng.	$27,031
5.	City of False Pass for Landfill/Access Road Feasibility	$30,000
6.	City of Delta Junction for Regional Government Feasibility	$30,000
7.	Southeast Conference for AK Marine Hiway ED Strategy	$30,000
8.	City of Sand Point for Community Mapping Project	$30,000
9.	Twin Hills Village Council for Propane Tank Purchase	$11,425
10.	Ninilchik Fair Association for Outdoor State Facility	$25,276
11.	Sterling Community Club for Recreational Facility	$30,000
12.	City of Alegnagik for Comprehensive Plan	$30,000
	TOTAL	$321,525

The following grants were executed after March 31, 2002:

1.	Naknek Native Village for Cultural Center Feasibility Study	$17,000
2.	City of Wrangell for Bradfield Road Dev. Economic Strategy	$30,000
3.	Katchemak Heritage Land Trust for Homer Town Square	$15,055
4.	City of Tanana for Gravel Extraction Site Access Road	$30,000
5.	City of Mountain Village for Community/Econ Dev Plan	$10,000
6.	Central Council of T&H Indian Tribes for ED conferences	$27,975
7.	City of Thorne Bay for RV Park Upgrade	$26,086
8.	City of Manokotak for Feasibility Study Dock at Weary River	$25,694
9.	City of Seldovia for Economic Feasibility Study	$30,000
10.	City of Ruby for Fuel Storage Tank Purchase	$23,800
11.	City of Saint Marys for Regional Training Center Conversion	$30,000
12.	Louden Village Council for Multi Purpose Ctr Feasibility	$30,000
TOTAL		$295,610

The following grants are expected to be underway this month:

1.	Organized Village of Kaasan IRA for Eco-tourism Feasibility	$21,000
2.	Chenega IRA for Marine Se Ctr Feasibility Study	$30,000
3.	Hyder Community Assoc for Equipment for Bottled Water	$25,000
4.	Chilkoot Indian Association for Reg. Convention Feasibility	$26,500
TOTAL		$102,500

C. SUMMARY OF PROGRESS AND RESULTS

As noted above most projects are up and running and are expected to have lots of activity through September 30, 2002. No significant problems or obstacles have been encountered to date. We look forward to a busy summer and completion of many of the projects.

Jo E. Grove 7/11/02

Prepared by Jo E.Grove, Grants Manager Date