

- Infrastructure:
  - Housing Construction/Development
  - Multi-use Facilities
  - Power Utilities
  - Fuel Storage
  - Drinking Water and Waste Water Facilities
  - Solid Waste Management Facilities
  - Health Care Facilities
  - Airport Facilities
  - Road and Trail Construction
  - Port, Dock and other Marine Facilities
  - Telecommunications
  - Community Facilities
- Economic Development:
  - Comprehensive Planning
  - Job Training, Education, Capacity Building:
    - Comprehensive Planning

In Fiscal Year 2004, the Denali Commission will continue to collaborate with other funding agencies and with all impacted and interested parties to address identified needs on a priority

basis. Allocation of Denali Commission funds to various funding categories and classes within those categories will be based on a formula agreed to by the Commission at the beginning of each fiscal year.

For FY04 the formula allocates 85% of general appropriated funds to Power, Health and related infrastructure and up to 10% to job training. The Commission has a statutory limit of 5% for administrative expenses.

In addition to FY04 appropriated funds, the Commission expects to receive approximately \$3 million in interest from the Trans Alaska Pipeline Liability (TAPL) fund in FY04, which is earmarked for bulk fuel facility upgrade and maintenance.

The Commission may receive other special purpose funding from Congressional appropriations such as dedicated training funding from the U.S. Department of Labor pursuant to authorization received in FY03.

#### *Prioritization of Projects for FY 2004*

Of necessity, the Commission's work must be phased over a number of years based on the urgency of competing needs and availability of funding. The theme of rural energy, as one important prerequisite to all other utilities and economic development, was selected as the Commission's top priority for infrastructure funding. Primary health care facilities were identified as the second infrastructure theme for the Commission beginning in FY00. These two themes will continue to be the top priorities for infrastructure funds through FY04, and the Commission, consistent with Congressional intent, may add one or more additional themes.

For planning purposes, the Commission has allocated \$12,500,000 using the Commission's approved formula for FY04.

FY04 work plan projection	FY04 projected funding	TAPL interest funds	TAPL and FY04 combined
Bulk Fuel .....	\$2,375,000	\$2,700,000	\$5,075,000
Power Generation .....	1,979,167	.....	1,979,167
Health Clinics .....	2,770,833	.....	2,770,833
Other Infrastructure .....	950,000	.....	950,000
Training .....	950,000	.....	950,000
Subtotal .....	9,025,000	2,700,000	11,725,000
Administration* .....	475,000	300,000	775,000
Total .....	9,500,000	3,000,000	12,500,000

\* Administration: Figure used reflects 5% ceiling, not actual overhead cost. This includes future salary obligations, directed studies, independent audits, and project support.

In accordance with the Denali Commission Code, Administrative funds (5%) are solely the responsibility of the Federal Co-Chair. Allocation of the balance of funds (95%) will be made by the full Denali Commission, utilizing the guiding principles previously outlined in this document, and priority systems designed specifically for each budget category.

Project implementation will generally be accomplished through state, local or federal government entities, regulated utilities, or non-profit organizations. It shall be the responsibility of all such implementing organizations to comply with all applicable laws. Any special requirements will be articulated in the funding agreement between the Denali Commission and the funding recipient. The MOU will serve to guide intergovernmental coordination and collaboration among agencies.

As indicated above, 85% of Denali Commission base funds are designated for priority infrastructure focus areas and those funds are distributed using

priority systems designed for each area and following the Denali Commission Investment Strategy guidance. Concurrently the Commission encourages communities and regional entities to complete comprehensive community and economic development plans. Priority systems for focus areas selected for funding by the Commission give credit to communities with current comprehensive plans.

Projects resulting from funding of infrastructure themes generally are consistent with high priorities identified in community plans. The existence of community plans greatly facilitates the location, design, and completion of infrastructure projects within a community. The Commission also participates in the organization and execution of regional "funding summits." These summits, which are held throughout the State, bring key state and federal agencies together with communities and regional organizations for the purpose of matching needs identified in community and regional

comprehensive plans with federal, state and other available funding.

#### *Performance Indicators for FY 2004*

##### *Energy*

- Reduce the backlog of non-compliant bulk fuel storage facilities in rural Alaska by renovating or building a bulk fuel storage facility in 1 community.

- Increase the reliability, efficiency and sustainability of power generation and/or transmission by renovating or building a power facility in 1 community.

##### *Health Care*

- Complete construction or renovation of primary health care facilities in 2 communities.

##### *Training*

- Increase the number of local area residents trained on construction, operations and maintenance of Denali Commission-funded physical infrastructure in Alaska by 5%.