



*Denali Commission*

*Fiscal Year 2013 Budget Justification*

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Denali Commission Budget Justification 2013.

*Anchorage, AK., January 2012*

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## Fiscal Year 2013 Budget Justification

As Submitted by the Federal Co-Chair

January 2012

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## Section 1

- ◆ A Message from the Federal Co-Chair
- ◆ Denali Commission Overview



## ***A Message from the Federal Co-Chair***

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January 31, 2012

I am pleased to present the Denali Commission's detailed budget request for Fiscal Year 2013. The Denali Commission (Commission) requests \$14 million for developing basic infrastructure leading to sustainable communities in rural Alaska. Significant changes confront the Commission as it continues moving forward in its second decade. A comprehensive discussion of these changes will be provided in Section 5 Agency Restructuring and Work Process Design. The Commission, however, remains committed to the overarching goal of improving the lives of some of our country's poorest residents in isolated rural Alaskan villages.

The Commission was established by the Denali Commission Act of 1998 (Title III, P.L. 105-277, 42 USC 3121), which recognized the need for a coordinated approach to address the vital health and infrastructure needs of Alaska communities, particularly isolated Alaska Native villages and other communities lacking access to the national highway system, affordable power, adequate health facilities and other contributors to achieving economic self-sufficiency.

The Commission programs underway for the past twelve years have been directly connected to the life, health, safety and sustainability of Alaskan communities and Alaskan residents. The barriers created by size, geography and a lack of basic infrastructure still cause significant portions of our rural population to live without access to basic health standards and public facilities.

This Fiscal Year 2013 request will allow the Commission to deliver critical energy projects to Alaska's communities. With diesel fuel topping \$8.00 a gallon in many of Alaska's rural communities, the Commission's active engagement in alternative and renewable energy projects is more critical than ever. These projects, which include hydro, in-river turbines, wind generation, and geothermal directly complement President Obama's call to reduce dependence on foreign oil sources and diversify our energy portfolio. The Commission's energy program also funds the planning, design, and construction of bulk fuel tanks and rural power systems, which directly assists in reducing cost and enhancing access to code compliant facilities.

The Commission's role as a financial contributor remains paramount as it strives to meet the remaining needs of isolated Alaskan communities, especially those Alaska Native villages in the "Interior" region of Alaska. In doing so, the Commission's role as



**Federal Co-Chair  
Joel Neimeyer**



**Message from the Federal Co-Chair (continued)**

governmental coordinator is expected to grow in Fiscal Year 2013 through initiatives like Sustainable Rural Communities (SRC). The SRC initiative is a collaborative effort among the family of federal agencies to explore opportunities to efficiently deliver federal services, programs, and projects to rural Alaska communities.

In addition to successful program delivery, the Commission seeks to make continuous improvements and receive recognition of its administrative and operational services. The Commission utilizes the Office of Management and Budget Centers of Excellence for human resources, travel and procurement as well as the financial management line-of-business. In addition, the agency continues to utilize the GrantsSolutions system for cradle to grave production of grants awarded throughout the State of Alaska.

Please see the table below that enumerates the budgeted line items for Fiscal Year 2013 in accordance with our requested \$14 million.

<b>FY 2013 Budget Request</b>	<b>Discretionary</b>	<b>Trans-Alaska Pipeline Liability</b>	<b>Total</b>
<i>10 Personnel Compensation and Benefits</i>	1,800,000	200,000	<b>\$2,000,000</b>
<i>20 Contractual Services and Supplies</i>	2,000,000		<b>\$2,000,000</b>
<i>30 Acquisition of Assets</i>			
<i>40 Grants and Reimbursable Agreements</i>	6,365,000	3,800,000	<b>\$10,165,000</b>
<i>[Energy, Health &amp; Training]</i>			
<b>Total</b>	<b>\$10,165,000</b>	<b>\$4,000,000</b>	<b>\$14,165,000</b>

The Inspector General Act requires the Commission to maintain an independent Office of Inspector General (OIG), which reports to the Federal Co-Chair and Congress. The amount of the Inspector General’s initial request for Fiscal Year 2012 was \$328,993. The amount in this budget justification requested for the Office of Inspector General is \$330,720. The amount of funding for training for Fiscal Year 2013 is \$10,000, as well as \$937 in support of the interagency IG council.

The Denali Commission would like to thank you for your support. Should you have any questions please do not hesitate to call me at (907) 271-1414.

Sincerely,



Joel Neimeyer  
Federal Co-Chair



## Denali Commission Overview

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In 1998, national attention was focused on the immense infrastructure and economic challenges faced by rural Alaskan communities by the passage of the Denali Commission Act (full text available at [http://www.denali.gov/images/denali\\_commission\\_act\\_of\\_1998.pdf](http://www.denali.gov/images/denali_commission_act_of_1998.pdf)). The Act became law on October 21, 1998 (Title III of Public Law 105-277, 42 USC 3121) thus establishing the Denali Commission (Commission).

The 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 and innovative ways to make a lasting difference.

### 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.

### 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 will partner with tribal, federal, state, and local governments and collaborate with all Alaskans to develop basic public infrastructure and enhance the quality of life in Alaska's communities.



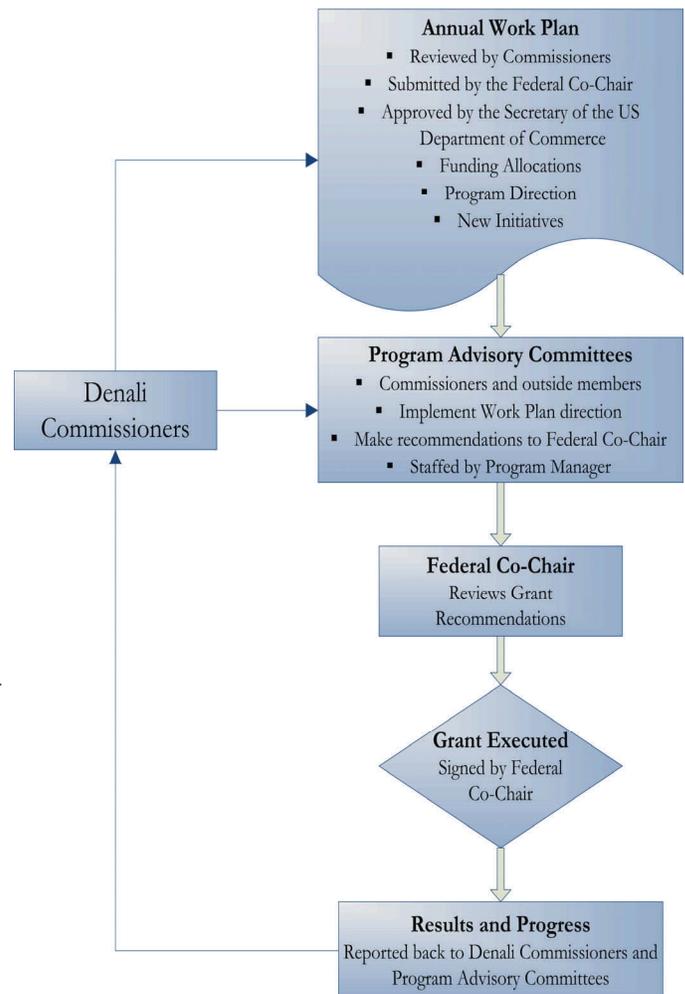
## Denali Commission Overview (continued)

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

- ▶ Federal Co-Chair appointed by the U.S. Secretary of Commerce (*Joel Neimeyer*)
- ▶ The Governor of Alaska, who serves as the State Co-Chair\* (*Susan Bell*)
- ▶ Executive President of the Alaska American Federation of Labor and Congress of Industrial Organizations (*Vince Beltrami*)
- ▶ President of the Alaska Federation of Natives\*\* (*Loretta Bullard*)
- ▶ President of the Alaska Municipal League (*Kathie Wasserman*)
- ▶ President of the Associated General Contractors of Alaska (*John MacKinnon*)
- ▶ President of the University of Alaska (*Patrick K. Gamble*)

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.

### Denali Commission Decision Making Process



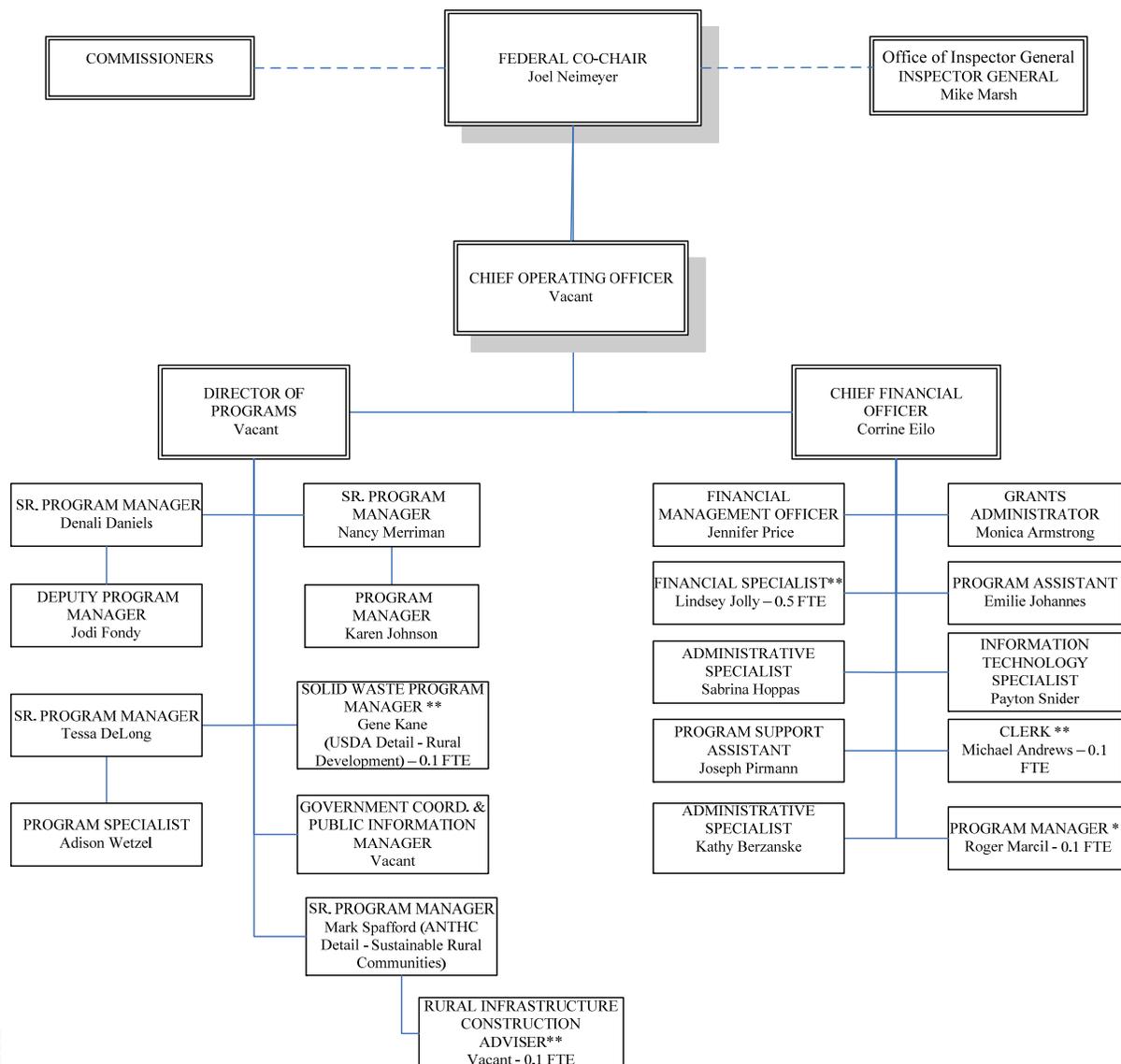
\* The Governor has delegated this authority to the Commissioner of the Alaska Department of Commerce, Community and Economic Development (DCCED).

\*\* The President of the Alaska Federation of Natives (AFN) has delegated this authority to an AFN Board Member.



### Denali Commission Overview (continued)

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. In Fiscal Year 2011, staffing reductions occurred at the Commission. The Finance Program Specialist position was reduced from 1.0 to 0.5 Full Time Equivalent (FTE) in a mutually agreeable arrangement, the Commission’s Governmental Coordination Program Manager resigned, and both the State of Alaska Co-Chair Liaison and State Legislative Liaison ended their detail arrangements. Communication and coordination with the State of Alaska now occurs primarily through the State’s designated Co-Chair (the Commissioner of the Alaska Department of Commerce, Community and Economic Development (DCCED)) and her staff. The following chart illustrates the Commission’s Fiscal Year 2012 organizational structure.



\*\* These individuals are employed with the Commission in a part-time capacity

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## Section 2

- ◆ Summary of Performance
- ◆ Financial Performance Overview
- ◆ Program Summaries, Achievements, Funding and Strategies:

Government Coordination

Energy

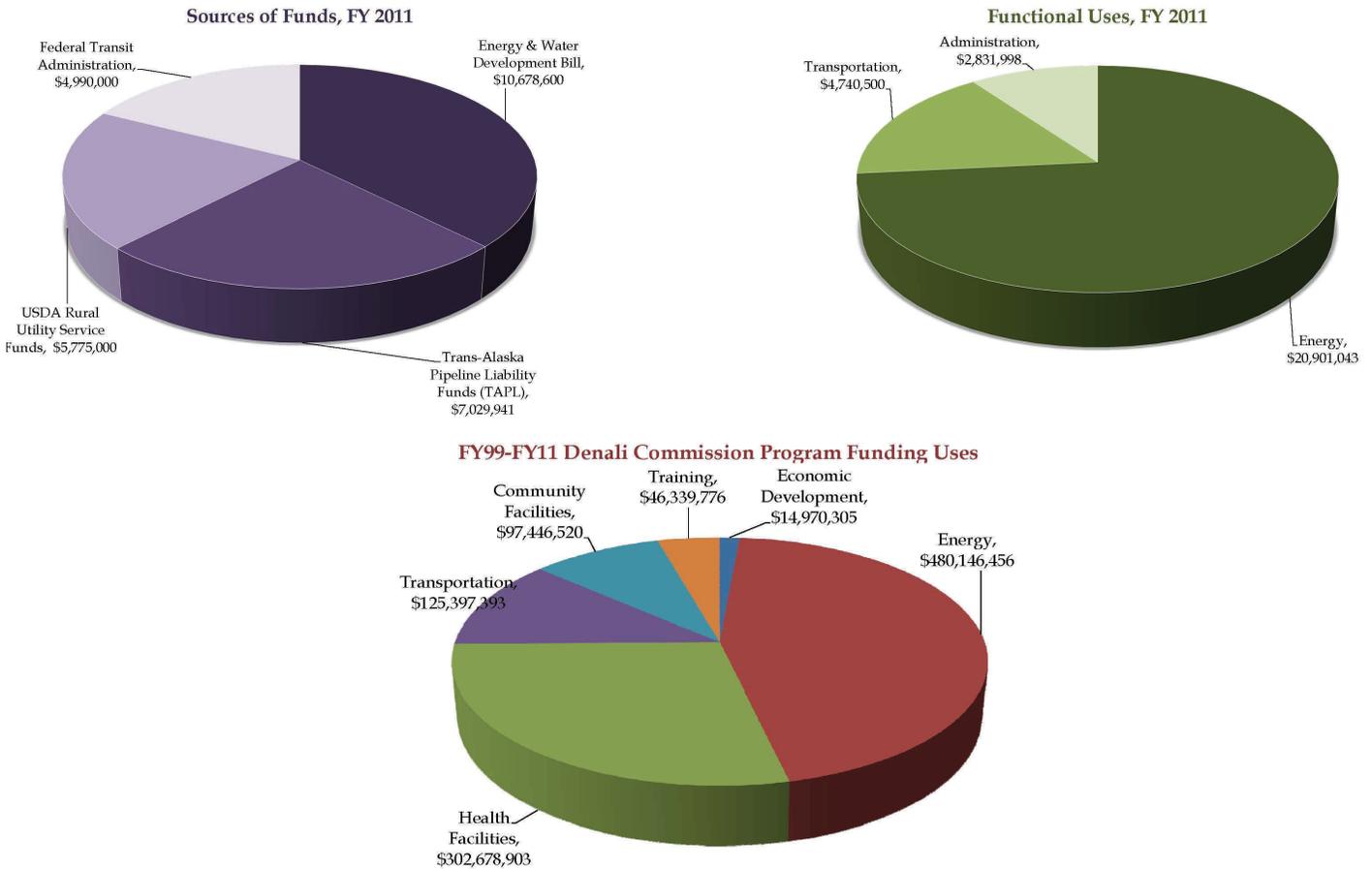
Transportation

Health

Training



Summary of Performance



The specific programs entrusted to the Commission have varied over the agency’s life span with changing congressional priorities and support. In Fiscal Year 2011 as Congress and the President struggled to reach final agreement on the nation’s appropriations, one of their compromises required the Commission to return \$15 million in unobligated funding from appropriations enacted in fiscal years 2010 or earlier. To further challenge meaningful planning in Fiscal Year 2011, the Commission did not receive a federal funds transfer of almost \$14 million from the Federal Highways Administration (FHWA), a historic funding source for the Commission, as it was determined by the U.S. Department of Transportation (U.S. DOT) that the Denali Access Program was sufficiently funded. These funds in accordance with continuing resolution language for SAFTEA-LU, were transferred directly to the Alaska Department of Transportation.

The Fiscal Year 2011 proposed amended Work Plan was therefore developed based on the appropriations approved by Congress for Fiscal Year 2011, just under \$11 million, and to reflect these two significant events. The Fiscal Year 2011 annual budget also included funding from several historic sources, US Department of Agriculture-Rural Utility Service (USDA-RUS), Federal Transit Authority (FTA), and interest from the Trans-Alaska Pipeline Liability Fund (TAPL).



## Summary of Performance (continued)

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A retrospective view on the Commission's funding sources and the amount of funding received each year is provided in the Financial Performance Overview section of this document (page 12).

In Fiscal Year 2011 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 have historically been used primarily 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. While the Base funds may be applied to any Commission program area, all other appropriations and transfers are program-specific.

A comprehensive discussion of all Fiscal Year 2011 program activities and performance will be provided in Section 2. The Fiscal Year 2011 Commission budgetary authority primarily funded and administered the following three program and functional areas:

### **1) Energy Program**

- ▶ Bulk Fuel Storage
- ▶ Community Power Generation and Rural Power System Upgrades
- ▶ Energy Cost Reduction Projects
- ▶ Renewable, Alternative, and Emerging Energy Technologies
- ▶ Power Line Interties

### **2) Transportation Program**

- ▶ Local Roads and Boardroads
- ▶ All Terrain Vehicle (ATV) Roads
- ▶ Community Connectivity and Economic Development Road Projects
- ▶ Regional Ports and Local Small Boat Harbors
- ▶ Barge Landings

### **3) Government Coordination & Agency Administration**

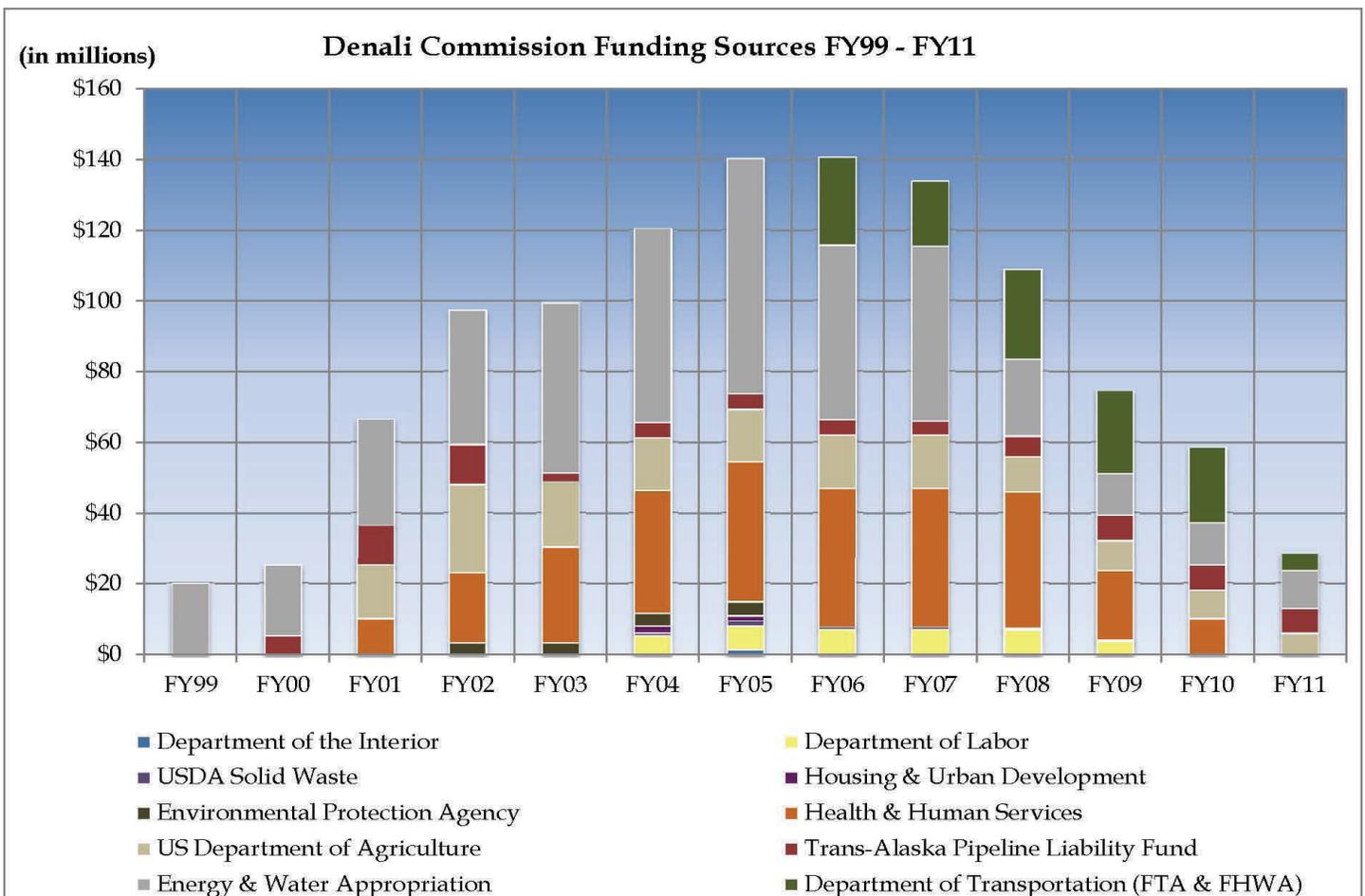
- ▶ Initiatives toward sustainable rural communities and accountability goal areas
- ▶ MOU Partners
- ▶ Buckland Workgroup
- ▶ Salaries and contracts



## Financial Performance Overview

As of September 30, 2011 the financial condition of the Denali Commission was sound with respect to having sufficient funds to meet program needs and adequate control of these funds in place to ensure obligations did not exceed budget authority. Agency audits are conducted in accordance with auditing standards generally accepted in the United States of America, OMB Bulletin 07-04 (Audit Requirements for Federal Financial Statements) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (completed audits available at [http://www.denali.gov/index.php?option=com\\_docman&Itemid=257](http://www.denali.gov/index.php?option=com_docman&Itemid=257)).

### Sources of Funds



## Government Coordination

## Program Summaries, Achievements, Funding and Strategies

### OVERVIEW:

The Denali Commission (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.

The Commission joined others in a Memorandum of Understanding (MOU) that outlines the roles of agencies in coordinating resources and efforts in areas such as community planning, sustainability, data sharing and coordination of pre-construction activities. This MOU served as the basis for creating several multi-agency workgroups and cooperative projects that have increased overall government effectiveness.

The MOU was amended in 2003 with increased participation from both state and federal partners and renewed once again in 2008. This renewed effort focuses efforts on improving the channels of communications among the leaders of all federal and state agencies with an emphasis on critical issues that affect the entire state of Alaska: the high cost of energy, outmigration, and coordination of efforts among all government agencies.

### PROGRAM OUTCOMES:

#### SUSTAINABLE RURAL COMMUNITIES PROJECT

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

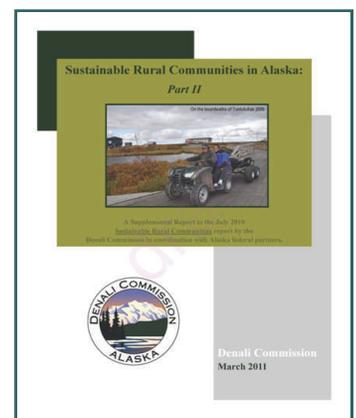
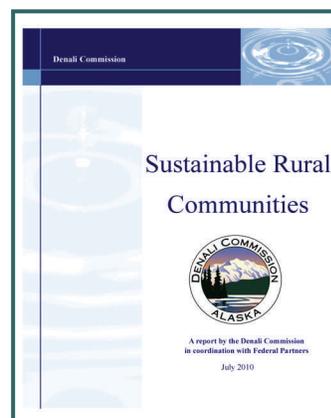


As a convener and coordinator, the Commission in 2010 developed and published the Sustainable Rural Communities report. In 2011, a follow up to the initial Sustainable Rural Communities report was published.

**Phase I** of this project involved gathering the federal partners together to collaborate on the development of the Sustainable Rural Communities report. This document takes a hard look at the barriers to developing and maintaining sustainable rural communities in Alaska, as defined by the federal partners and, in some cases, offers possible solutions to those barriers.

**Phase II** of this project involved gathering input and comments from our partners and the public at-large. After comments were compiled, an addendum to the already informative document was published in March 2011.

**Phase III** of this project begins the actual implementation of the proposed efforts outlined in the report, efforts like the Regional Forum concept. The goal of this overall effort is collaborative transparency and improved government effectiveness. Phase III updates will be provided on the Commission's website as efforts unfold.



## ***Government Coordination***

### **WHITE HOUSE RURAL COUNCIL & ALASKA RURAL ACTION SUBCABINET:**

The White House Rural Council (WHRC) was established by Executive Order in June 2011. The purpose of the WHRC is to address challenges in Rural America, build on the Administration's rural economic strategy, and improve the implementation of that strategy.

At the request of the United States Department of Agriculture (USDA), the Commission was invited to join the WHRC in September 2011 to serve as the primary agency focused on matters pertaining to Rural Alaska.

In addition to the WHRC, the Commission is also reaching out to the state of Alaska's Rural Action Subcabinet (ARAS). The ARAS advises the Office of the Governor on challenges faced by rural Alaskans. Through participation at the WHRC and by reaching out to the ARAS, the Commission is actively identifying synergies between these two efforts.

### **BUCKLAND WORKGROUP:**

In 2006, Senator Lisa Murkowski asked the Denali Commission, in its role as a governmental convener and coordinator, to work with the community of Buckland to help move forward a comprehensive community sanitation project historically plagued with delays. With Commission leadership meeting monthly with principal project participants including Village Safe Water, the Corps of Engineers, and the community of Buckland, the community sanitation project is moving forward with anticipated completion in Fiscal Year 2014.

### **FISCAL YEAR 2013 GOVERNMENT COORDINATION GOALS:**

Government Coordination efforts at the Denali Commission provide communication between key federal and state stakeholders across the state of Alaska. With continued funding, the Commission in Fiscal Year 2013 would be able to deliver program efforts and lead state and federal collaboration by facilitating, organizing and leading government partnerships in new and innovative ways across the entire state. Continued efforts and goals involve the Sustainable Rural Communities project and the Buckland Workgroup. New partnerships and goals include the White House Rural Council, the Alaska Rural Action Subcabinet and stronger ties to tribal governments.

### **MEANS AND STRATEGIES:**

The Government Coordination Program is led by one Program Manager and overseen by the Director of Programs. To be successful in coordinating with other state and federal agencies there is a clear invitation for open communication at all times. The measurement of success is eliminating the duplication of efforts for rural Alaskan communities and providing technical assistance to those communities so that they may develop and implement comprehensive and sustainable community strategies.



## Energy Program

## Program Summaries, Achievements, Funding & Strategies

### PROJECTS FUNDED:

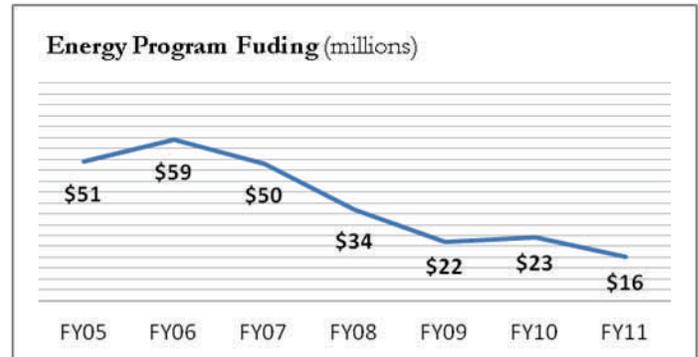
- ⇒ *Bulk Fuel Storage*
- ⇒ *Community Power Generation and Rural Power System Upgrades*
- ⇒ *Energy Cost Reduction Projects*
- ⇒ *Renewable, Alternative, and Emerging Energy Technologies*
- ⇒ *Power Line Interties*

### 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 storage tank upgrades (BFU) and power generation/rural power system upgrades (RPSU) across Alaska, as well as recent expansion into alternative, renewable, and emerging energy infrastructure. The purpose of the program is to provide code-compliant bulk fuel storage and electrification throughout rural Alaska, particularly for communities that are "off the grid" and not reachable by road or rail, with a goal of improving energy efficiency and decreasing energy costs.

Most rural Alaska communities receive their goods via barge service during the summer, including heating fuel and fuel for diesel-fired electrical generators. Consequently, the bulk fuel storage facilities must be sized for storage of at least nine months of fuel for uninterrupted service.

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, BFU and intertie) projects are identified by partners and reviewed and selected by Commission staff.

Program partners are utilized to perform initial due diligence, as well as assist in the development of the business plans for the participants as 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 has historically used a "Universe of Need" model to determine program and project 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.

The remaining needs in the BFU and RPSU universes of need 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 years, erosion has increased the risk of building in



## *Energy Program*

certain communities and escalating construction costs have challenged the original intent of the Commission's goal toward an exit strategy.

The Commission's Universe of Need reflects 106 bulk fuel facility upgrades and 59 rural power system upgrades have been completed. With this critical work done, and the evolution of Alaska's villages in the past decade, the remaining universe of need is reassessed annually. The bulk fuel universe indicates over 50 communities are still in need of this basic infrastructure; however, it is unlikely all will proceed due to sustainability issues. A high projection for constructing these bulk fuel projects totals approximately \$205 million. The rural power system upgrade remaining universe includes approximately 56 communities, with estimates for completion at almost \$170 million. The RPSU program universe is less clear, as more intertie connectivity is reducing the need for stand-alone projects, coupled with the increased surge of alternative/renewable energy projects statewide. An intertie can remove the need for a new power plant, and reduce fuel storage requirements in one or more of the intertied communities. A renewable project can also be proposed in conjunction with a deficiency list project to reduce the dependence on diesel fuel and the fuel storage requirements. Therefore, the legacy program may also include these types of energy infrastructure.

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 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 wind-diesel power generation systems.

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 and demand on diesel-fired electrical generators. This reduces capital costs as well as operations and maintenance (O&M), repair and renovation (R&R) costs for fuel storage facilities, and may reduce the cost of power to the community.

In Fiscal Year 2007, 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, coupled with extraordinarily high energy costs, prompted the state in 2008 to create a renewable energy fund that would provide \$50 million annually over a five year period to fund renewable energy projects. Total allocations to date have been \$175 million for more than 200 wind, geothermal, biomass and other renewable energy projects. Currently, this initiative is being reviewed by the Alaska Legislature for re-authorization.

With the advent of the State of Alaska's Renewable Energy Program (REP), the Commission has redirected its efforts from renewable technologies to emerging technologies. Since 2010, the Commission has provided \$4.8 million to match \$4.8 million from the state for an



## Energy Program

Emerging Energy Technology Fund, which was created through legislation passed in April 2010.

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 inception and continues to make energy a priority. The Commission has made great strides developing safe and reliable energy infrastructure in Alaska while minimizing expenses.

### PROGRAM OUTCOMES:

The Energy Program has 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), and investment in alternative, renewable and emerging energy technology. The Denali Commission has provided infrastructure funding for reliable, code compliant fuel storage and power generation to tens of thousands of rural Alaskans. In Fiscal Year 2011, the Commission accomplished:

- ✓ *The completion of 4 bulk fuel facilities, 2 rural power system upgrades, a transmission intertie between two communities, a wind-diesel system, and energy efficiency upgrades in 19 communities.*
- ✓ *Funding for 2 bulk fuel facilities, 2 rural power system upgrades, a conceptual design report, the Emerging Energy Technology Fund in conjunction with the State of Alaska, and Strategic Technical Assistance Response Team initiative in partnership with the U.S. Department of Energy.*

- ✓ *An annual update to the comprehensive universe of need report for bulk fuel facilities and rural power system upgrade universe, which provides current, reliable resources to the Denali Commission and partners for future projects.*

**To date, the Commission has dedicated more than \$475 million to energy projects – 45% of the Denali Commission's resources over the past twelve years.**

### ENERGY ADVISORY COMMITTEE:

The Energy Advisory Committee was established in 2007 to aid the Commission by reviewing and updating existing policies and guiding the Commission's direction in developing a more robust energy program. The Energy Advisory Committee serves in an advisory capacity to the full Commission.

The Commission's Energy Advisory Committee met in February 2011 to discuss the Fiscal Year 2011 draft work plan, universe of need and project updates, and policy review.

### Energy Advisory Committee Members:

- John MacKinnon (Chair) *Denali Commissioner, Associated General Contractors of Alaska*
- Vince Beltrami *Denali Commissioner, Alaska AFL-CIO*
- Dr. Brian Hirsch *National Renewable Energy Laboratory*
- Eric Marchegiani, P.E. *U.S. Department of Agriculture–Rural Development*
- Robert Martin *Goldbelt Corporation*
- Brad Reeve *Kotzebue Electric Association*
- Dr. Daniel White *University of Alaska Fairbanks, Institute of Northern Engineering*



## ***Energy Program***

### **FISCAL YEAR 2013 ENERGY PROGRAM GOALS:**

In Fiscal Year 2013, the Energy Program plans to continue funding in the following areas:

- ▶ Bulk Fuel Storage
- ▶ Community Power Generation and Rural Power System Upgrades
- ▶ Energy Cost Reduction Projects
- ▶ Renewable, Alternative, and Emerging Energy Technologies
- ▶ Power Line Interties

The Denali Commission Act outlines the development and implementation of an annual work plan. The Commission must develop an annual 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.

Fiscal Year 2013 funding amounts are unknown at this time. Project goals for the fiscal year must wait pending that outcome. The Commission Work Plan process and thus program goals will be on hold pending appropriations.

### **PROGRAM PARTNERS:**

- Alaska Center for Energy and Power (ACEP)  
[www.uaf.edu/acep](http://www.uaf.edu/acep)
- Alaska Energy Authority  
[www.aidea.org/aea](http://www.aidea.org/aea)
- Alaska Power & Telephone  
[www.aptalaska.com](http://www.aptalaska.com)
- Alaska Village Electric Cooperative  
[www.avec.org](http://www.avec.org)
- U.S. Department of Agriculture Rural Utility Service  
[www.usda.gov/rus/electric](http://www.usda.gov/rus/electric)
- National Energy Technology Laboratory (NETL)  
[www.netl.doe.gov](http://www.netl.doe.gov)
- U.S. Department of Energy  
[www.doe.gov](http://www.doe.gov)
- National Renewable Energy Laboratory (NREL)  
[www.nrel.gov](http://www.nrel.gov)
- U.S. Environmental Protection Agency  
[www.epa.gov](http://www.epa.gov)



## Energy Program

### SEALASKA WOOD PELLET BOILER



Through the Emerging Energy Technology Fund (EETF) the Commission funded demonstration projects with the potential of replication in rural Alaska. The goal of these projects

was to achieve energy cost reduction. One successful EETF project saw Commission funding of \$510,000 matched with Sealaska Corporation's \$510,000 (total \$1.02 million) toward converting its corporate headquarters building in downtown Juneau (see map) from a diesel fired boiler to a wood pellet fired boiler. As a signature project designed to demonstrate that wood heat can be cost effective and feasible for commercial, industrial, and municipal buildings in Alaska, the project is also aimed at creating the demand for Southeast Alaska second growth wood fiber. As of spring 2011, Sealaska reported savings of \$3,000 monthly between heating costs of pellets

compared to oil



### RUBY BULK FUEL FACILITY UPGRADE



The Commission, in partnership with the State of Alaska, Alaska Energy Authority (AEA), funded a new bulk fuel facility in Ruby, Alaska. The community of nearly 170 residents lies on

the Yukon River in Interior Alaska (see map) and is accessible by air year round and by barge or boat during the summer months. The new bulk fuel facility provides storage for 276,000 gallons of diesel and gasoline and includes a new, code-compliant dispenser for public retail of gasoline and home heating fuel. The facility is located near the Yukon River and a pipeline from the tank farm to a marine header on the river bank is utilized for fuel delivery via barge. The river is typically ice free from mid-May to mid-October. Delivery of fuel and other goods, such as groceries, are arranged during the winter for space on a summer barge that departs an ocean port for the long journey up the Yukon River.



## *Energy Program*

### **MEANS AND STRATEGIES:**

The Energy Program is led by one Senior Program Manager and a Deputy Program Manager. Management of construction projects is carried out by utilizing program partners to oversee project management functions. The Commission's Energy Program has been actively engaged in supporting initiatives around renewable and alternative energy, specifically emerging energy technologies, and encouraging state and private investment in innovation toward improving the energy needs of rural Alaska communities. While the focus of the Commission's energy program continues to address basic storage and generation needs, options for more cost effective and energy efficient technologies are being explored. Recent examples include small in-river hydrokinetic turbines for electric generation, seawater heat-pumps, wind-diesel grid stability components, thermal solar panels, wood pellet boiler systems, and more.

The Commission, through the engagement of its Energy Advisory Committee, will be evaluating how these projects can integrate with existing initiatives toward the goal of low cost availability of reliable energy to Alaska residents. At a time when diesel fuel prices can reach upward of \$8.00 to \$9.00 per gallon in rural communities, the energy crisis is a critical focus of the Commission.



***Energy Program*****FISCAL YEAR 2011 PROJECTS**

Title / Project Description	2011 Energy Funds
Alakanuk Bulk Fuel Facility Construction	\$5,148,000
Akiak Rural Power System Upgrade Construction	\$1,942,818
Stebbins Rural Power System Upgrade Construction	\$4,860,000
Stebbins Bulk Fuel Facility Completion	\$1,247,568
Pilot Station Bulk Fuel and RPSU Conceptual Design Report	\$190,396
Emerging Energy Technology Fund	\$1,700,000
Strategic Technical Assistance Response Team (START) Initiative	\$300,000
<b>TOTAL</b>	<b>\$15,388,782</b>



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## Transportation Program

## Program Summaries, Achievements, Funding & Strategies

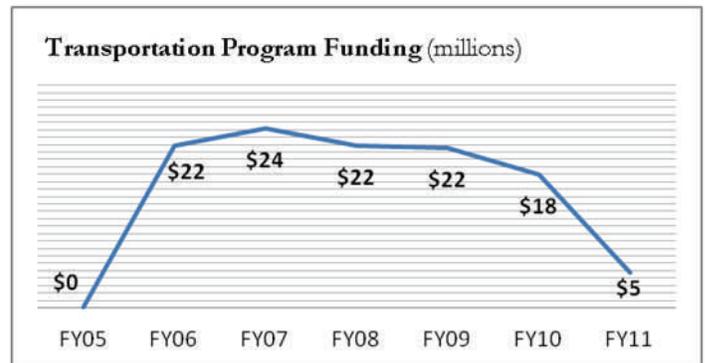
### PROJECTS FUNDED:

- ⇒ *Local Roads and Boardroads*
- ⇒ *All Terrain Vehicle (ATV) Roads*
- ⇒ *Community Connectivity and Economic Development Road Projects*
- ⇒ *Regional Ports and Local Small Boat Harbors*
- ⇒ *Barge Landings & Mooring Points*

### PROGRAM OVERVIEW:

On August 10, 2005, Congress passed H.R. 3 - Safe, Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) into law. SAFETEA-LU provides the Denali Commission's transportation program with approximately \$25 million annually for fiscal years (FY) 2005 through 2009. The funds are divided between the roads component of the program (\$15 million) and the waterfront development component of the program (\$10 million). The program focuses on providing access and resources to communities while improving health, safety, and efficiencies for local water and surface transportation. The Commission has continued to receive funding for the program beyond FY09 as a result of annual continuing resolutions.

SAFETEA-LU required the Commission form the Transportation Advisory Committee (TAC) to advise the agency regarding project nominations, selections, and program policy. The nine member TAC includes by law, four members who represent existing regional native corporations, native non-profit entities, and tribal governments, and four members who represent rural Alaska regions or villages. The TAC is chaired by the Commis-



sion's Federal Co-Chair. The TAC is responsible for providing broad program guidance and for reviewing and recommending eligible projects submitted through the public nominations process to the Federal Co-Chair for final approval. The TAC typically reviews project nominations on a semi-annual basis: once in January for project selections and once during the summer to monitor project development.

The program primarily focuses on the following eligible project types:

#### Roads Program:

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.

- Rural community streets, roads, and board roads
- Roads between rural communities
- Roads between rural communities and the Alaska State highway system



### ***Transportation Program***

- Roads to access resource development
- Dust control on local streets and roads
- Access to boat launch sites for commercial and subsistence fisheries
- Access to permanent barge landings for fuel and freight transfers
- Storm evacuation roads
- ATV hardened trails

### **Waterfront Development Program:**

The waterfront development program addresses port, harbor and other waterfront needs for rural communities. The waterfront program has also recently begun focusing on improvements to regional ports, and construction of barge landings and docking facilities.

- Regional port reconstruction and/or expansion to support commercial fisheries and regional fuel and freight redistribution
- Harbor reconstruction and/or expansion to support commercial and subsistence fishing, and/or regional hub and intermodal connections
- Boat launch ramps to support local uses, including search and rescue operations
- Barge landing improvements including structures and mooring facilities

The program has developed successful design and construction partnerships with the U.S. Federal Highway Administration (FHWA), Bureau of Indian Affairs (BIA), Western Federal Lands Highway Division (WFLHD), Alaska Department of Transportation and Public Facilities (DOT&PF), and the U.S. Army Corps of Engineers

(USACE). 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 OUTCOMES:**

The program has focused attention on leveraging additional partner and agency funding for high priority transportation projects. For the period FY06-FY10 \$120 million in funding for the transportation program, leveraged almost \$400 million in additional funding for projects. In many cases, the projects funded by the Commission are high priority community projects, but may not rise to the top tier of prioritization lists maintained by the State of Alaska or other federal transportation agencies. By working collaboratively with other partners, the Commission has been able to maximize transportation appropriations.

To date the Commission has a total of 179 projects in the following categories:

- ☑ *42 Road Projects Completed*
- ☑ *58 Waterfront Development Projects Completed*
- ☑ *79 Road and Waterfront Development Projects in the Planning, Design or Construction Phase*

**To date, the Commission has dedicated roughly over \$125 million to transportation projects – 12% of the Denali Commission's resources over the past twelve years.**



## Transportation Program

### TRANSPORTATION ADVISORY COMMITTEE:

Road and waterfront development projects are selected by the program's Transportation Advisory Committee (TAC) following an extensive public application process. TAC members, appointed by the Governor of Alaska and led by the Commission's Federal Co-Chair, are rural Alaska leaders with expertise in transportation development. In addition to project selection work, the TAC advises Commission management on surface transportation needs in rural Alaska and assists in coordinated rural transportation planning efforts. The TAC is a key statutory feature of the program, and a key element in the program's success.

The TAC met 2 times in Fiscal Year 2011. The key outcome from this group was the prioritization of funding for 50 road and waterfront development projects, totaling \$28,059,881 for rural Alaska transportation (*please see pages 26 and 27 to reference funded projects and projects that are pending funding*).

### Transportation Advisory Committee Members:

- Joel Neimeyer Federal Co-Chair (Chair) *Denali Commission*
- Mike Hoffman *Association of Village Council Presidents*
- Steve Ivanoff *Kawerak, Incorporated*
- Chuck Pool, P.E., R.L.S. *Pool Engineering, Incorporated*
- Chuck Quinlan *K'oyit'ots'ina, Limited*
- Ray Richards *Doyon Limited*
- Randy Romenesko, P.E. *Consultant*
- Walter Sampson *NANA Regional Corporation*
- Carvel Zimin, Jr. *Bristol Bay Borough Assembly*



### FISCAL YEAR 2013 TRANSPORTATION PROGRAM GOALS:

In Fiscal Year 2013, the program plans to continue funding in the following areas:

- ▶ *Local Roads and Boardroads*
- ▶ *All Terrain Vehicle (ATV) Roads*
- ▶ *Community Connectivity and Economic Development Road Projects*
- ▶ *Regional Ports and Local Small Boat Harbors*
- ▶ *Barge Landings & Mooring Points*

While Fiscal Year 2013 program funding remains unknown, the Commission will continue to focus project goals on development of regional harbors and community connector roads.

### PROGRAM PARTNERS:

- Alaska Department of Transportation and Public Facilities  
[www.dot.state.ak.us](http://www.dot.state.ak.us)
- Bureau of Indian Affairs  
[www.doi.gov/bia](http://www.doi.gov/bia)
- Community Development Quota Organizations  
[www.wacda.org](http://www.wacda.org)
- U.S. Army Corps of Engineers  
[www.poa.usace.army.mil](http://www.poa.usace.army.mil)
- U.S. DOT Federal Highway Administration  
[www.fhwa.dot.gov](http://www.fhwa.dot.gov)
- U.S. DOT Western Federal Lands Highway Division  
[www.wfl.fhwa.dot.gov](http://www.wfl.fhwa.dot.gov)
- Regional Tribal Non-Profit Organizations

**Transportation Program**

**KWIGILLINGOK SUBSISTENCE ATV TRAIL**



Vehicle fleets in rural Alaskan communities can consist mainly of ATV's, bicycles and snow machines. Boardroads and ATV trails serve as the main method of

transportation. Kwigillingok (see map), a community in Western Alaska, depends on these vehicles and most importantly, safe trails for accessing public facilities and subsistence hunting trails.

The Denali Commission provided funding to Western Federal Lands Highway Division (WFLHD) to perform design tasks, including environmental clearance, permitting, procurement and the delivery of Geo-grid construction materials for the Kwigillingok Subsistence ATV trail. Severe winters, freeze-thaw cycles, wet climates, and weak soils all contribute to the high cost of maintaining gravel roads. With the nearest gravel source hundreds of barge miles away from many villages, Geo-grid technology offers a low cost transportation solution. Once WFLHD completed the design and environmental elements of the project, the Village of Kwigillingok assumed responsibility for project management, local hire and maintenance of the Geo-grid road.

This project exemplifies partnership, leveraging of funding sources, innovative use of technology, and engagement of the local community's labor force. The result was a cost effective sustainable project that met program goals.



**SHAKTOOLIK COASTAL FLOODING ANALYSIS**



The community of Shaktoolik, Alaska, is located on a narrow spit composed of sand and gravel, bounded by Norton Sound and the Togoomenik River (see map and photograph below).

Residents of this community are experiencing first-hand the impacts of climate change as increasingly intense fall storms accelerate erosion and leave the village susceptible to flooding and coast damage.

In response to Shaktoolik's needs and in partnership with the regions tribal non-profit, Kawarak Inc., the Commission asked the United States Army Corps of Engineers (USACE) Alaska District and the Coastal and Hydraulics Laboratory (CHL) to perform an analysis to identify the likelihood and severity of coastal flooding in Shaktoolik. Historic wind, wave, and storm surge water level data were modeled and a deep-water wave transformation to beach analysis was completed.

The USACE Alaska District was also asked to update the erosion rates determined in the 2009 Alaska Baseline Erosion Study; identifying coastal flooding involves the use of historic wind, wave, and storm water level data coupled with computer modeling to replicate previous storm events. The data obtained for the events included 56 storms from 1954 to 2009. The Shaktoolik Coastal Flooding Analysis provides the community, State, local and federal funding agencies with a tool to help plan for sustainable infrastructure development in Shaktoolik in the future.



## *Transportation Program*

### **MEANS AND STRATEGIES:**

The program is led by a Senior Program Manager and a Program Specialist. Additional support is provided by a Contractor who is directed by the Senior Program Manager.

To be successful in developing the program, the TAC meets at least twice a year. Key outcomes from this group in Fiscal Year 2011 included: the revision of the program eligibility and scoring criteria to provide greater clarification to applicant organizations and communities; development of the annual Denali Commission Transportation Improvement Program (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 recipients. Further development and refinement of the barge landing study system design, including prioritization of participating communities and the continuation of construction prioritization of landing sites in key regions across Alaska, were also priorities.



**Transportation Program****FISCAL YEAR 2011 PROJECTS**

<b>Title / Project Description</b>	<b>2011 Transportation Funds</b>
<b>Road Projects - FUNDED</b>	
<i>Cordova – Dust Abatement Phase II – Construction</i>	\$137,400
<i>Petersburg – Birch Street - Construction</i>	\$375,495
<i>Petersburg – Sing Lee Alley Reconstruction - Design</i>	\$63,679
<i>Metlakatla - Walden Point Road Connector Road - Construction</i>	\$450,000
<i>Gambell – Evacuation Road - Construction</i>	\$850,000
<b>TOTAL</b>	<b>\$1,876,574</b>
<b>Road Projects - PENDING FUNDING</b>	
<i>Chignik Lake - Culvert Replacement - Construction</i>	\$175,000
<i>Hughes – Moose Loop/ Blueberry Road Construction</i>	\$716,000
<i>Buckland – Uptown Road Construction</i>	\$554,000
<i>Wainwright – Access Road – Construction</i>	\$645,035
<i>Craig – Community Streets Paving - Construction</i>	\$1,000,000
<i>Huslia – Barge Landing Road — Construction</i>	\$750,000
<i>Chefornak – Boardwalk Reconstruction – Construction</i>	\$1,000,000
<i>Buckland – River Bridge - Planning</i>	\$68,227
<i>Hydaburg – Saltry Point Road Construction</i>	\$991,444
<i>Kwigillingok – ATV Trail – Design/ Construction</i>	\$125,000
<i>Haines – Third Avenue Street – Construction</i>	\$900,000
<i>Hooper Bay – Community Streets - Design</i>	\$134,647
<i>Tooksook Bay – Community Roads - Construction</i>	\$1,000,000
<i>Point Lay – Subdivision Roads - Preliminary Design</i>	\$478,000
<i>Northway – Housing Road – Design</i>	\$181,940
<i>Igingig – Float Plane Road – Construction</i>	\$917,612
<i>Birch Creek – Feasibility Study</i>	\$272,910
<i>Wrangell – Wood Street - Design/ Construction</i>	\$1,000,000
<i>Pitkas Point – Main Street – Preliminary Design</i>	\$85,343
<i>Selawik – Barge Landing Road and Boardwalk Improvements – Design</i>	\$116,487
<b>TOTAL</b>	<b>\$11,123,045</b>



**Transportation Program****FISCAL YEAR 2011 PROJECTS**

<b>Title / Project Description</b>	<b>2011 Transportation Funds</b>
<b>Waterfront Projects - FUNDED</b>	
<i>Ouzinkie – Dock Replacement Phase II – Construction</i>	\$1,000,000
<i>Kotzebue Swan Lake Improvements – Construction</i>	\$1,000,000
<i>Hoonah – Marine Industrial Center Phase III – Construction</i>	\$657,000
<i>–Nome – Port of Nome High Mass Light Foundations and Towers – Construction</i>	\$666,508
<i>–Wrangell – City Dock Rehabilitation – Construction</i>	\$762,000
<i>–Hydaburg – Small Boat Harbor – Construction</i>	\$1,000,000
<i>False Pass – Harbor Utility Project – Construction</i>	\$996,461
<i>Unalaska – Distressed Bessel Moorage - Preliminary Engineering Project</i>	\$250,000
<i>Saint Michael – Port Development – New Start</i>	\$150,000
<i>Holy Cross Barge Landing – Preliminary Engineering</i>	\$150,000
<i>Tenakee Springs – Ferry Dock Improvements – Design</i>	\$200,000
<b>TOTAL</b>	<b>\$6,631,969</b>
<b>Waterfront Projects – PENDING FUNDING</b>	
<i>Kodiak Island Borough – Anton Larson Dock Improvements - Construction</i>	\$80,000
<i>Akutan – City Dock Improvements – Design</i>	\$60,000
<i>Kokhanok – Barge Landing – Final Design/ Construction</i>	\$326,384
<i>Igiugig – Barge Landing – Final Design/ Construction</i>	\$502,044
<i>Illiamna – Dock Rehabilitation – Final Design/ Construction</i>	\$608,000
<i>Bethel – City Dock East Wing Wall – Design</i>	\$200,000
<i>Takee – Boat Launch Replacement – New Start/ Design</i>	\$100,000
<i>Homer – Small Boat Harbor Float – Design/ Construction</i>	\$50,000
<i>Senard – Boat Harbor Replacement – New Start/ Design</i>	\$100,000
<i>Togiak – Transit Facility Improvements – Final Design/ Construction</i>	\$50,000
<i>Ketchikan – Bar Harbor Drive Down Ramp – Design/ Construction</i>	\$287,500
<i>Statewide Barge Landing Site Investigations</i>	\$250,000
<i>Mooring Points –Phase IV – Construction</i>	\$4,900,000
<i>Statewide Mooring Points Phase III – Construction</i>	2,000,000
<b>TOTAL</b>	<b>\$9,953,928</b>
<b>TOTAL ROAD AND WATERFRONT FY2011 TRANSPORTATION FUNDED</b>	<b>\$8,508,543</b>
<b>TOTAL ROAD AND WATERFRONT FY2011 TRANSPORTATION PENDING FUNDING</b>	<b>\$21,076,973</b>



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## Health Facilities Program

## Program Summaries, Achievements, Funding & Strategies

### PROJECTS FUNDED:

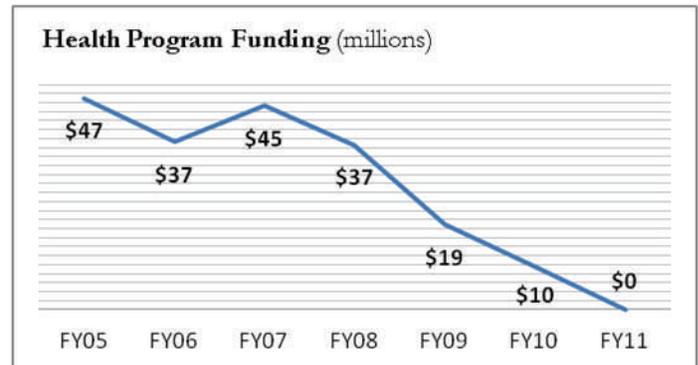
- ⇒ *Health Facilities Program*
- ⇒ *Primary Care Facilities*
- ⇒ *Behavioral Health Facilities*
- ⇒ *Elder Housing/ Assisted Living Facilities*
- ⇒ *Primary Care in Hospitals*

### PROGRAM OVERVIEW:

Congress amended the Denali Commission Act in 1999 to provide for the planning, designing, constructing and equipping of 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 care, were adopted. And, over time, the program 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 by completing all due diligence requirements. This includes an approved business plan, community plan, site plan checklist, completed 100% design, documentation of cost share match, and a high probability that the project will begin construction during the next season.

An improved business plan process now includes an evaluation and projections related to the cost of fuel, electricity and other utilities, and erosion and relocation issues. These factors pose significant economic challenges to many small Alaskan communities and villages. As a result, and in correlation with the Commission Investment Policy (adopted in November 2008), the Commission has also undertaken efforts to design small clinic prototypes which take into account both the needs and resources of communities of fewer than 100 people. The Commission is currently conducting a pilot of the small clinic in Southeast Alaska. When prototype designs are tested, the small clinic of less than 1,000 square feet may be used by many communities across the state.



## Health Facilities Program

The primary care program has continued to integrate both behavioral health and dental spaces 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 experience the highest per capita rate of dental and behavioral health concerns in the country. Inclusion of these spaces in new and renovated clinics is a fundamental part of a successful treatment modality and model across Alaska.

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

Designing and building health facilities in rural Alaska is also complicated – a process which must account for small populations, extreme climates, roadless communities, and environmental factors. Methodical planning and attention to unique community characteristics enables the Denali Commission to meet these challenges.

### PROGRAM OUTCOMES:

The Health Facilities did not receive a direct allocated budget in Fiscal Year 2011 (FY 2011). Therefore, the outcomes achieved during the course of the fiscal year were due to resources remaining on grants from previous fiscal years. The activities presented represent *activities* of FY 2011, rather than a direct linkage to any FY 2011 funding.

During FY 2011, the program continued to focus on the construction of three new or renovated primary care clin-

ics (Hoonah, Willow, & Kasaan); the in-depth analysis of four primary care clinics, analyzing options for renovation, repair, or replacement (Shishmaref, Yakutat, Tok, & Pelican); and the design of two primary care clinic replacements or renovations (Shishmaref & Tyonek).

The Commission celebrated the grand openings of several projects in FY 2011, including five clinics, 10 hospital primary care projects, and two elder supportive housing projects. Commission grants for the above projects totaled \$15 million and leveraged \$16.6 million in cost share match.

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:

- ☑ 139 clinics have been completed
- ☑ 7 are being constructed now
- ☑ 22 are in the business planning and design phases

**To date, the Commission has dedicated more than \$302 million to health projects, just over 20% of the Commission's resources over the past twelve years.**

### HEALTH STEERING COMMITTEE

The Health Steering Committee is 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 State Hospital and Nursing Home Association, and the University of



## Health Facilities Program

Alaska. The Committee reviews and updates program policies and guides the Program's direction and priorities.

The Health Steering Committee (HSC) met 3 times in FY 2011. Key outcomes include: reviewing current program project selection criteria and processes and refining those to reflect significantly reduced budgetary resources. The Committee members also spent time at each meeting exploring the foundational purpose and value of the Health Program as they consider new potential program directions.

### Health Steering Committee Members:

- William Streur, *Commissioner, Alaska Department of Health and Social Services*
- Loretta Bullard, *Denali Commissioner, Alaska Federation of Natives*
- Lincoln Bean, Sr. *Alaska Native Tribal Health Consortium;*
- Dr. Kenneth Glifort *Indian Health Service*
- Jeff Jessee *Alaska Mental Health Trust Authority*
- Andy Teuber *Alaska Native Tribal Health Consortium*
- Marilyn Walsh Kasmar *Alaska Primary Care Association*
- Dr. Ward Hurlburt *Alaska Department of Health and Social Services*
- Karen Perdue *Alaska State Hospital & Nursing Home Association*
- Jan Harris *Office of Health Programs Development, University of Alaska*

## FISCAL YEAR 2013 HEALTH FACILITIES PROGRAM GOALS:

In Fiscal Year 2013, the Health Facilities Program is planning for two scenarios:

- ▶ The program receives an allocation that allows for funding the full spectrum of construction phases (planning, design, and construction) in the categories of primary care, elder supportive housing, and behavioral health.
- ▶ The program receives an allocation that does not allow for the full spectrum of construction phases (one that would allow focus on planning and design only). In this scenario, the Program would focus on primary care needs throughout the State, assisting organizations to position projects for successful capital applications to other mechanisms, agencies, and funders.

The Denali Commission Act outlines the development and implementation of an annual work plan. The Commission must develop an annual 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.

Fiscal Year 2013 funding amounts are unknown at this time. Project goals for the fiscal year must wait pending that outcome. The Commission Work Plan process and thus program goals will be on hold pending appropriations.



## Health Facilities Program

### PROGRAM PARTNERS:

- Alaska Department of Health and Social Services (DHSS)  
[www.hss.state.ak.us](http://www.hss.state.ak.us)
- Alaska Housing Finance Corporation  
[www.ahfc.state.ak.us](http://www.ahfc.state.ak.us)
- Alaska Mental Health Trust Authority  
[www.mhtrust.org](http://www.mhtrust.org)
- Alaska Native Tribal Health Consortium  
[www.anthc.org](http://www.anthc.org)
- Alaska State Hospital and Nursing Home Association  
[www.ashnha.com](http://www.ashnha.com)
- Health Resources and Services Administration  
[www.hrsa.gov](http://www.hrsa.gov)
- Rasmuson Foundation  
[www.rasmuson.org](http://www.rasmuson.org)
- Mat-Su Health Foundation  
[www.matsuhealthfoundation.org](http://www.matsuhealthfoundation.org)
- Regional Alaska Native Health Organizations

### RIGHTSIZING CLINICS IN RURAL ALASKA

As energy and construction costs have risen over time, it became apparent that the smallest of the Denali Commission health clinic prototypes was not “right-sized” for communities in Alaska with fewer than 100 residents. The partners of this program are meeting this challenge through the development of new prototype clinic designs that are less than 1,000 square feet in size. The new designs can accommodate energy efficiencies and alternative energy methods as they become proven and cost-effective for rural Alaska. The first pilot of the small clinic design was deployed in the spring of 2011.

### INTEGRATING ALASKA’S UNIQUE CULTURE



Denali Commission health projects recognize and incorporate the unique cultural aspects of a region in the phases of design and construction. These totems (see photo below) that adorn the front of the newly renovated Hydaburg (see map) clinic were carved in that village by local artisans. Hydaburg, a community of nearly 376 residents, is located in the Southwest coast of Prince of Wales Island, 45 air miles northwest of Ketchikan. It is the largest Haida village in Alaska.

Denali Commission health projects recognize and incorporate the unique cultural aspects of a region in the phases of design and construction. These totems (see photo below) that adorn the front of the newly renovated Hydaburg (see map) clinic were carved in that village by local artisans. Hydaburg, a community of nearly 376 residents, is located in the Southwest coast of Prince of Wales Island, 45 air miles northwest of Ketchikan. It is the largest Haida village in Alaska.



Interior and exterior clinic signage often reflects the bilingual character of a community and local materials are often incorporated. Local materials will be used in a clinic design in the Southeast Alaska village of Coffman Cove, where responsible timber harvesting is practiced.



**Health Facilities Program**

**DISTANCE-DELIVERED HEALTH SERVICES**



The Commission’s health clinic designs acknowledge the importance of telemedicine and telepharmacy. Clinics are designed to accommodate the newest cabling and wireless network-

ing capabilities which allow for distance-delivered health care. The following photo shows an itinerant health care provider in the community of Selawik (see map), a village of more than 800 residents in the Northwest Arctic Borough outside of Kotzebue.

Both resident Community Health Aides and itinerant providers use the technology to send data and photos to hub communities where physician specialists can diagnose conditions and determine whether additional services are required. Telepharmacy is also extensively used in rural Alaska, where distance and geographic isolation can create a gap between the levels of pharmacy care provided to urban patients and their rural counterparts. A remote electronic pharmacy is employed that tracks the dispensation of prescription medications and coordinates care with pharmacists in hub communities



**KEEPING ALASKAN ELDERS CLOSE TO HOME**



Alaska has the second fastest growing senior citizen population in the country. But the state is not well-positioned with appropriate infrastructure and services to keep elders

near their home communities as they age. Denali Commission has partnered with the Alaska Housing Finance Corporation to construct more than 50 units of new supportive elder housing throughout the state. These independent living units provide an accessible place for seniors to age in place. The Commission has also contributed to three large assisted living facilities in rural Alaska. One such facility is the assisted living facility (see photo below) in Galena, an Athabascan village of 470 people located on the north bank of the Yukon river 270 air miles west of Fairbanks (see map). These types of housing and health care in combination are critical for seniors wanting to remain close to family and their native cultures. As elders are moved away from family, their life spans are significantly shortened.



## ***Health Facilities Program***

### **MEANS AND STRATEGIES:**

The Health Facilities Program is led by one Senior Program Manager overseen by the Director of Programs.

There is an advisory Health Steering Committee that meets several times a year to advise Commission staff and leadership on program direction and policies. The committee's work is instrumental in guiding the policy direction of the program, and fine-tuning the project selection process to better reflect the evolving resources and goals of the Health Facilities Program.

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

- Business planning, Community planning, and Conceptual planning
- Site Plan Checklists – to ensure the site of the new facility is sound, and has clear title to the owners
- Designs – 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.

The Gated Process is also applied to other program component areas, such as Behavioral Health, Primary Care in Hospitals, and Elder Supportive Housing

All Health projects with construction or equipment purchase involvement are required to produce 20 to 50 percent cost share match.



## *Health Facilities Program*

### **FISCAL YEAR 2011 PROJECTS**

Funding for the Health Facilities Program has traditionally come from two sources:

- ▶ The Commission's base appropriation (Energy & Water appropriation) and
- ▶ The Department of Health and Human Services (HHS), Health Resources and Services Administration (HRSA).

Fiscal Year 2011 was the first year since the program's inception that a direct budget was not allocated to the Health Facilities Program. Without new funding, only those projects already underway with extensive planning and preparation were permitted in Fiscal Year 2011 to move forward with existing resources.



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## Training Program

## Program Summaries, Achievements, Funding & Strategies

### PROJECTS FUNDED:

- ⇒ *Allied Health Professions*
- ⇒ *Construction Trades*
- ⇒ *Facility Operations and Maintenance*
- ⇒ *Administration of Public Infrastructure*

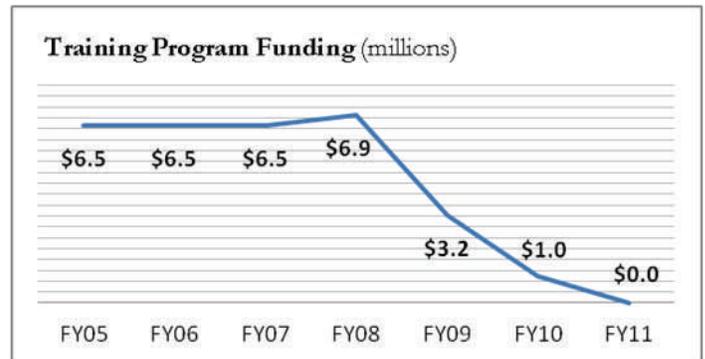
### PROGRAM OVERVIEW:

The Training Program was established by the Commission in 1999 as a standalone program to provide training and employment opportunities to rural residents that supported the construction, maintenance and operation of Denali Commission investments.

The Training Program prioritizes training projects that create jobs and employment opportunities, leverage funds from other sources and demonstrate regional planning and coordination. Training Program funds are dedicated to training activities that are directly related to student costs such as instruction, books, tools, tuition, lodging and transportation.

The Denali Commission selects major program partners for Training that have the capacity to provide training and education and carry-out the goals and objectives of the Commission. Through competitive opportunities facilitated through these major partners, other organizations are engaged to conduct specific training projects.

Funding for the Training Program has traditionally come from two sources – the Commission’s Energy and Water base appropriation and the U.S. Department of Labor (USDOL). Fiscal Year 2011, was the first year since the program’s inception that a direct budget was not allo-



cated to the Training Program. Absent new funding, Training Program activities are limited to projects with program partners that have prior year funds available on existing grants.

### PROGRAM OUTCOMES:

The Denali Commission places job training at the center of its comprehensive plan for economic growth in Alaska. Over the last decade, the Commission has made significant strides in assisting rural communities to build competent and qualified workforces in a variety of industries, including health care, construction trades, facility operations and maintenance, and administrative fields.

Program partners reported the following training outcomes in the program for Fiscal Year 2011:

- ☑ *Alaska Department of Labor: 445 individuals completed training courses or received certificates in construction and maintenance and operation of Denali Commission projects.*
- ☑ *Alaska Works Partnership: 218 individuals completed and received certificates in Building Maintenance Repair, 108 individuals completed and received certificates in*



## Training Program

*Weatherization, and 50 individuals were placed in construction apprenticeships.*

- ☑ *The University of Alaska: 453 students completed coursework in Community Health Aide, Dental Assisting, Medical Office/Health Care Reimbursement, and Medical Lab.*
- ☑ *Construction Education Foundation: 109 students obtained certificates in Construction Education.*

Commission staff continuously work to improve relationships with local and regional organizations to better align resources and people to training and jobs. Building rural workforce capacities is key to developing training projects that are in alignment with Commission goals and priorities.

Many residents are migrating from rural areas to urban areas to escape the high cost of living in rural Alaska where fuel costs can run over \$8 per gallon. Commission staff are working with statewide and regional entities to create training initiatives that are linked to jobs that target energy efficiency and energy conservation. These initiatives not only help lower the cost of living in many rural communities, but also help to create hundreds of new jobs. The Alaska Department of Labor and Workforce Development (DOLWD) in its most recent report shows individuals who completed Denali Commission training programs saw their wages and employability increase from FY 2001 to FY 2008 by 64% and 12% respectively.

Acquiring particular kinds of professional occupational endorsements is a challenge for rural residents. With Commission funding, the University of Alaska has developed web based training for allied health careers. This distance education model reduces travel, food and lodging costs and allows rural residents to stay at home to

care for their families and jobs, while at the same time, earning essential occupation endorsements.

**To date, the Commission has dedicated more than \$47 million to training efforts – 5% of the Denali Commission resources over the past twelve years.**

## TRAINING ADVISORY COMMITTEE

The Training Advisory Committee (TrAC) is a high level planning group that provides guidance and recommendations to Commission staff, leadership, and Commissioners on policy and strategic planning for the Training Program. In Fiscal Year 2011, The TrAC met two times to ensure all Training Program activities were aligned with the current Denali Commission Work Plan and other ongoing Denali Commission initiatives.

### Training Advisory Committee Members:

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



## *Training Program*

### FISCAL YEAR 2013 TRAINING PROGRAM

#### GOALS:

Fiscal Year 2013 funding amounts are unknown at this time and for this reason, the Commission Work Plan process and program goals will be on hold pending appropriations.

In the meantime, the Training Program plans to continue to advocate and develop job training programs that support the construction, maintenance, and operation of current Denali Commission projects.

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

### PROGRAM PARTNERS

- Alaska Department of Labor and Workforce Development  
<http://labor.state.ak.us>
- Alaska Works Partnership  
[www.alaskaworks.org](http://www.alaskaworks.org)
- Construction Education Foundation Associated General Contractors of Alaska  
[www.agcak.org](http://www.agcak.org)
- First Alaskans Institute  
[www.firstalaskans.org](http://www.firstalaskans.org)
- University of Alaska  
[www.alaska.edu](http://www.alaska.edu)
- U.S. Department of Labor  
[www.dol.gov](http://www.dol.gov)



## Training Program

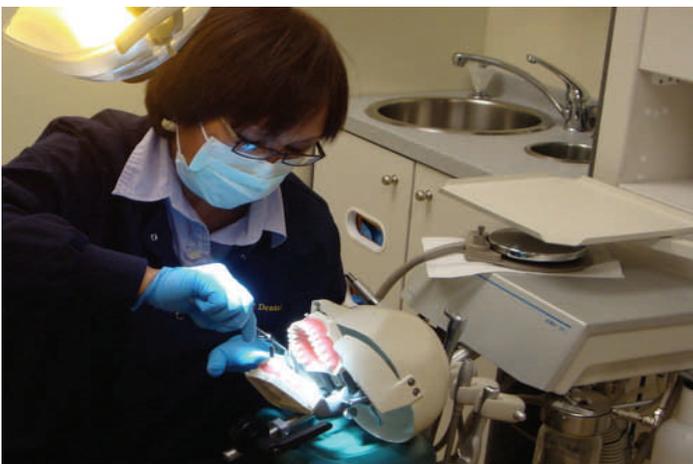
### ALLIED HEALTH PROFESSIONS



The primary mode of health care delivery in rural Alaska communities is provided by Community Health Aides. These thoroughly trained and well qualified lay providers deliver the first line of

clinical care and coordinate the overall healthcare for their community members. This care includes everything from prenatal to geriatrics, trauma and critical care and at times even grief counseling. Over the past decade, the Denali Commission had played a major role in the improvement of rural healthcare delivery in rural Alaska by replacing and or renovating more than 140 dilapidated health clinics. These new and renovated clinics offer better patient privacy and new technology. They also include integrated dental health, behavior health and health education in one facility.

In coordination with the construction of new clinics, the Training Program funded an array of allied health training that was made available through on-line learning or facilitated in-region. Health career training funded by the Commission has included accredited dental health aide, community health aide, medical office/healthcare reimbursement, pharmacy and radiographic and physical therapy assistant. One such in-region training facility is the Yuut Elitnaurviat or “People’s Learning Center” located in Bethel, AK (see map), a Yup’ik village of 6,000 people 40 miles inland from the Bering Sea and 400 air miles west of Anchorage. Bethel serves as the regional hub for all of the 56 villages in the Yukon-Kuskokwim Delta. The Yuut Elitnaurviat learning center is the facility where individuals from these villages come to train in the areas of construction trades, health care, etc. The Yuut Learning center is also home to the much respected and nationally recognized Dental Health Aide Therapist program.



**Training Program**

**CONSTRUCTION TRADES**



Energy costs in Alaska are some of the highest in the nation. Community fuel supplies are limited and expensive. Fuel, the lifeblood of all rural Alaskan communities, is in high demand for vehicles, snow machines, ATV's, homes, as well as, buildings. Currently, alternative and renewable energy systems, like wind, solar, and hydro are being integrated locally into communities to reduce fossil fuel usage and to reduce the cost of living for residents. The Denali Commission's Energy Program plays a major role in these developments and to help facilitate the installation of these new systems appropriate for rural Alaska, the Denali Commission's Training Program has funded training for wind turbine technicians since 2010. This relatively new industry has created over 50 new jobs in rural Alaska in the past five years. In the picture below, students from the Northwestern Alaska Career and Technical Center (NACTEC), a Denali Commission training program partner, stand the first section of a Wind Turbine to be installed in Nome (see map).



**COMMUNITY ADMINISTRATION & FACILITY MAINTENANCE**



The Denali Commission has invested millions in the construction of public facilities (health clinics, housing, power plants, etc.) in hundreds of rural communities. These new facilities owned by rural city and tribal governments, and regional organizations are now being challenged by the high cost of facility operation and maintenance due to high fuel and electricity costs and lack of a skilled labor force to conduct routine maintenance for new and complicated HVAC systems. In Fiscal Year 2011, the Denali Commission set a priority to explore and potentially develop a rural maintenance system that would essentially conduct all maintenance for public buildings in off-road rural communities. This priority was established in Fiscal Year 2011 by Denali Commissioners. Fiscal Year 2012 activities for the Training Program will include further developing this concept of a sustainable maintenance system and work force with existing and new partners with the hope of developing individuals like Harry Jackson. In the picture below Mr. Jackson, power plant operator at the Kwethluk (see map) power plant explains control panel



## *Training Program*

### **MEANS AND STRATEGIES:**

The Training Program is led by one Program Manager. Management of training projects is dually carried out by the Program Manager utilizing program partners to oversee project management functions. The Commission's Training Program has been actively engaged in initiatives that support the construction, operations and management of the Denali Commission's Energy, Health and Transportation programs. Although the Commission's training program continues to prioritize basic construction training that enables local residents to compete for jobs created by the Commission, other areas of workforce development continue to be explored that will strengthen the competency and qualifications of the workforce in rural Alaska.

The Commission, through engagement of its Training Advisory Committee, continues to evaluate how all Commission infrastructure development projects can integrate better with existing training initiatives that will ultimately lead to lowering the high unemployment rate in rural Alaska.



## *Training Program*

### **FISCAL YEAR 2011 PROJECTS**

Funding for the Training Program has traditionally come from two sources:

- ▶ From 1999 to 2003, it was the policy of the Commission to appropriate 10% of Energy and Water base appropriations to the Training program.
- ▶ In 2004, the U.S. Department of Labor (USDOL) began direct appropriations to the Commission to support rural training and continued this support through 2009.

In Fiscal Year 2010, the Commission did not receive training funds from the USDOL, however, Denali Commissioners agreed to appropriate \$1,000,000 from the Energy & Water base appropriations to continue rural training initiatives.

Fiscal Year 2011 was the first year since the program's inception that funding was not allocated to the Training Program be it direct or from base appropriations. Absent new funding, only program partners who have prior year training funds available on existing grants will be able to carry out training activities based on Denali Commission goals and priorities.



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## Section 3

- ◆ Information and Program Evaluation



## ***Information and Program Evaluation***

The Commission will continue to undertake program evaluation efforts in Fiscal Year 2013, while at the same time developing and implementing new evaluation systems for new or emerging programs.

Since its inception in 1998, the Commission has utilized an evaluation methodology in its two primary programs: Energy and Health Facilities. The Commission has worked aggressively to plan, design, equip and construct or renovate health facilities in underserved communities throughout Alaska. Similarly, the Commission and its partners have developed a needs list for bulk fuel tank farms and rural power system upgrades across Alaska. The Commission will continue to make updates to both programs. Specifically, the Health Facilities program will continue to analyze the communities that remain throughout the state with unmet needs. Moreover, staff will evaluate the benefit that has been provided in the areas of cost reduction, improved access to health care and quality of health care services to rural communities that have received new or renovated primary care clinics with Commission funding.

In Fiscal Year 2013 the Commission will continue to evaluate all programs based on program progression and project outputs. However, in light of the current climate of austerity, tight limits on discretionary spending, and the President's challenge to federal agencies to live within their means, the Commission will be issuing its own challenge in Fiscal Year 2013 to program staff and advisory board members. The Commission will be asking those staff and board members to consider how their respective programs can do more with less. Furthermore, the Commission as a whole will be examining how it may better leverage resources with other program and funding partners and perhaps most importantly, how it can better demonstrate programmatic outcome accomplishments.

Historically, only program outputs have been reported by the Commission in various performance and accountability reports and publications. This included for example, the number of clinics built in a given fiscal year. The level of accountability the Commission wants to achieve in Fiscal Year 2013 is to link outputs to outcomes. For example, how is a new clinic improving the overall health status of a community. By linking outputs to outcomes, the Commission can better communicate to its stakeholders the value it provides throughout Alaska. In order to achieve this linkage the Commission will continue to participate in the Association of Government Accountant's (AGA) Certificate of Excellence in Accountability Reporting (CEAR) program. The Commission will also reach out to the Department of Commerce for support in retrospectively analyzing programs that are being sunsetted such as the health, training, solid waste, and various housing programs (teacher, elder, and domestic violence support). Moving forward, the Commission will develop new review criteria for allocating funding to distressed and non-distressed communities consulting in the process with the Appalachian Regional Commission. Finally, the Commission will develop prospective evaluation measures for the Sustainable Rural Communities initiatives discussed in Section 2 Government Coordination in order to determine the overall effectiveness and efficiency of the Commission.



## Section 4

- ◆ Analysis of Resources



## ***Analysis of Resources***

At any given time Denali Commission staff and partners are engaged with several hundred grants and/or projects in various stages of planning, design and construction. Program partners range from sophisticated line agencies to small village-level organizations. The ability to deliver timely, sustainable projects with the right level and type of oversight and guidance, while also being nimble and agile, requires constant attention. Commission leadership emphasizes the paramount importance of public integrity, transparency and accountability. The Commission maintains an aggressive staff training program and uses the latest in grant processing technology through the U.S. Department of Health and Human Services. During 2011 staff received training from the Office of Management & Budget, U.S. Department of Health and Human Services and the Government Accountability Office. To keep staff size at an optimum level, the Commission contracts with other federal “lines of business” at the U.S. Department of the Treasury, Bureau of Public Debt to provide services in the areas of finance, human resources, procurement and travel. In addition, for the advancement of governmental accountability, the Commission relies on a network of federal experts through its Business Board Advisory Committee, which include members from U.S. Treasury, Office of Management and Budget and the Association of Government Accountants.

### ***Grants Management Electronic Processing and Reporting Systems***

The Denali Commission has two electronic web-based systems for Grants Management: GrantSolutions for processing proposed awards and post award amendments and the Commission Project Database for reporting progress on funded awards.

The Commission utilizes GrantSolutions ([www.grantsolutions.gov](http://www.grantsolutions.gov)) to manage the electronic processing of every award from start to finish. The award starts with the posting of announcements of funding opportunities, receipt and review of applications, issuance of funded awards, the generation of post award amendments, to the close out of each award.

The GrantSolutions system provides access to award information based on verified identification of the individual, their job function or role within their organization, and their organization's business relationship with the Commission through their official awards or proposed awards. Individual users and the public do not have access to the GrantSolutions database itself but do have access to awards funded by the Commission in the Commission's Project Database System (see also Commission's Project Database - Electronic Grants Management Reporting System). Grants Management Electronic Processing and Reporting Systems

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## ***Analysis of Resources***

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### ***Travel***

GovTrip, the travel system used by the Denali Commission, is an end-to-end online travel service for federal agencies. GovTrip supports the entire government travel process, which includes planning and authorizing travel, making reservations, delivering electronic tickets, calculating and approving reimbursements, and archiving data. GovTrip increases the number of self-service transactions thus reducing travel-management costs.

### ***Human Resources***

The realm of human resource (HR) management for the federal workforce is complex and large. From position classification to employee benefits to payroll administration, HR tasks demand a level of training and experience that recognizes the personal impacts these services have on Denali Commission employees every day.

The enabling legislation of the Commission exempts the agency from some parts of federal Title 5, affording the management at the Commission uncommon flexibilities in hiring qualified personnel. This has allowed the Commission to continue to be agile and nimble, proactively responding to Alaska's needs and new Federal mandates, while still maintaining a lean federal staff.

To ensure the Commission provides the best HR services to our federal staff, we have engaged the U.S. Treasury's Bureau of the Public Debt (BPD) Administrative Resource Center in Parkersburg, West Virginia, to administer the official human resources duties. BPD has an entire branch of highly educated and trained Human Resources professionals who are available to all staff for consultation and assistance.

### ***Procurement***

When the Denali Commission needs to obtain goods or services required to operate the agency office or programs, we do so under Federal Acquisition Regulations (FAR). This set of regulations embodies the philosophy of the federal government to support, to the degree practical, small and disadvantaged businesses when procuring goods and services. Small businesses are the backbone of the American economy, and the FAR recognizes and implements guidance that encourages contracting with those small businesses. Competitive solicitations among responsible contractors results in the best value to the Government, and that has fostered new and mutually beneficial relationships between businesses and the Commission.

The federal government requires that performance-based work statements be written, to maximize the application of



### ***Analysis of Resources***

the contactor's knowledge and experience in achieving the Government's goals. The Denali Commission has competitively procured goods and services over the past several years which include: program management services, technical assistance services, computer software and hardware, photography services, and graphic design services.

Because the authority to obligate federal funds rests with Contracting Officers, we partner with the U.S. Treasury's Bureau of the Public Debt (BPD) Administrative Resource Center in Parkersburg, West Virginia, which has a procurement branch staffed with highly educated and qualified Contracting professionals.



## Section 5

- ◆ Agency Restructuring & Work Process Design



## *Agency Restructuring and Work Process Design*

### **Agency Restructuring**

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In 2011 as it was initially discussed in Section 2 Summary of Performance, the Commission faced significant adversity in responding to Congress's request to return \$15 million in unobligated funding from prior fiscal years. That adversity was compounded by the loss of almost \$14 million in Federal Highways Administration (FHWA) funding that was transferred to the Alaska Department of Transportation. Throughout 2011 the Commission learned many lessons and these lessons have been a catalyst for the following changes to be completed or implemented in Fiscal Year 2013.

1. Historically, the Commission has been apportioned funding around the third quarter of a federal fiscal year, which it then obligated over the course of the next two to three quarters. Agency culture dictated appropriate project and program due diligence be conducted before and after funding apportionments. Over time, as a consequence, a pattern of obligating funding in following fiscal years became accepted practice. This practice will no longer occur. The Commission in Fiscal Year 2013 will vet projects prior to the apportionment of funding and obligate funding within the fiscal year in question. Traditional program partners, Commissioners, and Commission staff will make adjustments to the new fiscal realities.
2. Commission staff and program partners have been directed by the Federal Co-Chair to continuously review existing grants for projects that are not making satisfactory progress towards completion in order to ascertain the following information: are additional resources needed for project completion, do compelling reasons exist to explain delays, or is there disengaged interest on the part of the grantee? The Commission would like to know the answers to these questions so that they may better assist their grantees and help them be successful. In the event the Commission determines a project or grantee can not be successful, the Commission will explore other avenues for project completion such as project reassignment to an agency that has an interest in seeing the project completed. As a last resort, if no apparent solutions are available for timely project completion the Commission will consider cancelling grants and redirect the remaining grant balances to other purposes.
3. With significant reductions in annual appropriations over the past six years, the Commission and its program partners must consider what the Commission's role will be in light of reduced investment opportunities. In 2011 the Commission held a series of listening sessions throughout Alaska to solicit feedback on this question from its stakeholders. Over and over it was expressed that the Commission can serve as a convener and coordinator of Federal, State and regional agencies to provide technical assistance and resources to small rural Alaskan villages. Navigating the multitude of funding streams, completing necessary planning and design, overcoming construction thresholds and managing day-in and day-out administrative requirements are all obstacles many small city and tribal administrators struggle to overcome. The Commission and its program partners will explore in Fiscal Year 2013 an appropriate role for the Commission as it seeks to address this recommendation from the listening sessions.



## ***Agency Restructuring and Work Process Design***

### **Agency Restructuring (continued)**

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Along with the programmatic changes mentioned previously, the Commission is going through significant change with downsizing staff and office space. In Fiscal Year 2013 the Commission will continue to address and define what is an appropriate staffing level and how much office space is required in order to determine an operating level that allows the Commission to most effectively carry out the functions of the agency given its new role with reduced annual appropriations. As staff depart the agency through attrition, program functions will be absorbed by existing staff. Furthermore, the Commission will develop new personnel policies that include adopting a reduction in force policy. These policies are being developed with assistance from human relations staff at the U.S. Office of Personnel Management (OPM) and Bureau of Public Debt (BPD). Finally, personnel agreements with various non-Federal agencies have been discontinued. New detail assignments will be based on bringing in new team members with skill sets currently not found with existing staff. Additionally, these assignments will be focused on the value and expertise individuals can bring to the Commission in its new role of providing technical assistance to small rural Alaskan villages.



## ***Agency Restructuring and Work Process Design***

### **Work Process Design**

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The Denali Commission has developed a number of policies intended to guide federal funds investment in the most efficient, effective and prudent manner possible, while at the same time maximizing the benefit to Alaskan communities and residents in the areas of infrastructure development, economic development and training and workforce development. These policies have been adopted through various methods including passage via resolution or motion. To-date the Commission has adopted the following policies:

#### ***Investment Guidance***

The Commission is committed to accelerating the building of sustainable infrastructure in rural Alaska to enhance the health and safety of rural residents and to provide the underpinnings for economic opportunity. Commission investments are directed by federal law and the Commission's Annual Work Plan. Infrastructure needs of rural Alaska are enormous compared to available funding, thus it is imperative that each dollar be invested in a way that will maximize the sustainable long term benefits to Alaskans.

#### ***Sustainability***

For the purposes of Commission funded infrastructure projects, sustainability is defined as the ability of a recipient or applicant to demonstrate the capacity, both administratively and financially, to provide for the long-term operation and maintenance (typically a 30 year life cycle) of a facility. This demonstration may include such factors as maintenance costs, fuel/heating costs, staffing/personnel costs, insurance as applicable, bonding, cost escalation factors, etc. Further, sustainability includes all costs associated with management, operation and maintenance, renewal and replacement necessary to maintain a given level of service.

#### ***Community Planning***

The Commission recognizes the importance of a community plan in the community development process. The plan demonstrates the community's goals and ability to focus on future initiatives. The Commission requires communities to provide a copy of their current community plan when submitting funding requests. The reason for this request is two-fold: 1) the plan provides a current economic, social, and infrastructure summary of a community and 2) the plan provides a prioritized list of projects for which the community is seeking funding assistance. The plan also explains how the community intends to sustain its existing infrastructure as well as any additional infrastructure. In general, any infrastructure projects identified for funding from the Commission should also appear as a prioritized infrastructure goal, or initiative in the community plan submitted by the applicant community.

#### ***Open Door***

The Commission requires that any funded infrastructure project be available to all potential users. This requirement may be documented in varying forms in Commission programs (for example, commitment to the open door policy is a component of the clinic business plan process).



## ***Agency Restructuring and Work Process Design***

### **Work Process Design (continued)**

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#### ***Private Enterprise***

In general, the Commission will support private enterprise where it is functioning or can function efficiently and adequately to meet the needs of all members of the local community. Where private enterprise is inadequate or non-existent to achieve this purpose, consideration must be given to providing these services through other means. The Commission will not support the replacement of new structures for a publicly funded service to compete with services delivered by private enterprise as long as those services are:

- ▶ *Accessible to all members of a community including temporary members;*
- ▶ *Reasonably priced when compared to comparable communities;*
- ▶ *Predictably available and sustainable for the long term.*

#### ***Competitive Bid***

Any infrastructure project funded by the Denali Commission with a total project cost (to include the planning, design and construction phases) of \$3 million or greater shall be competitively bid. A waiver to this policy may be granted if an applicant demonstrates that it is in the best economic, cultural or social interest of a community or region to not competitively bid a project. The waiver request must document the benefit to the federal government (in the form of cost savings, job creation, etc.) and the community and/or region of not utilizing a competitive bid process. Key considerations for reviewing the waiver request will include cost, local preference, career training, opportunities for local hire, and local economic impact.

#### ***Cost Containment***

The Denali Commission is committed to both internal and external cost containment for all of its programs. All Commission projects are to be sustainable and that requires examining projects on a life-cycle cost basis in the context of the community's long-term development plan. The tradeoffs between initial costs of construction and long-term operating and maintenance costs must seek to minimize the true life cycle costs of the project. The Commission requires cost effective designs, need specific designs, competitive procurement, effective project management, and maximization of cost benefit via project selection.

As the Commission's role continues to evolve it is expected that the policies mentioned previously will continue to be revisited for evaluation..



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## Section 6

- ◆ Ensuring Information is Publically Available



### ***Ensuring Information is Publically Available***

The Denali Commission's on-line project database ([www.denali.gov/dcpdb](http://www.denali.gov/dcpdb)) continues to be a transparent tool through which the Commission communicates performance to our constituents. Displaying information on every project the Commission has ever funded, this database displays funded amounts, expended amounts, narrative progress reports and photos of projects. In the end, the effectiveness of the Commission is measured in the number of lives that are improved as a result of the taxpayers' investment in a particular program.

Commission results can also be found in our Performance Accountability Report (PAR). For three years the Commission has participated in the Certified of Excellence in Accountability Reporting (CEAR) program of the Association of Government Accountants (AGA), which allows individuals with high levels of federal financial and performance expertise to examine our PAR report with objectivity. Voluntarily submitting our PAR to this scrutiny has produced results that have been used to strengthen our report.

The Commission also stepped forward as one of the agencies to enroll in the PAR Pilot program sponsored by the Office of Management and Budget. Our experience as a small agency contributes to enhancing the PAR program. The PAR represents the most comprehensive account of Commission results; however, the report format can be technical and bureaucratic in nature. Enhancing that report, the Commission has also produced the Association of Government Accountants "Citizens-Centric Report". This report provides an overview of the Commission in a meaningful, reader friendly format highlighting the financial condition and performance of the agency to its constituents.



Denali Commission Budget Justification 2013.

*Anchorage, AK., January 2012*

**Denali Commission**

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