



Denali Commission
Annual Performance Report (APR)
Fiscal Year 2009

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Alternative Annual Performance Report

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Annual Performance Report (APR)



A Message from the Federal Co-Chair

The Denali Commission has opted to produce an alternative to the consolidated *Performance and Accountability Report (PAR)* this year. The Denali Commission (Commission) Agency Financial Report (AFR) and our Summary of Performance and Financial Information can be found on our website. The Commission has chosen to participate in the FY 2009 Pilot pursuant to Circular A-136. We are pleased to present you with our FY 2009 Annual Performance Report and happy to share our progress of this past year.

It is my pleasure to address you as the new Federal Co-Chair of the Denali Commission. It is my honor to follow the two gentlemen who previously held the position: Jeff Staser, Lieutenant Colonel, U.S. Army, retired and George Cannelos, Brigadier General, U.S. Navy, Naval Reserve and Alaska Air National Guard, retired. Like Jeff and George, I too, have had a prior federal career as a recently retired Commander with the U.S. Public Health Service Commissioned Corps, which afforded me the opportunity to work in over 100 Alaskan communities.

My first trip to rural Alaska was during the summer of 1984 when I visited my mom's village of Akiak on the Kuskokwim River; professionally my first trip was in February 1985 to Noorvik. The former trip I caught silver salmon with my two brothers; the latter trip I learned about the first community vacuum sewer system ever installed in rural Alaska. Both were new experiences for me.

Serving at the Denali Commission is not a new experience for me. I was fortunate to staff the Commission's energy and health facilities programs in the organization's inception years. Certainly, rural Alaskans have benefitted greatly over the past ten years from Commission investments in partnership with numerous federal, state, municipal, tribal, and non-profit organizations. To date, these partnerships have resulted in the completion of 93 community bulk-fuel tank farms, 48 rural power system upgrades, 95 community clinics, 33 road projects, 30 waterfront projects, and many other community projects. More infrastructure projects are in the process of design and construction and the Commission's training and economic development programs continue to contribute to improving rural economies.

Congress created the Denali Commission 11 years ago with a vision to deliver services of the federal government in the most cost-effective manner. The Commission has been charged to move quickly and tackle systemic issues of rural poverty. The Commission's infrastructure projects proceed in an efficient, transparent manner with the involvement of the people they serve.



Joel Neimeyer
Federal Co-Chair



Message from the Federal Co-Chair (continued)

The Commission plays a key role in coordinating the myriad of federal, state and tribal programs that affect rural Alaska. Through workgroups and advisory committees, we work effectively to leverage dollars, produce meaningful outcomes, and deliver innovative and sustainable projects.

As a convener and coordinator, in 2009 we established the **Alaska Clearinghouse** to inform the public on the opportunities within the **American Recovery and Reinvestment Act (ARRA)**. This effort has won praise from all sectors and helped Alaskans secure funding for deserving projects which promote economic recovery.

The Commission has funded over 1,900 projects within program areas including: energy, healthcare facilities, transportation, training, economic development, community multi-use facilities, teacher housing, public broadcasting, and government coordination. There is an ongoing need for additional basic infrastructure for the state of Alaska.

With the ever increasing energy costs, the impacts of climate change and the affects of global economies on rural Alaska, that need is apparent. The Denali Commission, as an independent federal agency, can play a unique role of bringing many stakeholders together to have a combined conversation with rural communities on how the villages and boroughs can proactively plan for the future. I look forward to rolling up my sleeves and getting started in partnership with the Commission's fellow funders and the rural Alaska communities we collectively serve.

We still have much to accomplish, but I hope you recognize the accomplishments thus far in our PAR Pilot report.

Sincerely,



Joel Neimeyer
Federal Co-Chair





Annual Performance Report (APR)

Agency Overview



Agency Overview

Overview of the Denali Commission

In 1998, national attention was focused on the immense infrastructure and economic challenges faced by rural Alaskan communities by passing the Denali Commission Act. The Act became law on October 21, 1998 (Title III of Public Law 105-277, 42 USC 3121).

The Denali Commission (Commission) is an independent federal agency that acts as a regional commission focusing on the basic infrastructure needs of rural Alaska. Working as a federal-state-local partnership, the Commission provides critical utilities, infrastructure and support for economic development in Alaska by delivering federal services in the most cost-effective manner possible. By creating the Commission, Congress intended for those involved in addressing the unique infrastructure and economic challenges faced by America’s most remote communities to work together in new ways to make a lasting difference.



Joel Neimeyer, Federal Co-Chair, Gary Locke, Secretary of Commerce and Senator Mark Begich (L to R).

Purpose:

- ▶ To deliver the services of the federal government in the most cost-effective manner practicable by reducing administrative and overhead costs.
- ▶ 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%).
- ▶ To promote rural development and provide power generation and transmission facilities, modern communication systems, bulk fuel storage tanks, and other infrastructure needs.

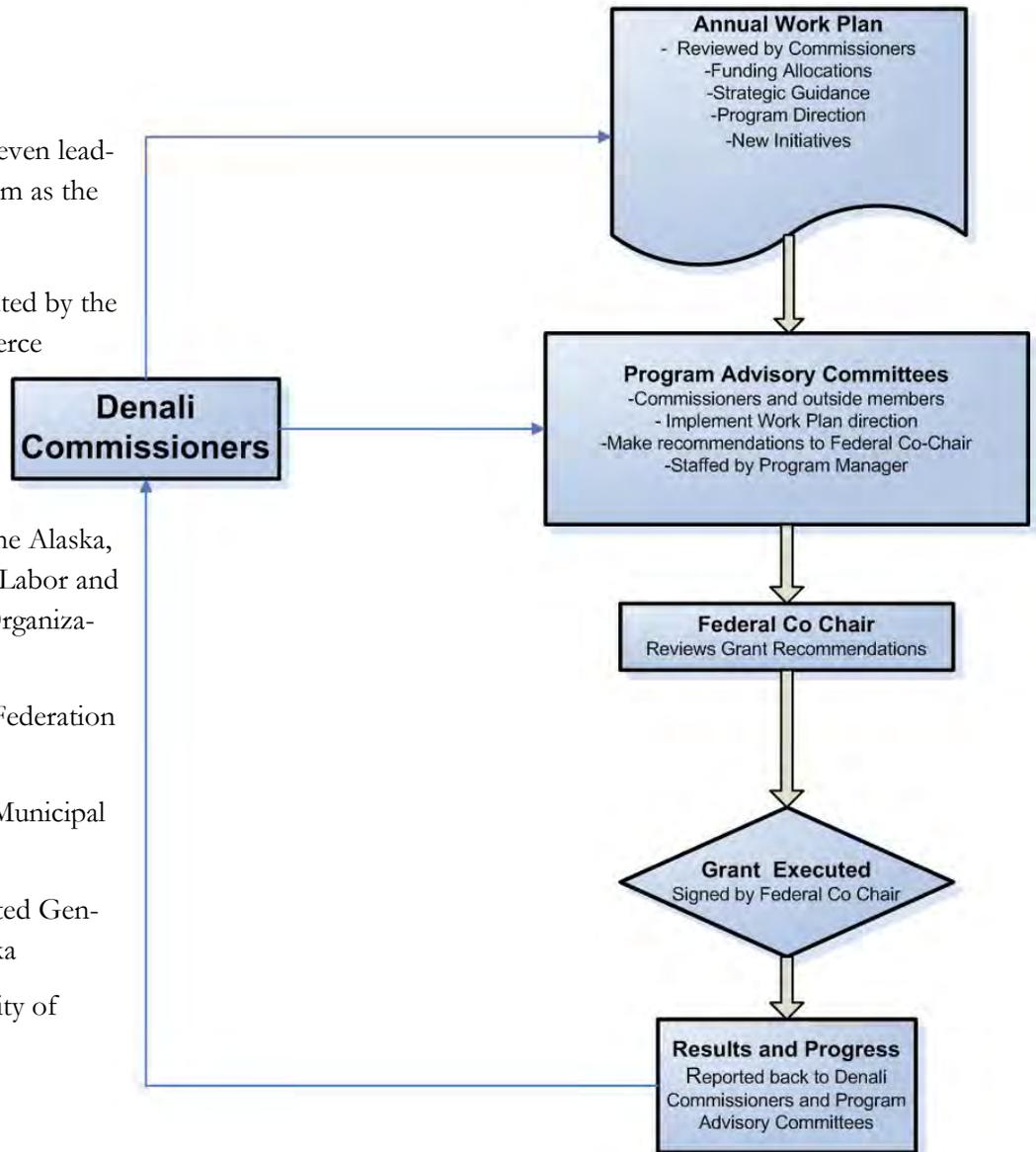


Agency Overview

Denali Commission Funding Decision Making Process

The Commission Act required that seven leading Alaskan policy makers form a team as the Denali Commission:

- ▶ Federal Co-Chair appointed by the U.S. Secretary of Commerce
- ▶ State Co-Chair who is the Governor of Alaska
- ▶ Executive President of the Alaska, American Federation of Labor and Congress of Industrial Organizations
- ▶ President of the Alaska Federation of Natives
- ▶ President of the Alaska Municipal League
- ▶ President of the Associated General Contractors of Alaska
- ▶ President of the University of Alaska



Commissioners meet at least twice a year to develop and monitor annual work plans that guide its activities. Commissioners draw upon community-based comprehensive plans as well as comments from individuals, organizations and partners to guide funding decisions. This approach helps provide basic services in the most cost-effective manner by moving the problem solving resources closer to the people best able to implement solutions.

The Commission is staffed by a small number of employees, together with additional personnel from partner organizations. The Commission relies upon a special network of federal, state, local, tribal and other organizations to successfully carry out its mission.



Agency Overview

Work Plan Process

The Denali Commission Act outlines specific duties of the Commission primarily focused upon the development and implementation of an annual work plan. The Commission must develop an annual proposed work plan that solicits project proposals from local governments and other entities and organizations; and provides for a comprehensive work plan for rural and infrastructure development and necessary job training in the areas covered under the work plan.

This proposed plan is submitted to the Federal Co-Chair for review who then publishes the work plan in the Federal Register, with notice and a 30 day opportunity for public comment.

The Federal Co-Chair takes into consideration the information, views, and comments received from interested parties through the public review and comment process, and consults with appropriate Federal officials in Alaska including but not limited to Bureau of Indian Affairs, the Department of Housing and Urban Development, Economic Development Administration, and USDA Rural Development.

The Federal Co-Chair then provides the plan to the Secretary of Commerce who issues the Commission a notice of approval, disapproval, or partial approval of the plan.



Agency Overview

Vision, Mission and Organizational Structure

Vision

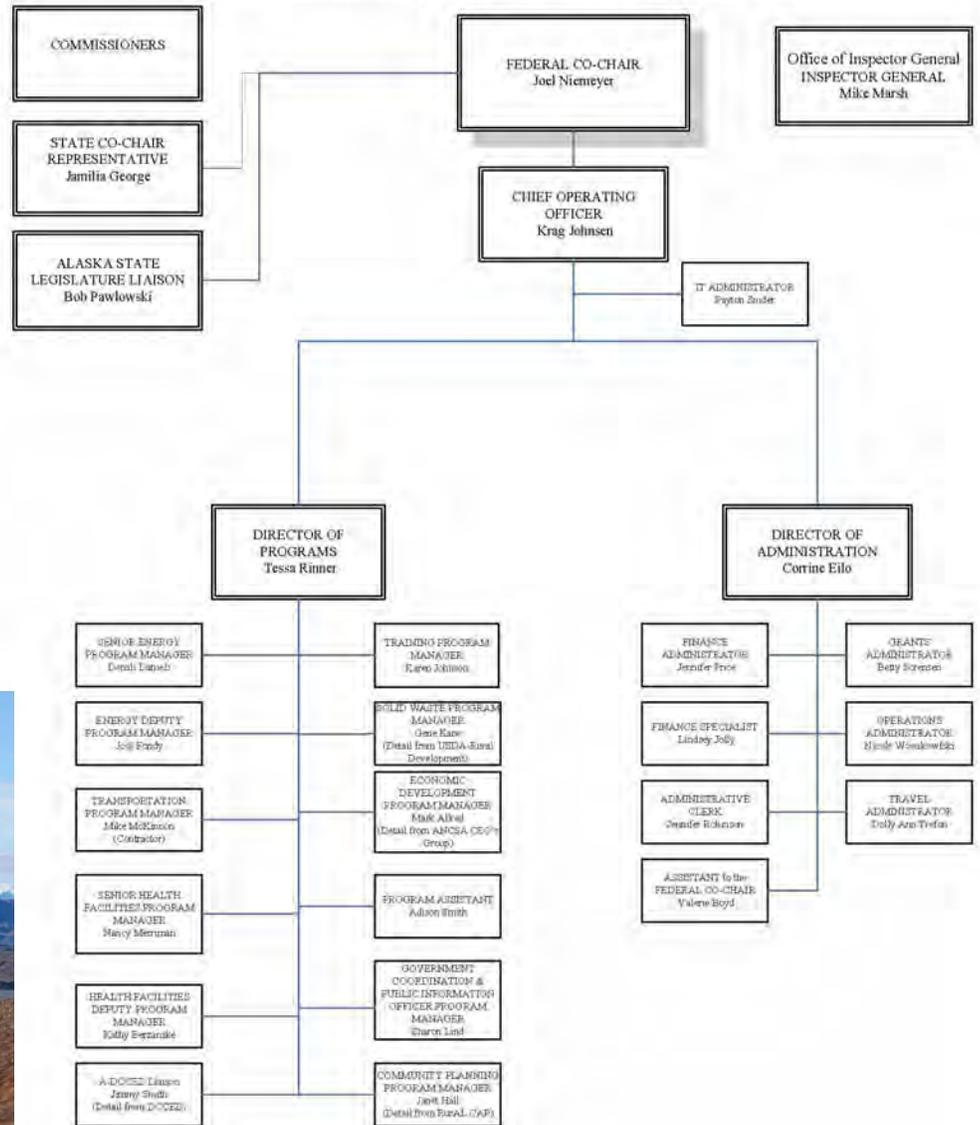
Alaska will have a healthy, well-trained labor force working in a diversified and sustainable economy that is supported by a fully developed and well-maintained infrastructure.

Mission

The Denali Commission works with partners to develop basic public infrastructure, opportunity, and quality of life in Alaska communities.



DENALI COMMISSION ORGANIZATIONAL CHART- January 2010



Agency Overview

Program Performance Overview

FY99 - FY09 Program Funding Snapshot



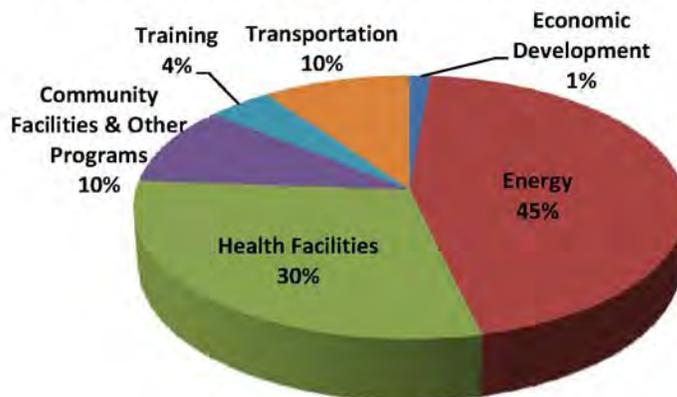
ties for the Commission’s Energy Program, with an emphasis on renewable and alternative energy projects. No new funding accompanied the Energy Policy Act, and prior fiscal year Congressional direction has indicated that the Commission should fund renewable and alternative Energy Program activities from the available base appropriation.

The Fiscal Year 2009 (FY09) Work Plan was developed based on the appropriations approved by Congress for FY09. (See the Work Plan Appendix for the Denali Commission’s complete Work Plan document.) The Commission has historically received several federal funding sources.

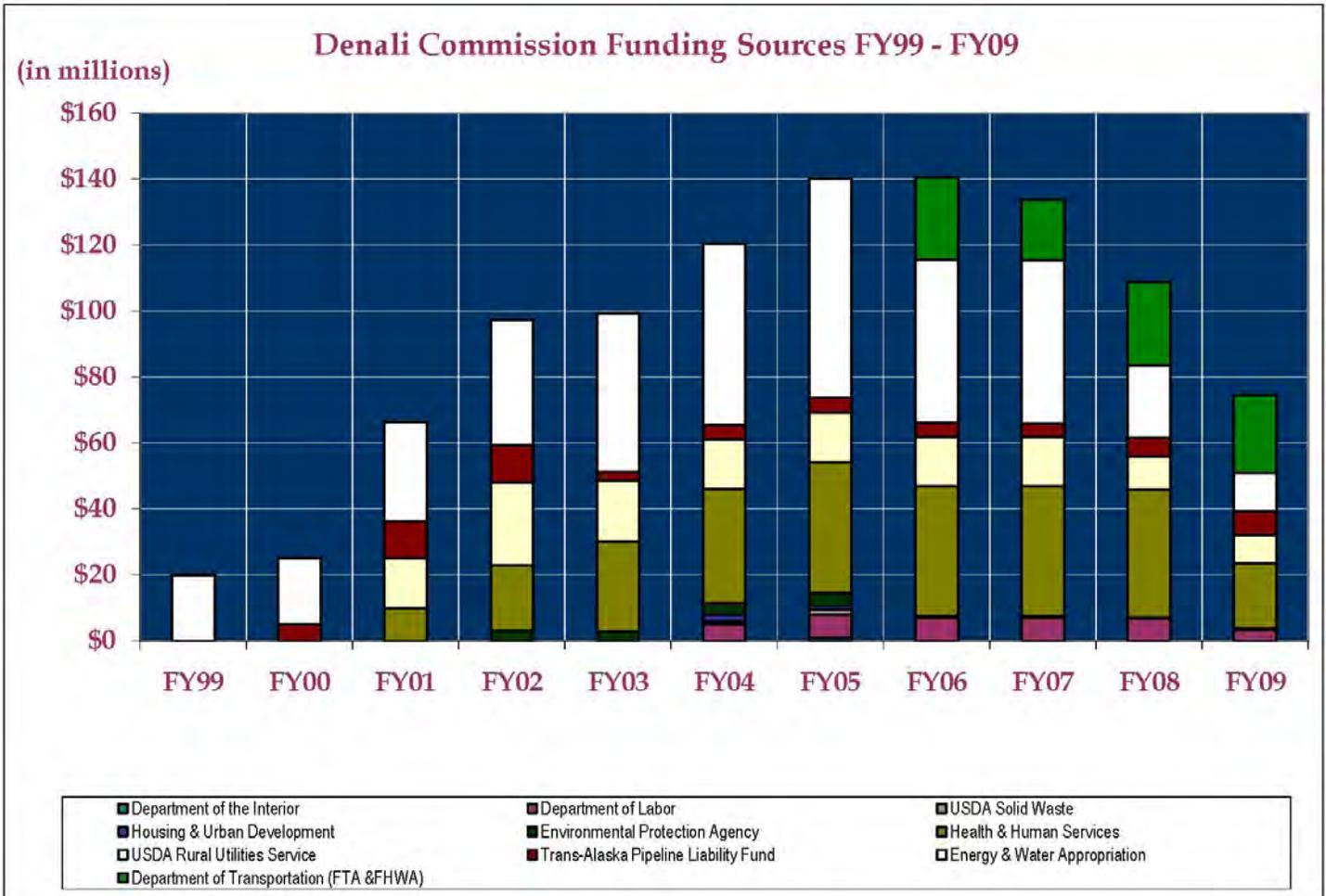
In FY09 no project specific earmarks were provided in any appropriations to the Commission. The Energy and Water Appropriations (commonly referred to as Commission base funding) are eligible for use in all programs, but has historically been used substantively to fund the Energy Program. The Energy Policy Act of 2005 established new authori-

All other appropriations outlined may be used only for the specific program area and may not be used across programs. For example, the U.S. Health Resources and Services Administration (HRSA) funding, which is appropriated for the Health Facilities

FY99 - FY09 Program Funding Snapshot



Program Performance Overview



Program, may not be moved to the Economic Development Program. The figures appearing in the funding sources table include an administrative deduction of 5%, which constitutes the Commission’s 5% overhead. A comprehensive discussion of all FY2009 program activities is discussed in the Program Sections of this Annual Performance Report.

This report includes a history of the major programs, significant program outcomes and a funding history for each program area. Further financial details about the Commission can be found in our Agency Financial Report (APR).





Annual Performance Report (APR)

Program Section



Program Section—Energy Program

Energy Program

- ▶ BULK-FUEL STORAGE
- ▶ COMMUNITY POWER GENERATION AND DISTRIBUTION SYSTEM UPGRADES
- ▶ ENERGY COST REDUCTION PROJECTS
- ▶ RENEWABLE AND ALTERNATIVE ENERGY
- ▶ POWER LINE INTERTIES

PROGRAM OVERVIEW:

The Energy Program is the Commission’s first program and is often identified, along with the Health Program, as a “legacy” program. The program focuses on bulk fuel upgrades (BFU) and rural power system upgrades/power generation (RPSU) across Alaska as well as recent expansion into alternative/renewable infrastructure. The purpose of this program is to provide code-compliant bulk fuel storage and electrification throughout rural Alaska,



Wind turbines in Gambell.

especially for communities “off the grid” and not reachable by road or rail, with a goal of improving energy efficiency.

Most rural Alaska communities receive their goods during the summer via barge service, including heating fuel and fuel for diesel-fired electrical generators.



Bulk fuel tank farm in Deering.

Consequently, the bulk fuel storage facilities must be sized for storage of upwards of nine months of fuel for uninterrupted service.

The needs in the bulk fuel and power generation projects have previously been estimated at \$409 million, however this was based on 2004 construction costs. Populations have fluctuated across the state over the past ten (10) years, erosion has increased the risk of building in certain communities and escalating construction costs have challenged the original intent of the Commission’s goal toward an exit strategy. The Commission has completed 93 bulk fuel projects and 48 power plant upgrades, improving energy efficiency in those communities. With this critical work behind the Commission, and the evolution of Alaska’s villages in the past decade, the remaining universe of need is currently being reassessed. At the time of this report, the bulk fuel universe indicates roughly 66 communities could be in need of this basic infrastructure, however it is unlikely all will proceed due to sustainability issues. A high projection for all 66 bulk fuel projects totals \$280 million. The power plant program is less clear, as more intertie connectivity is reducing the need for standalone projects, coupled with the increased surge of alternative/renewable projects statewide.



Program Section—Energy Program



Bulk fuel tank farm in Buckland.

The *Energy Policy Act of 2005* established new authorities for the Commission’s Energy Program, with an emphasis on alternative and renewable energy projects, energy transmission, including interties, and fuel transportation systems. Although the 2005 Energy Policy Act did not include specific appropriations, the Commission is expected to carry out the intent of the Act through a portion of its “Base” funding. To date, the Commission has co-funded a number of renewable projects, including hydroelectric facilities, a geothermal power plant, a biomass boiler, and a number of diesel-wind power generation systems.

In FY07 the Commission issued the first request for proposals for alternative/renewable energy projects. The Commission dedicated \$5 million to this effort which was matched with \$1 million from the State of Alaska. Overwhelming response from this initiative prompted the State to create a renewable energy fund, now at \$125 million for alternative energy projects.

The Commission’s FY09 Work Plan outlines a strategy to rebalance the Energy Program in both legacy and alternative systems, providing up to \$850,000 for alternative and renewable projects. About 94% of electricity in rural communities which receive Power Cost Equalization

(PCE) payments is produced by diesel and about half the fuel storage in most villages is used for the power plants. Any alternative means of generating power can reduce the capacity needed for fuel storage and can reduce the sizing of diesel-fired electrical generators, burning less fuel. This reduces capital costs and operations and maintenance (O&M) and repair and renovation (R&R) costs for fuel storage facilities and may reduce the cost of power to the community.

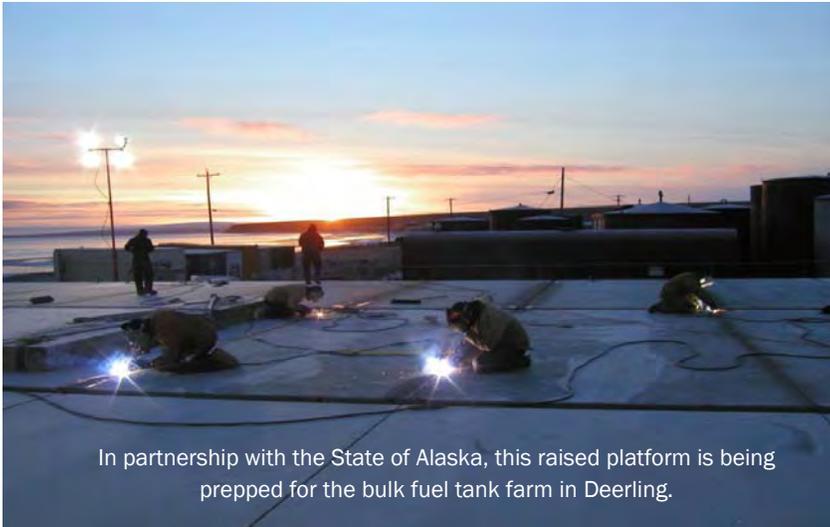
The Energy Program has historically used a “universe of need” model to determine project and program funding in coordination with the United States Coast Guard and the U.S. Environmental Protection Agency. Specifically, the Program is focused on using the existing statewide deficiency lists of bulk fuel facilities and power generation/distribution systems to prioritize project funding decisions. Program partners coordinate project funding requests with the Commission to balance the relative priority or urgency of bulk fuel and power generation needs against available funding, community readiness, and capacity to carry out the work. Legacy program (RPSU, bulk fuel and intertie) projects are identified by partners and selected and reviewed by Commission staff and program partners.



Rural power system upgrade in Chignik.



Program Section—Energy Program



In partnership with the State of Alaska, this raised platform is being prepped for the bulk fuel tank farm in Deerling.

Commission provided \$4 million for emerging energy technology projects using a process outlined in a pending state legislative bill to create an emerging technology fund.

An Energy Advisory Committee, provides policy guidance to the Program. The Energy Advisory Committee does not select or prioritize individual projects.

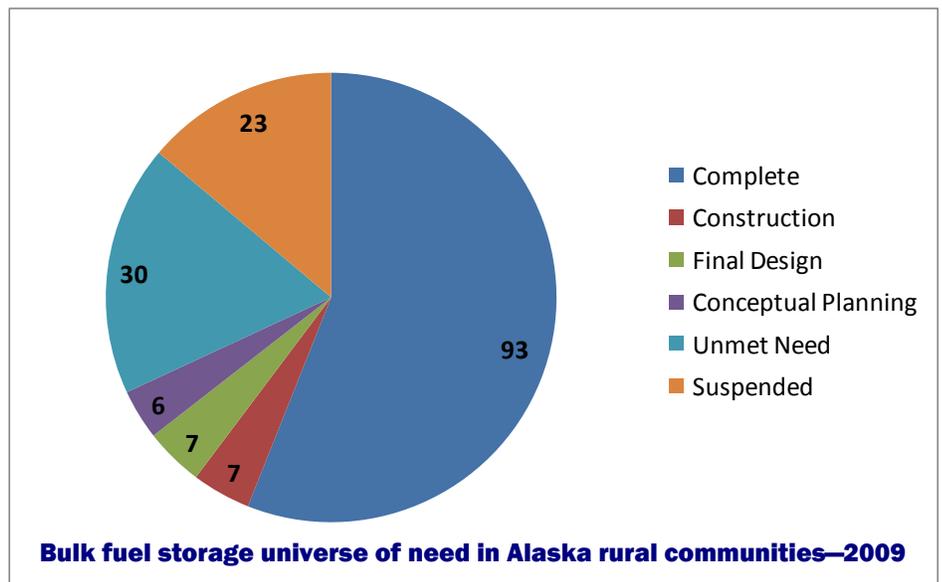
Recognizing the critical role energy plays in the quality of life and economic development of Alaska’s communities, the Denali Commission has made energy its primary infrastructure theme since 1999. The Commission has made great strides developing safe and reliable energy infrastructure in Alaska while minimizing expenses.

Thus, a renewable project sometimes is proposed in conjunction with a deficiency list project to reduce the dependence on diesel fuel, and the fuel storage requirements. So too, an intertie, can remove the need for a new power plant, and reduce fuel storage requirements in the intertied communities. Therefore, the legacy program may also include these types of energy infrastructure.

Program partners perform initial due diligence, as well as assisting in development of the business plans for the participants as the designs are underway. The Program is dynamic: priorities fluctuate throughout the year, based on design decisions, due diligence and investment policy considerations, site availability, the timing of funding decisions, etc.

With the advent of the State of Alaska’s Renewable Energy Program (REP), the Commission has redirected it’s efforts from renewable technologies to emerging technologies. The

The Energy Program primarily funds planning design and construction of replacement bulk fuel storage facilities, upgrades to community power generation and distribution systems, and some energy cost reduction (ECR) projects. The Commission works with the Alaska Energy



Program Section—Energy Program



Authority (AEA), Alaska Village Electric Cooperative (AVEC), Alaska Power Company (APC) and other partners to meet rural fuel storage and power generation needs.

PROGRAM OUTCOMES:

The Energy Program achieved several critical outcomes and outputs. These include continued funding of design and construction of new bulk fuel tank farms, upgrades to community power generation systems and power distribution systems (considered the “legacy” program component of the Commission’s Energy Program). In summary:

The Denali Commission is proving reliable, code compliant fuel storage and power generation to thousands of rural Alaskans. Thus far, the Commission has completed

- **93 bulk fuel tank farms in rural communities throughout Alaska and has completed 48 Rural Power System Upgrades.**



- **An updated comprehensive universe of need report for bulk fuel facilities was completed in 2009 providing current, reliable resources to the Denali Commission and partners for future projects.**

Bulk fuel upgrades contribute to the health, life and safety of communities by providing sustainable, code compliant fuel storage while reducing the risk for spills and fires. Power plant upgrades provide significant user efficiencies and fuel cost reductions. Upgrades provide more efficient power generation per gallon of fuel used, thus reducing the cost of energy in the communities and decreasing the need for fuel storage capacity. Wind projects likewise reduce the need for fuel storage and purchase. The possible fuel savings for two wind projects is around 80,000 gallons per year. Anticipated offsets for each ECR project are 180,000 to 200,000 gallons of diesel, with lifecycle cost savings double those of the project costs.

The Commission’s Energy Program has been actively engaged in soliciting requests for information and project ideas for alternative/renewable and emerging energy technologies. The Commission had made it common



Program Section—Energy Program

practice to engage in combination diesel-wind energy projects in its legacy bulk fuel program, and recognizes the importance of continued development of alternative and renewable technologies. In 2007 a request for information (RFI) yielded a well of 185 projects that in total represent approximately \$2 billion in alternative and renewable energy needs in the state of Alaska. The Commission, through engagement of its Energy Advisory Committee, will be actively evaluating how these projects can be combined with existing initiatives to ensure that low cost, reliable energy is provided to all Alaska residents. At a time when diesel fuel prices can exceed \$6 a gallon in rural communities, the energy crisis is a critical focus of the Commission.

As of FY09 the Commission has dedicated more than \$440 million to energy projects – 45% of the Denali Commission’s resources over the past eleven years.



ENERGY ADVISORY COMMITTEE:

The Energy Advisory Committee met 4 times in 2009 – key outcomes include the development of the emerging technologies project selection process and policy decisions regarding required match and sustainability issues surrounding specific projects.

- *John MacKinnon (Chair) Denali Commissioner, Associated General Contractors of Alaska;*
- *Vince Beltrami Denali Commissioner, Alaska AFL-CIO;*
- *Brad Reeve, Kotzebue Electric Association;*
- *Dr. Daniel White, University of Alaska;*
- *Eric Marchegiani, P.E., U.S. Department of Agriculture –Rural Development;*
- *Nels Anderson, Jr. Bristol Bay Resident;*
- *Robert Martin, Goldbelt Corporation*

PROGRAM STAFF:

- *Denali Daniels, Senior Program Manager (L)*
- *Jodi Fondy, Deputy Program Manager (R)*



Program Section—Energy Program

ACTUAL PERFORMANCE TO TARGET FISCAL YEAR 2009 ENERGY PROGRAM GOALS:

The Energy Program focuses on providing safe, reliable and sustainable energy infrastructure for rural communities in Alaska. This remains the primary goal of the program.

The Commission has undertaken the completion of the following FY09 outputs and outcomes:

Outputs:

- Plan, design and construct code-compliant bulk fuel and rural power system upgrades/power generation facilities across Alaska.*

Outcomes:

- Retrospective analysis of State Department of Environmental Conservation spill data for Commission-funded facilities and upgrades, 1998-2008, underway.*
- Comprehensive program evaluation began in 2009 and is underway.*



Bulk fuel tank farm in Pilot Point.



FISCAL YEAR 2010 PROJECT GOALS:

Intertie Projects

- Brevig Mission/Teller Intertie*

Bulk Fuel Facility Construction

- Stebbins/St. Michael*
- Ekwok*

Rural Power System Upgrades

- Igiugig*
- Yakutat*
- Hoonah*

Emerging Technology Projects

- Energy Storage Batteries*
- Wood Pellet Fired Boiler*
- Solar Hot Water Systems*
- Organic Rankine Cycle Waste Heat Recovery*
- High Penetration Hybrid Power System*
- Psychrophiles for Generating Heating Gas*
- Seawater Heat Pump System*
- Wales Wind-Diesel Hybrid Power System (Controls and Communication)*
- Nenana Hydrokinetic*



Program Section—Health Facilities Program

Health Facilities Program

- ▶ PRIMARY CARE FACILITIES
- ▶ BEHAVIORAL HEALTH FACILITIES
- ▶ ELDER HOUSING/ASSISTED LIVING FACILITIES
- ▶ PRIMARY CARE IN HOSPITALS

PROGRAM OVERVIEW:

Congress amended the Denali Commission Act in 1999 to provide for planning, designing, constructing and equipping health facilities. The Health Facilities Program is a collaborative effort, with the partnership of numerous organizations, including the Alaska Native Regional Health Corporations. Since 1999, the Commission has methodically invested in regional networks of primary care clinics across Alaska.

While primary care clinics have remained the “legacy” priority for the Health Facilities Program, in response to Congressional direction in 2003, funding for additional program areas addressing other health and social service related facility needs was initiated. Innovative additions to clinic design, including behavioral health and dental



The Tuntutuliak clinic was completed in partnership with the Yukon Kuskokwim Health Corporation and the Alaska Native Tribal Health Consortium.



care were adopted. And, over time, the program has expanded to include other initiatives like domestic violence facilities, elder housing, primary care in hospitals, emergency medical services equipment and hospital designs.

The program uses a universe of need model for primary care clinics and an annual selection process through a Health Steering Committee for other program areas. In 1999, the program created a deficiency list for primary care clinics and found 288 communities statewide in need of clinic replacement, expansion and/or renovation; this list was updated in 2008. Projects are recommended for funding if they demonstrate readiness which includes the completion of all due diligence requirements. This includes an approved business plan, community plan, site plan checklist, completed 100% design, documentation of cost share match, and the realistic ability to move the project forward in a given construction season.

The business plan process was revised to include evaluation and update factors related to the cost of fuel, and erosion and relocation issues. These two factors pose significant economic challenges to many small communities and villages. As a result, and in correlation with the new Commission Investment Policy (adopted in November 2008), the Commission has also undertaken an innovative project to design a new, small clinic prototype which will take into account both the needs and resources of communities of fewer than 100 people.



Program Section—Health Facilities Program



The primary care program has continued to integrate behavioral health and dental space in clinics in the medium, large and sub regional size categories, ensuring that critical space is available for specialty and mid-level providers in remote locations. Many rural Alaska communities suffer from the highest per capita rate of dental and behavioral health concerns in the country. Inclusion of these spaces in new clinics is a fundamental part of a successful treatment modality and model across Alaska.

Alaska has an intricate system of health delivery – with Tribal, City, Village, private and federally-designated clinics and providers working in partnership to ensure there is a secure continuum of care for isolated communities and regions throughout the state.



Typical clinic interior designs.

Designing and building health facilities in rural Alaska is complex, accounting for small populations, extreme climates, roadless communities, and environmental sensitivities. Methodical planning and attention to unique community challenges enables the Denali Commission to meet these needs.

PROGRAM OUTCOMES:

The Health Facilities Program achieved several key outputs and outcomes in 2009. The Program concentrated on funding the construction of new and renovated primary care clinics, elder housing facilities, behavioral health facilities, and primary care in hospital projects. In summary:

The Denali Commission has made a monumental impact in the lives and health of rural Alaskans by contributing to the construction of needed health facilities throughout the state:

- 95 clinics have been completed
- 29 are being constructed now
- 110 are in the conceptual planning / business planning / design phases



Program Section—Health Facilities Program

HEALTH FACILITIES PROGRAM—A GATED PROCESS:

The Health Facilities Program has a rigorous application process for primary care clinics, including:

- **Conceptual planning**
- **Business planning**
- **Community planning**
- **Site Plan Checklists** – to ensure the site of the new facility is sound, and has clear title to the owners
- **Design** – which incorporate green / energy conservation and efficiency features; and which are right-sized to small rural Alaskan communities
- **Construction**

Each of these phases is “gated” – and projects are only permitted to move to the next phase when Denali Commission approval is granted.

An important outcome of this progression has resulted in the accomplishment of replacing nearly all rural health clinics in the Yukon Kuskokwim and Maniilaq regions.

As of FY09 the Commission has dedicated More than \$292 million to health projects – 30% of the Denali Commission’s resources over the past eleven years.



Primary care clinic in Buckland.



HEALTH STEERING COMMITTEE

The Health Steering Committee (HSC) met four times in FY 2009. Their work was instrumental in fine-tuning the project selection process to better reflect the evolving resources and goals of the Health Facilities Program. The Behavioral Health Subcommittee of the HSC was resurrected this year and began the process of crafting new directions for the behavioral health facility component of the Program.

The Health Steering Committee is an advisory body to the program comprised of the following membership organizations: State of Alaska, Alaska Primary Care Association, Alaska Native Tribal Health Consortium, Alaska Mental Health Trust Authority, Alaska Native Health Board, Indian Health Service, Alaska State Hospital and Nursing Home Association, and the University of Alaska.

- *Bill Hogan (Co-Chair) State Commissioner, Alaska Department of Health and Social Services;*
- *Karen Perdue (Co-Chair) Denali Commissioner, University of Alaska;*
- *Andy Teuber, Alaska Native Tribal Health Consortium;*
- *Dr. Ward Hurlburt, Alaska Department of Health and Social Services;*



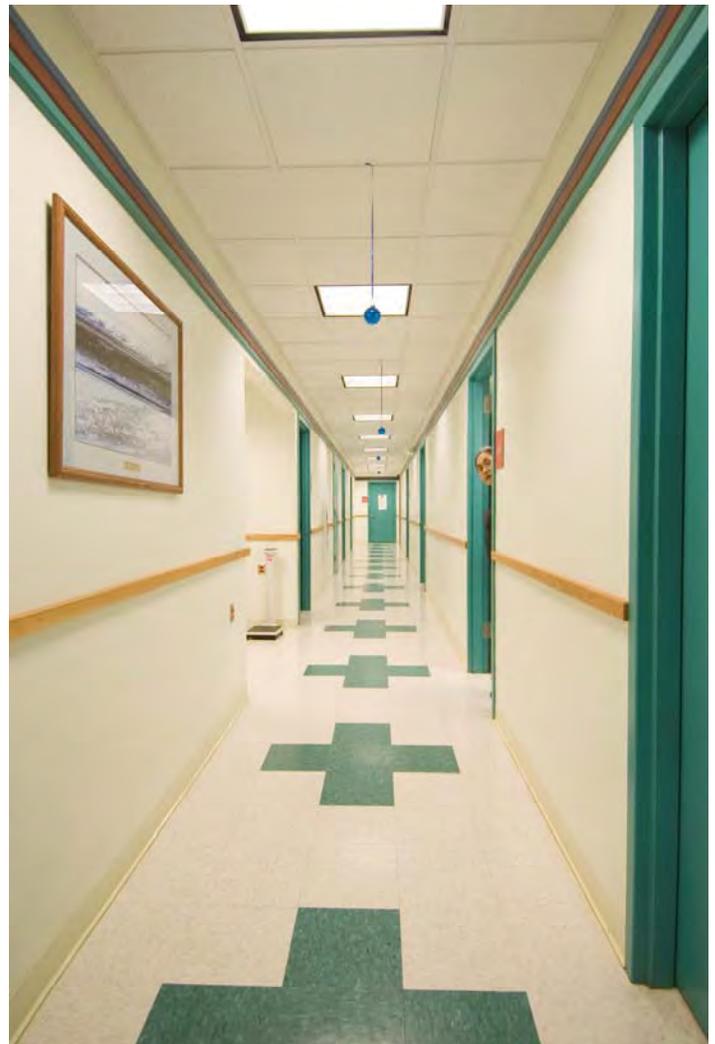
Program Section—Health Facilities Program

- *Jeff Jesse, Alaska Mental Health Trust Authority;*
- *Jerry Fuller, Alaska Department of Health and Social Services;*
- *Kenneth Glifort, Indian Health Service;*
- *Lincoln Bean, Alaska Native Health Board;*
- *Marilyn Walsh Kasmar, Alaska Primary Care Association;*
- *Rebecca Hilgendorf, Alaska Department of Health and Social Services;*
- *Rod Betit, Alaska State Hospital and Nursing Home Association*



PROGRAM STAFF:

- *Nancy Merriman, Senior Program Manager (L)*
- *Kathy Berzanske, Deputy Program Manager (R)*



Program Section—Health Facilities Program

ACTUAL PERFORMANCE TO TARGET FISCAL YEAR 2009 HEALTH FACILITIES PROGRAM:

The Health Facilities Program focuses on providing safe, reliable and sustainable health facilities infrastructure for rural communities across Alaska.

The Commission has undertaken the completion of the following FY09 outputs and outcomes:

Outputs:

- Investment in the planning, design, and construction of primary care clinics across Alaska.*
- Address deficiencies identified in initial statewide primary care facility needs assessment, underway.*

Outcomes:

- Provide a comprehensive evaluation to begin in 2009, based on the “Universe of Need” established for the program.*



FISCAL YEAR 2010 PROJECT GOALS:

The Health Facilities Program anticipates major initiatives in FY 2010 to include:

- **The development of a new clinic prototype design for a very small clinic for communities with populations of less than 100 people**



- **Strengthening the coordination role of the Program among State, federal, philanthropic and other funding agencies for health-related projects**

Primary Care

- Igiugig - Primary Care Clinic*
- Ekwok - Primary Care Clinic*
- Kasaan - Small Primary Care Clinic*
- Kaltag - Primary Care Clinic*
- Design Pool - for Primary Care Clinics*

Program Section—Health Facilities Program



Primary care clinic in Sand Point.

FISCAL YEAR 2010 PROJECT GOALS (CONTINUED):

Primary Care in Hospitals

- Petersburg - Radiology Equipment
- Bartlett Regional Hospital - Blood Chemistry Analyzer
- Mt. Edgecumbe - Fluoroscopy Radiography
- Wrangell Medical Center - Mammography Equipment
- Kakanak Hospital - CT Scan Equipment
- Providence Seward - Electronic Health Records
- Providence Kodiak - Infant Security System
- Ketchikan General Hospital - Breast Biopsy Equipment
- Central Peninsula Hospital - Medication Verification System
- Providence Valdez - Patient Services Equipment
- Sitka Community Hospital - Surgical Equipment

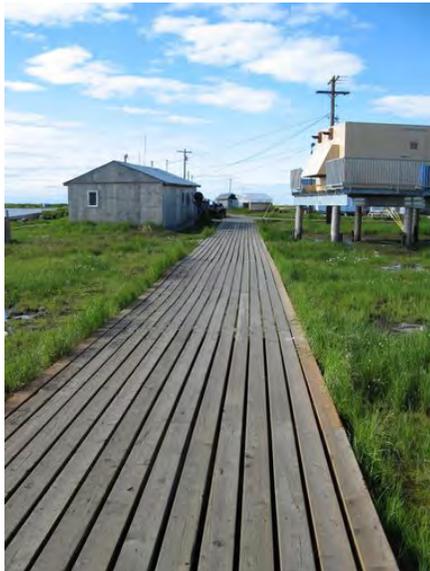
Program Section—Transportation Program

Transportation Program

- ▶ LOCAL ROADS, BOARDWALKS
- ▶ ATV ROADS
- ▶ COMMUNITY CONNECTION AND
- ▶ ECONOMIC DEVELOPMENT ROADS
- ▶ REGIONAL PORTS AND
- ▶ LOCAL SMALL BOAT HARBORS
- ▶ BARGE LANDINGS

PROGRAM OVERVIEW:

On August 10, 2005, President George W. Bush signed into law new highway program reauthorization legislation titled Safe, Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). This Act provides the Commission with \$15 million annually for fiscal years 2005-2009 for a Denali Access System program. The Act also provides the Commission \$10 million annually for Fiscal Years 2005-2009 for docks, harbors and related waterfront development projects. The Act also outlined the array of road projects Denali Access System is designed to target: rural community



streets and roads, roads between rural communities, state highway system; and roads to access resource development.

The Act requires the formation of the Denali Access System Transportation Advisory



Committee (TAC) to advise the Commission with members appointed by the Governor of Alaska. The nine member committee includes by law, four members who represent existing regional Native corporations, native non-profit entities, tribal governments and four members who represent rural Alaska regions or villages. The committee chair is the Denali Commission Federal Co-Chair. The TAC is a central feature of the amendments to the Denali Commission Act of 1998 that defines the Denali Access System. Section 309 of the Act defines key committee responsibilities that include: recommend transportation priorities and funding strategies; develop public involvement and coordinating planning programs; develop annual capital budget recommendations; and coordinate multi-region projects.

As a result of a TAC-directed public outreach and agency coordination effort, the program has now begun to focus attention on two important transportation needs: roads and boardwalks, and barge landing moorage systems. Village connector roads and roads to local and regional resources will continue to receive significant attention, but to the extent practical each year, local roads and boardwalks in small rural communities will receive primary attention. The program will also maintain its focus on dust control in villages. In the waterfront development program, docks and harbors in small coastal communities



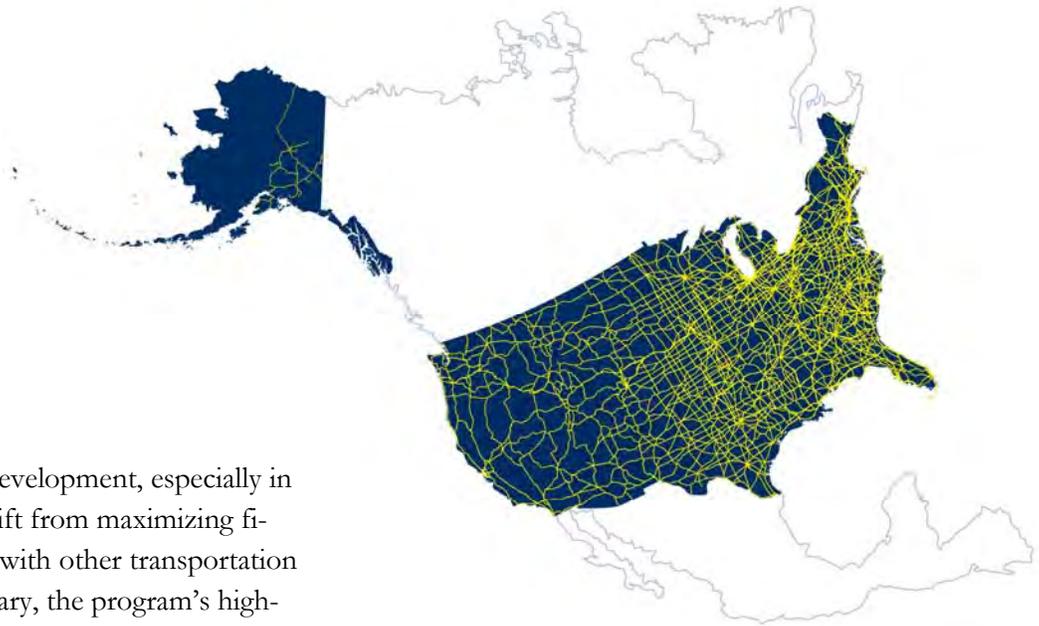
Program Section—Transportation Program

will continue to receive attention, but there is a significant need for barge landings in coastal and riverine communities to improve operational safety and efficiencies. This class of project will receive primary consideration each year to the extent funding and construction schedules allow.

Another evolution in Program development, especially in the road Program, has been a shift from maximizing financial leveraging opportunities with other transportation agencies, to fully fund, as necessary, the program’s highest priority projects. In FY06, the \$23 million funding the transportation program leveraged almost \$100 million in projects. In coming years, while striving to leverage funding opportunities, an emphasis on priorities over leveraging funding partnerships will likely reduce the overall program joint-fund total. This has been critical because of the nature of the projects the Commission is able to fund. These projects are typically very important, but may not rise to prioritization for funding on State or other Federal transportation systems.

The TAC reviews project nominations on a semi-annual basis, once in November for project selections and once during the summer to monitor project development. In addition to meeting transportation-specific criteria and processes, the Program fully incorporates Denali Commission policies including a commitment to sustainable community projects, and a commitment to the Commission’s Investment Guidance.

The road program targets basic road improvement needs. It also looks at opportunities to connect rural communities to one another and the state highway system, and



opportunities to enhance rural economic development. The waterfront development program addresses port, harbor and other waterfront needs for rural communities. The emerging focus areas are improvements to regional ports, and construction of barge landings and docking facilities.

The Transportation Program has developed successful design and construction partnerships with the U.S. Federal Highway Administration (FHWA) Western Federal Lands Highway Division, Alaska Department of Transportation and Public Facilities (DOT&PF) and the Corps of Engineers. The program also develops projects with regional, local and tribal governments, and regional tribal non-profits. Success in the program is also a function of excellent ongoing guidance from the FHWA Alaska Division.



Program Section—Transportation Program

PROGRAM OUTCOMES:

The Transportation Program achieved several critical outcomes and outputs. These include continued funding of design and construction of port and harbor and village road projects across the state of Alaska. The road program primarily targets basic road improvements in rural Alaska. It also looks at opportunities to connect rural communities to one another and the state highway system, and for opportunities to enhance rural economic development. The waterfront development program addresses port, harbor and other waterfront needs for rural communities. In summary:

The Denali Commission Transportation Program targets basic road improvement needs and waterfront development connecting rural Alaskans through roads and critical waterways. The program has successfully partnered with DOT&PF and U.S. DOT Western Federal Lands Highway Division to complete 33 road projects and 30 waterfront projects thus far. Over 50 projects are in design or in the planning phase.

The Transportation Program has continued to fund and develop, in partnership with the Corps of Engineers, the design of site appropriate barge landing structures in several communities across coastal and riverine parts of Alaska. These enhancements will result in improved efficiency for fuel and freight transfers and also may reduce instances of bank erosion.

The program has successfully completed 33 road projects and 30 waterfront projects thus far. Over 50 projects are in design or in the planning phase.

As of FY09 the Commission has dedicated over \$96 million to transportation projects – 10% of the Denali Commission’s resources over the past eleven years.



TRANSPORTATION ADVISORY COMMITTEE:

The Transportation Advisory Committee met two times in fiscal year 2009. Key outcomes from this group in FY09 include: the revision of the program eligibility and scoring criteria to provide greater clarification to applicant organizations and communities; development of the annual Denali Commission TIP, or project prioritization list; coordination with key program partners such as the Bureau of Indian Affairs, the Corps of Engineers, regional Tribal transportation organizations and Western Federal Lands Highway Division to combine funding and project planning timelines to ensure best value for the funders and further development and refinement of the barge landing study system design, including prioritization of participating communities and initial development of a construction schedule for projects in FY09 and FY10.

- *Joel Neimeyer, Federal Co-Chair (Chair) Denali Commission;*
- *Carvel Zimin, Jr., Bristol Bay Borough Assembly;*
- *Chuck Pool P.E., R.L.S., Pool Engineering, Incorporated;*
- *Chuck Quinlan, K’oyitl’ots’ina, Limited;*
- *Mike Hoffman, Association of Village Council Presidents;*
- *Norm Phillips, Doyon, Limited;*



Program Section—Transportation Program

- Randy Romenesko P.E., Consultant;
- Steve Ivanoff, Kawerak, Incorporated;
- Walter Sampson, NANA Regional Corporation

PROGRAM STAFF:

- Mike McKinnon, Contractor (L)
- Adison Smith, Program Assistant (R)



ACTUAL PERFORMANCE TO TARGET FISCAL YEAR 2009 TRANSPORTATION PROGRAM

The Transportation Program focuses on providing access to and between communities and resources and improving health, safety, and efficiencies for local water and surface transportation.

The commission has undertaken the completion of the following FY09 outputs and outcomes.

Outputs:

- Street and road improvement projects.
- Port and harbor improvement projects.

Outcomes:

- Semi-annual status reporting on current and completed projects.

FISCAL YEAR 2010 PROJECT GOALS:

The Denali Commission Transportation Advisory Committee is set to meet mid-January for FY10 project selection at which time specific FY10 project goals will be set by the Committee. A primary and unique goal of the Denali Commission Transportation Program is to work with rural communities to make sure that the road standards applied to projects align with the vehicle fleet that operates in those communities. This translates into a focus on All-Terrain Vehicles (ATV's) and light trucks, and manifests itself in board roads for tundra villages and geo-grid ATV roads between villages and to subsistence harvest areas. These types of projects reduce wear on vehicles, improve driver safety and reduce environmental impacts of ATV's on the fragile tundra.

The Denali Commission has the flexibility to use U.S. Department of Transportation Federal Highway Administration Western Federal Lands Highway Division (FHWA) funds to create joint-funded projects with BIA-based road funding, State of Alaska general funds and other federal-state-local funds to provide projects that would otherwise not be feasible. In addition, the Commission and the State DOT combine funds to provide hard surfacing for state roads that pass through rural communities. This action reduces dust in the communities and improves vehicle and pedestrian safety.

The Denali Commission Transportation Program is working with the U.S. Army Corps of Engineers to develop a barge landing system that provides intermodal connections. Improvements include mooring anchors and small dock face structures that improve fuel/freight transfers, improve worker safety and reduce near shore environmental impacts associated with tugs holding barges against the shore. A rural barge landing system has been absent in the past and is one of the state's pressing freight transfer needs.



Program Section—Training Program

Training Program

- ▶ ALLIED HEALTH PROFESSIONS
- ▶ CONSTRUCTION TRADES
- ▶ FACILITY OPERATIONS AND MAINTENANCE
- ▶ ADMINISTRATION OF PUBLIC INFRASTRUCTURE
- ▶ YOUTH INITIATIVES

PROGRAM OVERVIEW:

In a majority of rural communities unemployment rates exceed 50% and personal capita income rates are over 50% below the national average. When job opportunities in rural Alaska become available, rural residents often lack the skills necessary to compete and often lose those vital jobs to people from outside the community, region or even state.

The Training Program’s primary purpose is to support the Commission’s investment in infrastructure development by providing training for the careers related to the Commission infrastructure programs (such as Energy and Health Facilities).

With the limited number of jobs available, the Commission believes it is imperative to ensure that local residents have the skills and knowledge necessary to work on the construction of projects funded by the Denali Commission. In addition, the Commission builds sustainability into their investments by providing training for the long-term management, operations and maintenance of facilities thus increasing local employment at the same time.

Historically the Commission provided funding directly to organizations who could deliver results in the Commission’s priority areas. These program and training partners are selected by the Commission directly or through com-

petitive requests for proposals managed by partner organizations.

In coordination with program partners such as the State of Alaska, Department of Labor, Construction Education Foundation, the University of Alaska, First Alaskans Institute, and Alaska Works Partnerships, the Commission has continued to deliver high quality training initiatives and projects that has resulted in job creation in almost every rural Alaskan community. Commission priority areas:

- **Construction, Operations and Maintenance Training of Denali Commission projects**
- **Management Training for Commission projects**
- **Allied Health Initiatives**
- **Youth Initiatives**

Projects are selected through various RFP processes with partners, and at the recommendation of Commission staff, and policy guidance and priority areas for funding are set by the Training Advisory Committee.

The Training Program partners with Yuut Elitnauriat Youth Initiatives for this construction training program.



Program Section—Training Program

PROGRAM OUTCOMES:

The Denali Commission places job training at the center of its comprehensive plan for economic growth in Alaska. In just a few short years, the Commission has made significant strides in assisting rural communities with their workforce development needs.

A recent state of Alaska Department of Labor Research & Analysis report on the Denali Commission Training Program, shows that the Denali Training Fund (DTF) has **increased wages of those participants by a staggering 64.4%** and shows a **12.1% increase in employment**.

The Denali Training Fund (DTF) has had 4,480 participants complete training programs between 2001-2007. The program only funds training that leads to employment.

The Denali Commission partners with the state of Alaska Department of Labor (DOL) to *reduce redundancy, leverage dollars and to ensure that all rural Alaska residents have the same training opportunities.*



Commission staff has improved relationships with local and regional organizations to better align people to jobs, identify critical barriers to job training and employment and continue to develop training projects that correspond to Denali Commission investments and build local workforce capacities.

In partnership with the Alaska Native Tribal Health Consortium, the Commission is training dental health aides.



The Denali Commission has become the expert in serving our rural residents. To meet this daunting challenge, the Commission has supported innovative, resourceful training entities whose service delivery best fits the needs of rural Alaskans.

For example, many residents are moving to urban areas to escape the high cost of living in rural Alaska where a gallon of fuel can run over \$6 per gallon. Commission staff is working with many statewide and regional entities to create training that is linked to jobs that targets energy efficiency and energy conservation. This initiative not only helped lower the cost of living in many rural communities, but it has created hundreds of jobs.

Denali Commission success can also be seen at the University of Alaska. With Commission funding, the University developed web based training for allied health careers. This reduces travel, food and lodging costs and allows rural residents to stay at home to take care of their families and jobs and at the same time earn essential career accreditations.

The Training Program was instituted by the Commissioners as a standalone program in 1999 to ensure local residents were trained to construct, maintain and operate



Program Section—Training Program

Commission investments in rural Alaska. From 1999 to 2003, it was the policy of the Commission to appropriate 10% of energy & water funds to support the Training Program. In 2004, US Department of Labor (USDOL) began direct appropriations to the Commission to support rural training and continued this support through 2009. In 2010, the Commission was not appropriated training funds from USDOL, but has since requested training funds in the amount of \$1,000,000 from the energy & water appropriations.

As of FY09 the Commission has dedicated more than \$42 million to training efforts – 4% of the Denali Commissions resources over the past 11 years.



In partnership with Southwest Alaska Vocational & Education Center, the Commission is training heavy equipment operators.



TRAINING ADVISORY COMMITTEE

The Training Advisory Committee met three times in 2009 to continue discussions regarding statewide workforce development collaborations, investment into energy efficiency and conservation projects, project sustainability and strategic planning for funding allocations.

- *Vince Beltrami (Chair) Denali Commissioner, Alaska AFL-CIO;*
- *John MacKinnon Denali Commissioner, Associated General Contractors of Alaska;*
- *Bernice Joseph, University of Alaska;*
- *Click Bishop, Alaska Department of Labor and Workforce Development;*
- *Dawn Salesky, Alaska Native Coalition of Employment and Training;*
- *Rose Loera, Bristol Bay Area Health Corporation;*
- *Wanetta Ayers, Western Alaska Community Development Association*



Program Section—Training Program

PROGRAM STAFF:

- *Karen Johnson, Program Manager*



ACTUAL PERFORMANCE TO TARGET FISCAL YEAR 2009 TRAINING PROGRAM:

The Training Program focuses on providing training for careers that construct, operate, and maintain rural infrastructure projects.

The Commission has undertaken the completion of the following FY09 outputs and outcomes:

Outputs:

- Assessment of individuals who have received training for Denali Commission and other public infrastructure projects.*

Outcomes:

- Retrospective analysis of performance data available through Denali Training fund for years 2001-2008, underway.*

FISCAL YEAR 2010 PROJECT GOALS:

The Training Program will continue to fund legacy training partners and statewide training projects in the priority areas of:

- construction,*
- maintenance and operations and*
- project administration that are related to Denali Commission investments.*



Program Section—Economic Development Program

Economic Development Program

- ▶ ALASKA MARKETPLACE
- ▶ BUSINESS TECHNICAL ASSISTANCE
- ▶ COMMUNITY MAPPING
- ▶ MINI-GRANTS

PROGRAM OVERVIEW:

Since its earliest days as a territory of the United States, Alaska has contributed to the economy of America, largely through supply of raw materials or partially processed products. Now Alaska's abundant natural resources, from fossil fuel and mineral products to timber and fish, must compete in the global marketplace. Innovation and entrepreneurship have become critical to business success.

One of the purposes of the Commission is economic development. The Commission firmly believes that sustainable economic development for Alaska's rural communities, like that of the rest of America, will be generated in the private, commercial sector, not within government. To that end, the Commission supports the development of public infrastructure upon which the private sector creates jobs and wealth, and helps ensure that good businesses and business ideas have a chance to become long-term, self-sustaining enterprises.

Over the history of the program, the Commission has supported and advanced a wide array of economic development program activities ranging from community pro-



Chickaloon Four-Season Greenhouse project, an Alaska Marketplace project.

file mapping to supporting innovative models for lending, and equity investment in Alaska. The program is guided by Commission staff and the Economic Development Advisory Committee, which provides general policy guidance and funding recommendations in broad categories.

The Denali Commission's Economic Development Program promotes economic development through collaboration with local and regional organizations. The principal objectives are to foster development of entrepreneurship; and enhance healthy market-based economies throughout Alaska. Funding is provided in the form of a grant in the areas of: community mapping, community planning, feasibility studies, business planning, small equipment purchases and more.

The Initiative for Accelerated Infrastructure Development (IAID) creates new GIS maps for communities around Alaska. IAID has completed mapping for nearly 100 Alaskan communities providing them with a neces-



Program Section—Economic Development Program



Napaimute Enterprises, LLC was a Alaska Marketplace 2008 winner. Pictured above (L-R): Kaitlin Kristovich, Audrey Leary, & Amanda Yako.

sary planning tool. Community leadership uses this tool in its community planning and visioning efforts. The community mapping effort is timely in light of coastal erosion mitigation efforts.

PROGRAM OUTCOMES:

The Economic Development Program has been working diligently to re-craft its focus areas in augmenting the tremendous body of work that is in motion around the state of Alaska in strengthening and giving communities needed planning tools that foster small enterprise development.

In 2009 the program funded three statewide efforts in the area of small business entrepreneurship;

- The Alaska Marketplace program run by the Alaska Federation of Natives (AFN) is a nationally recognized business ideas competition. Applicants from all over the state submit small business ideas that are assessed by top professionals in Alaska. Winning ideas receive seed money from the private sector and technical assistance is provided by AFN to award winners.
- The program also partnered with the University of Alaska’s Center for Economic Development in the creation of Alaska SourceLink (ASL). ASL is an entrepreneurial web portal designed to connect rural entre-

preneurs with federal and state technical assistance providers. This allows agencies to fulfill their statewide mandates by connecting them with the difficult to reach rural areas of the state.

- The program has recently entered into partnership with the Alaska Partnership for Economic Development for the creation of a statewide economic development plan. This plan was deemed important via administrative order by the governor of Alaska. Over 40 other states have such a plan in place and as Alaska matures as a state it became evident that this was an essential tool for the health of the Alaskan economy.



Kobuk River Cabins was a winner in the 4th Annual Alaska Marketplace competition. This economic development endeavor is administered by the Alaska Federation of Natives and is funded by organizations like the Commission.



Program Section—Economic Development Program

As of FY09 the Commission has dedicated more than \$13 million to economic development efforts – 1% of the Denali Commission’s resources of the past eleven years.

PROGRAM STAFF:

- *Mark Allred, Program Manager (Detail from the ANCSA Regional Association.)*



ECONOMIC DEVELOPMENT ADVISORY COMMITTEE:

The Economic Development Advisory Committee met 3 times in 2009 – key outcomes include: continuation of program direction of strengthening entrepreneurial knowledge and access to rural Alaska via vital partnerships with the Alaska Partnership for Economic Development, State of Alaska, Alaska Federation of Natives and the University of Alaska’s Center for Economic Development.

- *Kathie Wasserman (Chair) Denali Commissioner, Alaska Municipal League;*
- *Julie Kitka Denali Commissioner, Alaska Federation of Natives;*
- *Berney Richert, Jr., Economic Development Administration;*
- *Charles Parker, Alaska Village Initiatives;*
- *Christi Bell, University of Alaska Center for Economic Development;*
- *Doug Ward, Alaska Ship and Dry Dock;*
- *John Torgerson, Kenai Peninsula Economic Development District;*
- *Joseph Austerman, State of Alaska, Office of Economic Development;*
- *Sheri Buretta, Chugach Alaska Corporation;*
- *Wanetta Ayers, Western Alaska Community Development Association;*
- *Wilfred “Boyuck” Ryan, Arctic Transportation Services*



Program Section—Economic Development Program

**ACTUAL PERFORMANCE TO TARGET FISCAL YEAR
2009 ECONOMIC DEVELOPMENT PROGRAM GOALS:**

The Economic Development Program focuses on supporting economic development planning, public and private partnerships and community re-investment, which foster job creation, local ideas and grow businesses into self sustaining enterprises and communities.

The Commission has undertaken the completion of the following FY09 outputs and outcomes:

Outputs:

- ☑ *Assessment of total number of business/business plans created.*
- ☑ *Business expansions and retention.*
- ☑ *Increased access to entrepreneurial training and technical assistance.*

Outcomes:

- ☑ *Data gathered from Denali Commission funded projects, underway.*

FISCAL YEAR 2010 PROJECT GOALS:

- ☐ *Potentially the Alaska Marketplace 5 and a Business Scholarship program offering up to \$15,000 per successful applicant in the areas of legal, marketing, technical, small equipment purchase.*
- ☐ *IAID community mapping will map the interior communities via two initiatives: the McGrath-Tanana project and the Yukon-Koyukuk project. The Transportation Program provided funds for the mapping of: Koyukuk, Manley Hot Springs, McGrath, Minto, Nenana, Nikolai, Takotna, and Tanana. The second initiative received funding from BIA, FEMA, and the Alaska Division of Homeland Security & Emergency management to map; Alatna, Allakaket, Anvik, Bettles, Evansville, Galena, Hughes, Huslia, Kaltag, Nulato, and Ruby.*



Program Section—Community Facilities

Community Facilities and Other Programs

- ▶ TEACHER HOUSING
- ▶ SOLID WASTE
- ▶ MULTI-USE FACILITIES
- ▶ GOVERNMENT COORDINATION

PROGRAM OVERVIEW:

Teacher Housing Program

To attract and retain teachers into small rural Alaska schools, communities must be able to offer good quality housing. The Denali Commission partnered with the Alaska Housing Finance Corporation to construct or renovate 195 units since 2005. Beneficial for the myriad of funding agencies, the program leverages limited resources in pursuit of the goal. Commission investments, often as low as 15% of the total, has improved the recruitment and retention of teachers in rural Alaska.



Teacher Housing, Scammon Bay



Akiachak burn box equipment purchase.

Solid Waste Program

Since 2004 the Commission has received annual funding from the U.S. Department of Agriculture Rural Development to address deficiencies in solid waste disposal sites that threaten drinking water across Alaska. The program has funded more than 70 projects to a variety of municipal, tribal, and non-profit community and regional organizations. Program funds are typically used to purchase basic equipment: balers, burn boxes, trailers and solid waste sorting devices. The program has been managed in partnership with the Rural Alaska Community Action Program since 2007.



Hooper Bay solid waste equipment purchase.

Program Section—Community Facilities

Government Coordination

The Denali Commission is charged with the special role of increasing government effectiveness. The Commission does so by acting as a catalyst and strategic partner for many federal and state programs in Alaska. Workgroups and projects such as: the Buckland Workgroup, the Planning Workgroup, the MOU Partners Workgroup and the Alaska Clearinghouse project are examples of collaboration at its best at the Commission. Government coordination has become a mainstay of the efforts the Commission has undertaken in improving the effectiveness and efficiency of government in Alaska.



Alaska Clearinghouse

In its role as a convener, the Commission embarked on a project to bring clarity to the American Recovery and Reinvestment Act (ARRA). In partnership with the Alaska

Federal Executive Association, the Rasmuson Foundation and the Alaska State Legislature, the Denali Commission launched the Alaska Clearinghouse website. This site provided critical information to federal agencies and state partners enabling them to make informed funding decisions in coming fiscal years.

PROGRAM STAFF:

- *Kathy Berzanske, Teacher Housing Program Manager (L)*
- *Gene Kane, Program Manager (Detail from USDA-Rural Development) (M)*
- *Sharon Lind, Program Manager (R)*



ACTUAL PERFORMANCE TO TARGET FISCAL YEAR 2009 PROGRAM GOALS:

- ☑ *Support the rehabilitation, acquisition or new construction of housing for teachers and health professionals.*
- ☑ *Acquisition, rehabilitation, new construction, and multi-site rehabilitation of teacher and health professional housing facilities.*
- ☑ *Address deficiencies in solid waste disposal sites which threaten to contaminate rural drinking water supplies and surrounding communities.*
- ☑ *Provide hazardous waste management supplies, equipment and facilities (burn boxes, balers, fencing, four-wheelers with push plates, backhoes, containment barriers, etc).*
- ☑ *Align the efforts of both state and federal agencies in an effort to reduce rural infrastructure administrative and project costs, eliminate project redundancies and streamline the efforts of various agencies for the benefit of rural residents.*
- ☑ *Develop, maintain, and share project lists across programs and with partner agencies.*





Annual Performance Report (APR)

Other Accompanying Information
Appendix A:
Denali Commission Act of 1998



Other Accompanying Information

Appendix A: Denali Commission Act of 1998

Updated 9/25/2005

**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;
- (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;¹

¹ PL 106-31, SEC. 105, 1999



Other Accompanying Information

Appendix A: Denali Commission Act of 1998

(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.²

(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.

² PL 106-31, SEC. 105, 1999



Other Accompanying Information

Appendix A: Denali Commission Act of 1998

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

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



Other Accompanying Information

Appendix A: Denali Commission Act of 1998

(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.--The Commission may accept, use, and dispose of gifts or donations of services or property.

“(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.”³

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.⁴ All members of the Commission

³ PL 106-31, SEC. 105, 1999

⁴ PL 106-31, SEC. 105, 1999



Other Accompanying Information

Appendix A: Denali Commission Act of 1998

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.⁵

(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,'.⁶

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

⁵ PL 106-31, SEC. 105, 1999

⁶ Subsections g & h derived from PL 106-31, SEC. 105, 1999



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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—⁷

(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 percentum of such costs. To carry out this section, there is authorized to be appropriated such sums as may be necessary.⁸

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.⁹

(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 nine members to be appointed by the Governor of the State of Alaska as follows:

(A) The chairman of the Denali Commission.

⁷ PL 106-31, SEC. 105, 1999

⁸ PL 106-113, SEC 701, 1999

⁹ PL 109-59-Aug. 10, 2005 119 STAT. 1517



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

(C) Four 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) FACA 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.



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(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).

“(C) \$5,000,000 shall be available for each of fiscal years 2006 through 2009 for payments to the Denali Commission under the terms of section 307 (e) [Clarification: 309(e)] of the Denali Commission Act of 1998 (42 U.S.C. 3121 note) for docks, waterfront development projects, and related transportation infrastructure.

SEC. 310. AUTHORIZATION OF APPROPRIATIONS.¹⁰

(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 4 under this Act, \$20,000,000 for fiscal year 1999, and such sums as may be necessary for fiscal years 2000, 2001, 2002, and 2003

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

SECTION 310 (no title provided)¹¹

(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

¹⁰ This was originally SECTION 309 when the Act was first passed in 1998. The SAFETEA-LU Act of 2005 renumbered this to SECTION 310.

¹¹ This section number was designated in the PL 108-199, SEC. 112, 2004. It now duplicates the numbering designated in the SAFETEA-LU Act above.



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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

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.



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(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).





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**Denali Commission
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INTRODUCTION

Rural Alaska is an American treasure. Scattered across vast tundra, tucked away along rugged coastlines and forests and deep within Alaska's Interior, people living in over 300 communities raise families, educate their children, and work to provide opportunities for all. Alaska Native people rely heavily on subsistence hunting, fishing and gathering as a central part of both culture and economic sustenance. Values of sharing, love of family and country and traditional cultures run deep.

Rural Alaska still resembles the United States at the time of Lewis & Clark. Major rivers are undammed, unbridged and lack even basic navigational aids. Many health and social indicators still resemble those in developing countries.

No where else in our country can people live amidst wilderness, largely disconnected from highway and road connections and from even regional power grids. Here, resilience and innovation are required both to survive and thrive. Reliance on air and river transportation is essential for everyday living. And where else in the country would women, in their third trimester of pregnancy, be required to fly into a regional center and wait to have their babies safely delivered, given the lack of local medical facilities?

The Denali Commission has now invested over a billion dollars in ten years on basic infrastructure projects at the local level. We know lives have been improved through greater access to primary health care, through safe and reliable energy projects, through job training programs, sanitation and landfill improvements and basic surface and water transportation improvements. We know the taxpayer benefits from an emphasis on coordinating the planning, construction and delivery of capital projects and through a focus on sustainability.

However, for the first time in nearly ten years the Commission's annual appropriations have been significantly reduced. As a result the Commission will be able to fund fewer critical infrastructure projects in the most remote communities, have limited resources to fund economic and workforce development initiatives, and be forced to make challenging program and policy decisions regarding the prioritization of projects that are critical foundations of community viability and sustainability.

At the same time we see innovation everywhere. The regional corporations formed by the Alaska Native Claims Settlement Act, for example, are becoming economic powerhouses in their own rights. Major investments in private-sector anchors in each region complement the Commission's work in basic community infrastructure. Many regional non-profit corporations provide an array of effective health and social services. The Alaska Marketplace competition, now in its fourth round, proves again that local people have great ideas and with a small infusion of capital and technical assistance, have real potential for making positive and lasting change. The Community Development Quota program, for example, offers opportunities for residents in over 60 coastal communities to benefit directly from offshore fishing revenues.

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We are buoyed by the sense of progress over the last ten years, at the resurgence of traditional culture, by the progress in celebrating diversity at all levels and by the awareness among leaders to reduce dependency on government and eliminate social ills that seem to come with long winters and isolation found in northern countries. We take delight in working with many progressive and innovative partners, grant recipients and local champions whose leadership and inspiration is critical for village survivability.

We are alarmed, however, at the recent convergence of several issues which threaten the survival of many Alaskan communities and provide urgent impetus for the Commission to improve our investment strategies. These issues include the impacts of climate change, unpredictable and unaffordable energy costs at the village level, the expectation of declining federal revenues to support rural investment in Alaska, evidence of out-migration from many small communities into larger regional centers and Anchorage, and the urgent need to find regional and systemic solutions to bolster long-term community viability. The global financial crisis will also strain an already thin social service delivery system and bring other consequences yet unseen.

The following are some of the pressing issues which frame the debate over the Denali Commission's FY09 Work Plan:

Climate Change

Evidence is now overwhelming that climate change is impacting Alaska and the north faster than elsewhere in the nation. Temperatures have been rising, plant and animal species have been moving north, and permafrost is melting, resulting in major challenges for all infrastructure programs. Denali Commission funded wind turbines for example, are major engineering challenges for successfully placing a vertical wind tower in a permafrost setting. The Denali Commission is committed to participating fully with the State of Alaska, the Corps of Engineers and other partners in a coordinated approach to policy formulation and the execution of adaptation measures for climate change.

The most immediate challenge is the urgent need to protect and relocate many coastal communities impacted by the lack of sea ice, the repetition of major storm events, flooding and erosion of coastlines. While Congress provides no funds to the Commission to support relocation efforts, we coordinate closely with other agencies and tribes. Our interagency Planning Work Group, for example, oversees relocation efforts in several communities, and the Commission funded a relocation community plan last year.

Unaffordable Energy at the Local Level

We recognize the urgent need to find breakthrough solutions to the widespread unaffordable energy costs in Alaska's rural communities. One study reveals that rural residents earning the lowest 20% of income spend almost half that income on home heating and electricity!

While the Commission's energy strategy remains a combination of completing bulk fuel and power system upgrades, an emphasis on conservation and energy efficiency projects and renewable energy, we continue to look for breakthrough solutions that can be

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replicated. We'll also focus on pursuing regional grids that can reduce the need for stand-alone generation in Alaska's small villages. We remain a strong partner as the State of Alaska prepares an overall Energy Plan for submission to the Alaska Legislature this session.

Green Building Design and Construction Cost Containment

High construction costs in rural Alaska result from a combination of vast distances, harsh climates and the rising cost of construction materials. We are committed to carrying out innovative, cost-effective and creative design and construction solutions. This year we anticipate engaging in more diverse and experimental partnerships, and we'll be seeking more innovative design, construction and program and project management practices. We may alter enhance our normal project scopes to allow for greater energy efficiencies. We anticipate undertaking several pilot projects focusing on green design, cost containment and the combined use of facility activities.

A Focus on Community, Regional Planning and Government Coordination

The Commission is committed to a greater emphasis on community and regional planning to ensure long-term viability of our infrastructure investments. Last year, we worked with the State of Alaska, for example to help reopen a tribal clinic that had closed its doors for lack of capacity. This may be the first instance of a Denali Commission project which had suspended service. Through our efforts in government coordination, we work to ensure our projects fit within a framework of a local and regional plan, and are designed, sized and placed in the most optimum locations and setting for long-term success.

BACKGROUND

The Denali Commission (Commission) is an independent federal agency based on an innovative federal-state partnership designed to provide critical utilities, infrastructure and support for economic development and in training in Alaska by delivering federal services in the most cost-effective manner possible. The Commission was created in 1998 with passage of the October 21, 1998 Denali Commission Act (Act) (Title III of Public Law 105-277, 42 USC 3121).

The Commission's mission is to partner with tribal, federal, state, and local governments and collaborate with all Alaskans to improve the effectiveness and efficiency of government services, to develop a well-trained labor force employed in a diversified and sustainable economy, and to build and ensure the operation and maintenance of Alaska's basic infrastructure.

By creating the Commission, Congress mandated that all parties involved partner together to find new and innovative solutions to the unique infrastructure and economic development challenges in America's most remote communities.

Pursuant to the Denali Commission Act, as amended, the Commission determines its own basic operating principles and funding criteria on an annual federal fiscal year (October 1

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to September 30) basis. The Commission outlines these priorities and funding recommendations in an annual Work Plan. The Work Plan is adopted on an annual basis in the following manner, which occurs sequentially as listed:

- Commissioners first provide a draft version of the Work Plan to the Federal Co-Chair.
- The Federal Co-Chair approves the draft Work Plan for publication in the *Federal Register* providing an opportunity for a 30-day period of public review and written comment. During this time the draft Work Plan is also disseminated widely to Commission program partners including, but not limited to the Bureau of Indian Affairs (BIA), the Economic Development Administration (EDA), and the United States Department of Agriculture – Rural Development (USDA-RD).
- Public comment concludes and Commission staff provides the Federal Co-Chair with a summary of public comment and recommendations, if any, associated with the draft Work Plan.
- If no revisions are made to the draft the Federal Co-Chair provides notice of approval of the Work Plan to the Commissioners, and forwards the Work Plan to the Secretary of Commerce for approval; or, if there are revisions the Federal Co-Chair provides notices of modifications to the Commissioners for their consideration and approval, and upon receipt of approval from Commissioners, forwards the Work Plan to the Secretary of Commerce for approval.
- The Secretary of Commerce approves the Work Plan.

The Work Plan authorizes the Federal Co-Chair to enter into grant agreements, award grants and contracts and obligate the federal funds identified by appropriation in the chart below.

FY 09 APPROPRIATIONS SUMMARY

The Omnibus Bill was approved by Congress on March 10, 2009, and was signed by President Obama on March 11, 2009. The Omnibus Bill provides significantly different appropriations to the Commission than the FY09 Continuing Resolution, which the first draft of the FY09 Work Plan was based on.

The Denali Commission has historically received several federal funding sources (identified by the varying colors in the table below). These fund sources are governed by the following general principles:

- In FY 2009 no project specific earmarks were defined.
- Energy and Water Appropriations (commonly referred to as Commission “Base” funding) is eligible for use in all programs, but has historically been used substantively to fund the Energy Program.
- The Energy Policy Act of 2005 established new authorities for the Commission’s Energy Program, with an emphasis on renewable and alternative energy projects. No new funding accompanied the Energy Policy Act, and prior fiscal year Congressional direction has indicated that the Commission should fund renewable and alternative Energy Program activities from the available “Base” appropriation.

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- All other funds outlined below may be used only for the specific program area and may not be used across programs. For instance, Health Resources and Services Administration (HRSA) funding, which is appropriated for the Health Facilities Program, may not be moved to the Economic Development Program.

Final transportation funds received may be reduced due to agency modifications, reductions and fees determined by the U.S. Department of Transportation. Final program available figures will not be provided until later this spring.

Final USDA-Rural Utility Services (RUS) funds received may be reduced based on the amount made available to the Commission. Historically, the Commission has received ~50% of the total RUS funds available nationally, and the Commission is using historic funding percentages to provide the appropriations and program available estimate for RUS in the FY09 Work Plan and funding chart below.

All Energy and Water Appropriation (Base) funds, including operational funds, designated as “up to” may be reassigned to the Legacy Energy program (Bulk Fuel and Rural Power System Upgrades (RPSU) if they are not fully expended in a program component area.

All US Department of Health and Human Services – Health Resources and Services Administration (HRSA) funds designated as “up to” may be reassigned to the primary care clinic program if they are not fully expended in a program component area.

The table below provides the following information, by fund source:

- **Total FY 09 Budgetary Resources provided in the Omnibus Bill:**
These are the figures that appear in various colors (i.e., blue, red, orange, etc.) and are the original appropriations amounts which do not include Commission overhead deductions. These funds are identified by their source name (i.e., Energy and Water Appropriation; USDA, Rural Utilities Service, etc.). The grand total, for all appropriations appears at the end of the colored chart.
- **Total FY 09 Program Available Funding:**
These are the figures that appear in gray and are the amounts of funding available for program(s) activities after Commission overhead has been deducted. Traditionally, the Commission’s overhead rate has been limited to 5%, except in the case of RUS funds, where it is limited to 4%. The following appropriations language for the Base funds in FY09 allows the Commission to retain more than 5% of the Base for operational activities as it deems appropriate and prudent: “. . . not withstanding the limitations contained in section 306(g) of the Denali Commission Act of 1998.” The grand total, for all program available funds appears at the end of the colored chart.

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- Program Funding:**
 These are the figures that appear in yellow and are the amounts of funding the Draft FY09 Work Plan recommends, within each program fund source for program components.
- Subtotal of Program Funding**
 These are the figures that appear in white and are the subtotals of all program funding within a given fund source. The subtotal must always equal the Total FY 09 Program Available Funding.

Denali Commission FY09 Funding Table	Totals
FY 09 Energy & Water Appropriation <i>For expenses of the Denali Commission including the purchase, construction, and acquisition of plant and capital equipment as necessary and other expenses, \$11,800,000, to remain available until expended, notwithstanding the limitations contained in section 306(g) of the Denali Commission Act of 1998.</i>	\$11,800,000
FY 09 Energy & Water Appropriations ("Base") - Program Available (less Commission overhead – not limited to 5% in FY09 and designated as “up to”)	\$8,800,000
<i>Energy Program: bulk fuel, RPSU, etc.</i>	\$5,800,000
<i>Energy Program: alternative & renewable energy</i>	\$850,000 (up to)
<i>Pre-Development Program</i>	\$150,000
<i>Teacher Housing & Health Professional Housing Program: design & construction</i>	\$1,500,000
<i>Economic Development Program: various</i>	\$250,000 (up to)
<i>Healthcare Infrastructure Initiatives</i>	\$250,000 (up to)
sub-total \$	\$8,800,000
FY 09 USDA, Rural Utilities Service (RUS) – Estimate	\$10,000,000
FY 09 USDA - Rural Utilities Service (RUS) - Program Available (less 4% overhead) – Estimate	\$9,600,000
<i>Energy Program: high cost energy communities</i>	\$9,600,000
sub-total \$	\$9,600,000
FY 09 Trans Alaska Pipeline Liability (TAPL) Trust	\$5,830,940
FY 09 Trans Alaska Pipeline Liability (TAPL) – Program Available (less 5% overhead) ESTIMATE	\$5,539,393
<i>Energy Program: bulk fuel</i>	\$5,539,393
sub-total \$	\$5,539,393
FY 09 DHHS - Health Resources & Services Administration (HRSA) <i>Provided further, that of the funds provided, \$19,642,000 shall be provided to the Denali Commission as a direct lump payment pursuant to Public Law 106-113.</i>	\$19,642,000

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FY 09 DHHS- Health Resources & Services Administration (HRSA) – Program Available (less 5% Commission overhead)	\$18,659,900
<i>Health Program: Primary Care Clinics - Design, Planning, and Construction</i>	\$14,758,102
<i>Health Program: Behavioral Health</i>	\$1,017,831 (up to)
<i>Health Program: Primary Care in Hospitals</i>	\$1,526,746 (up to)
<i>Health Program: Elder Housing/Assisted Living Facilities - Construction</i>	\$1,357,221 (up to)
sub-total \$	\$18,659,900
FY 09 US Department of Labor (DOL) <i>There is authorized to be appropriated such sums as may be necessary to the Denali Commission through the Department of Labor to conduct job training of the local workforce where Denali Commission projects will be constructed. \$3,378,000 for the Denali Commission, which shall be available for the period July 1, 2009 through June 30, 2010.</i>	\$3,378,000
FY 09 US Department of Labor (DOL) – Program Available (less 5% Commission overhead)	\$3,209,100
<i>Training Program: Various</i>	\$3,209,100
sub-total \$	\$3,209,100
FY 09 Federal Transit Administration (FTA) – Estimate <i>\$5,000,000 from section 3011 (FTA) for docks and harbors;</i>	\$5,000,000
FY 09 Federal Highway Administration (FHWA) – Estimate <i>For necessary, expenses for the Denali Access System Program as authorized under Section 1960 of Public Law 109-59, \$5,700,000, to remain available until expended and \$4,800,000 from section 1934 (FHWA) for docks and harbors; and \$11,400,000 from section 1960 (FHWA) for Denali Access System Program.</i>	\$21,900,000
FY 09 Transportation – Program Available (less 5% Commission overhead) - Estimate	\$25,555,000
<i>Transportation Program: Docks & Harbors</i>	\$5,000,000
<i>Transportation Program: Roads</i>	\$20,555,000
sub-total \$	\$25,555,000
FY 09 USDA, Solid Waste <i>There is hereby appropriated \$434,000 to remain available until expended for the Denali Commission to address deficiencies in solid waste disposal sites which threaten to contaminate rural drinking water supplies.</i>	\$434,000
FY 09 USDA - Solid Waste – Program Available (less 5% Commission overhead)	\$412,300
<i>Solid Waste Program: planning, design and construction</i>	\$412,300
sub-total \$	\$412,300
TOTAL FY 09 Appropriations - Estimate	\$77,984,940
TOTAL FY09 Program Available – Estimate	\$71,775,693

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FY 09 PROGRAM DETAILS & GENERAL INFORMATION

The following section provides narrative discussion, by each of the Commission Programs identified for FY 09 funding in the table above, in the following categories:

- Program History and Approach
- Applicant/Grant Process
- Program Project Selection Process
- Program Policy Issues (as applicable)

In addition to the FY 09 funded program activities; the last section of the narrative provides an update on the Commission's Government Coordination Program. The Program is not funded by Commission appropriations, but is an integral component of the Commission's mission, the success of other programs, and the legacy of the Commission's work in Alaska.

The final section also includes a general summary of other program and policy issues facing the Commission, statements of support by the Commission for the funding requests and activities of other program partners which the Commission works in partnership with, and detail regarding the Commission's evaluation and reporting efforts.

Government Coordination

The Commission is charged with the special role of increasing the effectiveness of government programs by acting as a catalyst to coordinate the many federal and state programs that serve Alaska. In FY09 the Commission will continue its role of coordinating State and Federal agencies and other partner organizations to accomplish its overall mission of developing Alaska's communities. Particular focus will be given to the collaborative efforts of the Commission's Federal and State Memorandum of Understanding (MOU) and the various workgroups and planning sessions and forums that occur as a result of the MOU meetings. The Commission intends to engage, along with MOU members, in regional forums in FY09. These sessions will be regionally focused, and will provide regional partners and community members with an opportunity to discuss projects successes, failures and opportunities, and provide direct feedback to the Commission and other funding organizations regarding their policies and funding processes.

Energy Program

The Energy Program is the Commission's oldest program and is often identified, along with the Health Program, as a "legacy" program. The Program focuses on bulk fuel facilities (BFU) and rural power system upgrades/power generation (RPSU) across Alaska. The purpose of this program is to provide code-compliant bulk fuel storage and reliable and efficient electrification throughout rural Alaska, especially for communities "off the grid" and not accessible by road or rail.

The needs for bulk fuel and power generation projects is presently estimated at \$250 million and \$135 million, respectively. The Commission has also funded a very successful program of competitively selected energy cost reduction and alternative

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energy projects. In three completed rounds of funding, approximately \$6 million in grant funds have leveraged \$8.1 million in participant funding, with estimated life-cycle cost savings (generally diesel fuel avoided over the life of the project) of \$29 million.

The *Energy Policy Act of 2005* established new authorities for the Commission's Energy Program, with an emphasis on alternative and renewable energy projects, energy transmission, including interties, and fuel transportation systems. Although the 2005 Energy Policy Act did not include specific appropriations, the Commission is expected to carry out the intent of the Act through a portion of its "Base" funding. To date, the Commission has co-funded a number of renewable projects, including hydroelectric facilities, a geothermal power plant, a biomass boiler, and a number of diesel-wind power generation systems. The FY09 Work Plan outlines a strategy to balance the Energy Program in both legacy and renewable systems, providing up to \$850,000 for alternative and renewable projects. About 94% of electricity in rural communities which receive Power Cost Equalization (PCE) payments is produced by diesel and about half the fuel storage in most villages is used for the power plants. Any alternative means of generating power can reduce the capacity needed for fuel storage. This reduces capital costs and operations and maintenance (O&M) and repair and renovation (R&R) costs for fuel storage facilities) and may reduce the cost of power to the community.

The Energy Program has historically used a "universe of need" model to determine project and program funding. Specifically, the Program is focused on using the existing statewide deficiency lists of bulk fuel facilities and power generation/distribution systems to prioritize project funding decisions. A program partnership model is utilized for project management and partners are actively involved in the design and construction of projects. Partners coordinate project funding requests with the Commission to balance the relative priority or urgency of bulk fuel and power generation needs against available funding, readiness of individual communities and project participants for the project(s), and capacity of the partners to carry out the work. Communities are identified by partners and through the deficiency list process. Legacy program (RPSU, bulk fuel) projects are selected and reviewed by Commission staff and program partners. Thus, a renewable project sometimes is proposed in conjunction with a deficiency list project to reduce the dependence on diesel fuel, and the concomitant fuel storage requirements. So too, an intertie, can remove the need for a new power plant, and reduce fuel storage requirements in the intertied communities. Therefore, the legacy program may also include these types of energy infrastructure. Each community and project must be evaluated holistically. Program partners also perform initial due diligence and Investment Policy screenings, as well as assisting in development of the business plans for the participants as the designs are underway. The Program is dynamic: priorities fluctuate throughout the year based on design decisions, due diligence and investment policy considerations, site availability, the timing of funding decisions, etc.

The Energy Program anticipates the revised Commission policy document, which was adopted in November of 2008, will impact the current project prioritization and development process. Specifically the Investment Guidance section that promotes regional planning and prioritizes regional or multi-community connectivity versus stand

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alone projects, evaluates similar infrastructure projects in communities with populations less than 100 residents, and prioritization of projects that include a cost share match. The policies will change the development and design of several communities on the Bulk Fuel Upgrade and Rural Power System Upgrade needs lists which meet the definition of having “stand alone facilities” and/or “under 100 residents” Projects that meet these definitions will require communities and partner organizations to develop multi-community solutions (i.e. Interties, cooperative management or regional management) before construction can proceed. This may lead to delays in projects on the needs list or projects not being constructed in several communities. Historically, the Bulk Fuel and Rural Power System Upgrade programs have had no cost share match requirements, under the new policy projects with cost share will be prioritized over projects without.

In 2008 the Commission completed a study on intertie/transmission lines between communities, regions and statewide. The study summarized the vast amount of research, planning and studies that have occurred to date and identified the policy and economic considerations for investment in intertie infrastructure. The program will continue to support projects where connections via intertie are feasible. The program will also be further defining the role of the Denali Commission in intertie planning, development and execution statewide as recommended in the study.

Health Facilities Program

The Denali Commission Act was amended in 1999 to provide for the “planning, constructing and equipping of health facilities.” Since 1999, the Health Facilities Program has been methodically investing in the planning, design and construction of primary care clinics across Alaska.

Primary care clinics have remained the “legacy” priority for the Program. However, in 2003 the “Other Than” primary care component of the Program was adopted in response to Congressional direction to fund a mix of other health and social service related facility needs. Over time, the Program has developed Program sub-areas such as Behavioral Health Facilities, Domestic Violence Facilities, Elder Housing, Primary Care in Hospitals, Emergency Medical Services Equipment and Hospital Designs. The FY09 Draft Work Plan emphasizes the priority of the Primary Care Clinic Program as the legacy program area, with the majority of funding dedicated to clinics.

The Program utilizes a “universe of need” model for primary care and a competitive selection process for other sub-program areas. In 1999 the Program created a deficiency list for primary care clinics, which totaled 288 communities statewide in need of clinic replacement, expansion and/or renovation. Currently, 110 clinics have been completed or are in construction and approximately 40 are in design.

The Program is guided by the Health Steering Committee, an advisory body comprised of the following membership organizations: the State of Alaska, Alaska Primary Care Association, the Alaska Native Tribal Health Consortium, the Alaska Mental Health Trust Authority, the Alaska Native Health Board, the Indian Health Service, the Alaska

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State Hospital and Nursing Home Association, the Rasmuson Foundation and the University of Alaska.

Projects are recommended for funding by Commission staff if they demonstrate project readiness, which includes the completion of all due diligence requirements. This includes an approved business plan, community plan, site plan checklist, completed 100% design, documentation of cost share match, and realistic ability to move the project forward in a given construction season.

The Health Facilities Program anticipates the Commission policy document, which was adopted in November 2008, will impact the clinic prioritization process, specifically for those communities located on the road system, and within proximity to one another, and for communities with populations less than 100. In 2008 the program identified small communities as an area for improvement in terms of cost containment and sustainability. Consequently, for communities with populations of less than 100, only projects already in the pipeline have been proceeding while the Commission has funded pilot projects to design a more cost effective, potentially re-locatable clinic prototype to serve small communities. Finally, an emphasis on renovation over new construction has emerged as a means for overcoming high construction costs.

In addition to construction challenges, the health program has indicated that a major sustainability risk to health projects is workforce recruitment and retention. Recommendations on this challenge are made in the “Other Issues” section of the FY09 Work Plan.

Training Program

In a majority of rural communities unemployment rates exceed 50% and personal capita income rates are over 50% below the national average. When job opportunities in rural Alaska do become available, rural residents often lack the skills, licensing and certifications necessary to compete and often lose those jobs to people from outside the community, region or even state. With the limited number of jobs available, the Commission believes it is imperative to ensure that local residents have the skills and essential certifications necessary to work on the construction of projects funded by the Denali Commission. Through the Training Program, the Commission builds sustainability into their investments by providing training for the long term management, operations and maintenance of these facilities and thus increasing local capacity and employment.

The Training Program’s mission is to build a communities capacity through training and increase the employment and wages of unemployed or underemployed Alaskans. The Training Program’s primary purpose is to support the Commission’s investment by providing training for the careers related to the Commission infrastructure programs (such as Energy and Health Facilities).

The Training Program is also guided by the following principles:

- Priority on training for Denali Commission infrastructure, projects and priorities

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- Training will be tied to a job
- Training for construction, operations and maintenance for other public infrastructure
- Training will encourage careers not short term employment

Each year, the Commission dedicates training funds to careers associated with infrastructure development and long-term sustainability in rural Alaska. The Commission has funded construction, operations and maintenance training in communities statewide with large success.

The Commission anticipates that the general priority areas of construction, operations and maintenance of Commission Projects; management training for Commission Projects; youth initiatives that support employability skills; and construction, operations and maintenance training of “other public infrastructure” will continue to be funded in FY09. These projects are selected through a competitive Request for Grant Application (RGA) process with partners, and at the recommendation of Commission staff, and policy guidance and priority areas for funding are set by the Training Advisory Committee.

Transportation Program

Section 309 of the Denali Commission Act 1998 (amended), created the Commission’s Transportation Program, including the Transportation Advisory Committee. The advisory committee is composed of nine members appointed by the Governor of the State of Alaska including the Chairman of the Denali Commission; four members who represent existing regional native corporations, native nonprofit entities, or tribal governments, including one member who is a civil engineer; and four members who represent rural Alaska regions or villages, including one member who is a civil engineer.

The Transportation Program addresses two areas of rural Alaska transportation infrastructure, roads and waterfront development. There is a solid base of 114 projects underway, with the FY 2009 project nomination and selection process likely to add another 15 to 20 projects. Up to 10 projects currently in the design phase in the Commission program will also move to construction in FY 2009.

There is a consensus amongst agencies and communities that the Transportation Program is successfully addressing improvements to local and regional transportation systems. This is largely a function of the Transportation Advisory Committee’s success at project selection and monitoring, and the success of the program’s project development agencies.

The Transportation Program anticipates the adopted Commission policy document will impact the project selection process, specifically for those communities located within proximity to one another, and for communities with populations less than 100.

The program is generally a competitively-bid contractor or materials-based system grounded in Title 23 CFR. These strict project development and construction rules have presented some challenges to the Denali Commission’s ability to respond quickly to targets of opportunity, but they have also had the positive effect of ensuring project

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design and construction is executed at a professional level. The program operates under a reimbursable payment system that requires local and state sponsors pay close attention to accounting procedures prior to their payments to contractors and vendors. This system helps ensure project payments are eligible when submitted to the Commission.

Four important trends are emerging as the program enters its fourth year of operations:

- Fewer project partners, with fully developed project development capabilities
- Narrowing focus on core project types
- Commission's use of State of Alaska General Funds to match Title 23 CFR funds
- Preparation for federal highway reauthorization legislation

Project Partners

As the transportation program began its work in FY 2006, the Commission, responding to local and regional interests sought to encourage local sponsor project development through tribal governments and regional non profits, cities and boroughs, as well as traditional state and federal transportation agencies.

Through experience, the level of project management oversight needed for small cities and tribes to succeed in the Title 23 CFR environment is not sustainable under the limited personnel resources available to the Commission. Therefore, partnerships with state and federal transportation agencies will increasingly become the Commission's primary project development partners; they have the level of expertise and resources needed to successfully execute project development.

The program will specifically increase its focus on barge landings at rural communities. These projects range from a couple of mooring piling to secure a barge, to small dock structures, depending on community size and barge operation characteristics. The value of these structures lies in improved fuel/freight transfer operations and improved worker and environmental safety. The Commission and U.S. Army Corp of Engineers have prepared a barge landing analysis that is under review at this time. This work has turned out to be an excellent analysis of barge operation needs and it is forming the basis of a design and construction program. The universe of need for the first generation of projects is in the range of \$40,000,000.

Solid Waste Program

The goal of the solid waste program at the Denali Commission is to provide funding to address deficiencies in solid waste disposal sites which threaten to contaminate rural drinking water supplies. Solid waste handling and disposal is one of the most under-served arenas in the context of rural Alaska's environmental and public health.

The program employs a competitive RFP process to select and identify projects, and has utilized a multidisciplinary review panel to ensure that projects meet all Denali Commission due diligence and policy requirements. The Commission intends to utilize this same process for selection of FY09 projects.

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The Rural Alaska Community Action Program is a program partner with the Denali Commission Solid Waste Program. The program also coordinates with USDA Rural Development's Water and Environmental Program and the U.S. Environmental Protection Agency.

Teacher Housing Program

Teaching in rural Alaska can be one of the most rewarding and challenging professions. A critical issue for rural teachers is finding safe, affordable housing during the school year. Housing availability varies by community from newer adequate homes, to old housing units with multiple safety and structural problems, to a lack of enough available housing, requiring teachers to double-up or even live in the school.

Teacher turnover rates are high in rural Alaska, with many teachers citing unavailable or inadequate housing as a factor in their decision to move. The quality of education received by students is impacted by teacher retention. By improving the availability and quality of housing for teachers, the Commission strives to also increase the quality of education received by the next generation of Alaskans.

In FY04, Congress directed the Commission to address the teacher housing needs in rural Alaska. The Commission launched a statewide survey of 51 school districts and rural education attendance areas to identify and prioritize the teacher housing needs throughout the state. Urban districts in Anchorage, Fairbanks, Mat-Su and Juneau were not included in the survey.

The Commission utilizes a program partnership model to implement the teacher housing program. An annual RFP process identifies eligible projects and other funding sources, such as debt service, available to fill the gap between the project's capacity to carry debt and the total development cost of the project. Acquisition, rehabilitation, new construction, and multi-site rehabilitation are eligible development activities under this program.

In FY09 the Commission will expand its teacher housing program to include housing for health care professionals. This change will be administered through the Commission's program partner, the Alaska Housing Finance Corporation (AHFC), and the Greater Opportunity for Affordable Living (GOAL) process. This expansion shall include the following provider types: mid-level providers, nurses, mental and dental health specialists and health aides.

Other Program and Policy Issues

At this time the Commission is not undertaking a stand-alone program for multi-use facilities. However, as opportunities arise in FY09 for the Commission to leverage federal funds for combined use facilities or to take advantage of placing community infrastructure, such as clinical facilities, within the confines of existing community buildings the Commission may utilize program funds for such efforts. Projects will be selected based on the opportunity for cost savings, construction readiness and correlation

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to existing Commission program activities. Funds will not be used to identify stand-alone multi use projects.

Pre-Development

The Commission intends to continue to engage in the Pre-Development program in FY09. Pre-Development is a joint collaboration between the Alaska Mental Health Trust Authority, the Denali Commission, The Foraker Group, and the Rasmuson Foundation to assist organizations with development of plans for successful capital projects.

The funding agencies are concerned that inadequate planning during the initial project development phase can result in projects that are not sustainable in the long term. The Pre-Development Program was created to provide guidance and technical assistance to ensure that proposed projects: meet documented need, are consistent with strategic and community plans, consider opportunities for collaboration, have appropriate facility and site plans and realistic project budgets, are financially sustainable and will not negatively impact the sustainability of the proposing organization. Through this partnership an agency's capital project is better equipped to proceed.

Pre-Development has historically been funded out of the Commission's operational budget; however, given its direct correlation and benefit to program functions, it has been moved to the program funding section of the Work Plan. The amount of \$150,000 will provide funding for the pre-development program for the last quarter of FY09, and FY10.

Strategic Planning & Agency Evaluation

In FY09 the Commission will be creating an on-going, agency-wide evaluation system to measure the outcomes of Commission programs. It is anticipated that this work will begin January of 2009, and would be designed to provide by empirical and qualitative data regarding Commission programs, projects and overall goal accomplishments in a broad set of evaluation criteria. It is the Commission's intent to maintain high-level measures that are correlated to the Commission's goals related to improving access, reducing cost and improving the quality of services and facilities across Alaska. Program Advisory Committees, staff and Commissioners will play a critical role in shaping this evaluation methodology.

Specific evaluation and strategic planning undertakings include the following:

- Adoption and implementation of program missions and 2-3 key output and outcome measures for each program.
- Development, draft, and application of FY 2009-2015 strategic plan in accordance with GPRA provisions and Denali Commission needs.
- Production of annual performance plan per OMB requirements.
- Establishment of processes to support performance measurement improvements.

Such processes include:

- Compilation and maintenance of projects by community.
- Mechanism to obtain feedback about impact of projects,

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- Semi-annual assessment by key staff and management of long and short term performance by program, and
- In-depth and comprehensive evaluation of dedicated program annually.

Healthcare Infrastructure Initiatives

Recognizing the significant need for electronic health records (EHRs) and health technology infrastructure in Alaska, and the funding that has been made available for this initiative nationally through the American Recovery and Reinvestment Act (ARRA) and the Obama administration the Commission will provide up to \$250,000 to the Alaska Health Information Network (AHIN). These funds shall be used in conjunction with program funds already secured by AHIN to carry out EHR and health information technology activities in Alaska. Additionally, the funds provided by the Commission shall be used to support operational and administrative activities undertaken by AHIN in coordinating, implementing and developing a state-wide EHR and technology infrastructure system for Alaska.

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