

and the goal of transparency and accountability.

#### *Budget and Performance Integration*

The Denali Commission, by legislation, is limited to 5% overhead/administrative rate. So, 95% of our funds go into making progress toward our 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.

Denali Commission has set in motion the tools to assist the staff in measuring performance—the Project Database and a new accounting system (under development).

We require our grantees to establish and meet milestones, and we publish those on the Project Database. We set goals at an agency level for construction projects reaching completion each year. That is the bottom line that will improve the lives of the residents of Alaska. And we set internal benchmarks for the quality and efficiency of services provided to our customers. That keeps the Denali Commission staff on track in prioritizing individuals' work time. We

measure ourselves against these standards constantly and check on them as a team once a month.

#### **Strategic Plan—2005–2009**

##### *Challenges to Development and Economic Self-Sufficiency in Alaska*

*Geography/Climate*—The State of Alaska encompasses twenty percent of the landmass of the United States, encompassing five (5) climatic zones from the arctic to moderate rain forests in the south.

*Isolation*—Approximately 220 Alaskan communities are accessible only by air or small boat. Some village communities are separated by hundreds of miles from the nearest regional hub community or urban center. The average community is over 1,000 miles from the state capital.

*Unemployment*—The economy of rural Alaska is a mix of government or government-funded jobs, natural resource extraction and traditional Native subsistence activities. Many rural Alaskans depend on subsistence hunting, fishing and gathering for a significant portion of their foods, but also depend on cash income to provide the means to pursue subsistence

activities. Cash paying employment opportunities in rural Alaska are scarce and are highly seasonal in many areas; unemployment rates exceed 50% in 147 communities.

*High Cost and Low Standard of Living*—Over 180 communities suffer from inadequate sanitation or a lack of safe drinking water. Residents face high electric costs: 61 cents per kilowatt-hour for electricity in a few communities (average in rural Alaska is approximately 40 cents per kilowatt-hour which is over 6 times the National average of 6.75 cents) even with State subsidies.

The Commission determined that the scope and scale of infrastructure issues facing rural Alaska are staggering. Assessment of needs and refinement of estimates will be an ongoing process. The total of known infrastructure needs is estimated to be over \$13 billion. Training and economic development needs have not been quantified, but the unmet needs in these areas are also believed to be quite large. Consequently, it is imperative that efforts to address the most essential needs be both focused and strategic.

Funding category	Category/Class	Needs (\$)	Total (\$)
Infrastructure .....	Housing Construction/Development .....	1,800,000,000	.....
	Power Utilities .....	300,800,000	.....
	Fuel Storage .....	362,500,000	.....
	Drinking Water and Waste Water Facilities .....	650,000,000	.....
	Solid Waste Management Facilities .....	<sup>1</sup>	.....
	Health Care Facilities .....	481,000,000	.....
	Airport Facilities .....	1,300,000,000	.....
	Road Construction .....	8,600,000,000	.....
	Port Facilities .....	300,000,000	.....
	Telecommunications .....	( <sup>1</sup> )	.....
	Community Facilities .....	( <sup>1</sup> )	.....
	Other .....	( <sup>1</sup> )	.....
	Subtotal .....	.....	13,794,300,000
Economic Development .....	Comprehensive Planning .....	( <sup>1</sup> )	.....
Job Training, Education, Capacity Building .....	Other .....	( <sup>1</sup> )	.....
	Comprehensive Planning .....	( <sup>1</sup> )	.....
	Other .....	( <sup>1</sup> )	.....
Total .....		.....	13,794,300,000

<sup>1</sup> Unknown.

#### *Goals, Objectives and Key Activities*

##### **Goal # 1**

All Alaska, no matter how isolated, will have the physical infrastructure necessary to protect health and safety and to support self-sustaining economic development.

##### *Objectives*

1. Energy facilities (bulk fuel storage, power generation and transmission) will

be constructed and upgraded at a significantly accelerated pace.

2. All Alaskans will have reasonable access to primary health care services.

3. All Alaskans will have safe drinking water and sanitary waste disposal systems.

4. All Alaskans will have reasonable access to telecommunication services comparable to those available in major urban centers at comparable costs.

5. Construction of other basic physical infrastructure including but not limited

to roads, ports, airports, and community facilities will be accelerated on a priority basis.

##### *Key Activities to Achieve Goals and Objectives*

- Complete a statewide energy strategy to clearly identify needs and set priorities for completion of bulk fuel storage facilities, power generation facilities including innovative and alternative facilities and power transmission facilities. The strategy will