

key actions necessary to achieve this goal.

- The Denali Commission will actively engage the Alaska Federal Executives Association, consistent with its charter, as a means to achieve this goal.

- The Denali Commission will seek the guidance and assistance of the State Co-Chair as he/she works with the Governor's cabinet to assist in meeting these goals and objectives.

- Agreements with Denali Commission program implementation partners will be negotiated to achieve the minimum practicable overhead rates.

#### *Performance Indicators*

- Administrative expenses of Denali Commission will be 5% or less.

- Denali Commission partners will be held to the lowest reasonable overhead costs needed to complete projects.

- An MOU will be reviewed annually, and updated as necessary to memorialize the commitment of federal and state agencies to this goal.

- Progress in meeting these goals and objectives will be documented annually.

#### *Implementation Guiding Principles*

- Projects must be sustainable. To assist with the implementation of this principle, an *Investment Strategy* has been drafted to ensure that the level of funding provided by the Denali Commission to infrastructure projects in small, declining and/or environmentally threatened communities serves a public purpose and is invested in the most conscientious and sustainable manner possible. (The *Investment Strategy* is now available on the Denali Commission website for *public review and comment*.)

- The Denali Commission will generally not select individual projects for funding nor manage individual projects, but will work through existing state, federal or other appropriate organizations to accomplish its mission.

- Projects in economically distressed communities will have priority for Denali Commission assistance.

- Projects should be compatible with local cultures and values.

- Projects that provide substantial health and safety benefit, and/or enhance traditional community values, will generally receive priority over those that provide more narrow benefits.

- Projects should be community-based and regionally supported.

- Projects should have broad public involvement and support. Evidence of support might include endorsement by affected local government councils (municipal, Tribal, IRA, etc.),

participation by local governments in planning and overseeing work, and local cost sharing on an "ability to pay" basis.

- Priority will generally be given to projects with substantial cost sharing.

- Priority will generally be given to projects with a demonstrated commitment to local hire.

- Denali Commission funds may supplement existing funding, but will not replace existing federal, state, local government, or private funding.

- The Denali Commission will give priority to funding needs that are most clearly a federal responsibility.

- Denali Commission funds will not be used to create unfair competition with private enterprise.

#### *Additional Guiding Principles for Infrastructure*

- A project should be consistent with a comprehensive community or regional plan.

- Any organization seeking funding assistance must have a demonstrated commitment to operation and maintenance of the facility for its design life. This commitment would normally include an institutional structure to levy and collect user fees if necessary, to account for and manage financial resources, and having trained and certified personnel necessary to operate and maintain the facility.

#### *Additional Guiding Principles for Economic Development*

- Priority will be given to projects that enhance employment in high unemployment areas of the State (economically distressed), with emphasis on sustainable, long-term local jobs or career opportunities.

- Projects should be consistent with statewide or regional plans.

- The Denali Commission may fund demonstration projects that are not a part of a regional or statewide economic development plan if such projects have significant potential to contribute to economic development.

#### *Additional Guiding Principles for Training*

- Training should increase the skills and knowledge of local residents to become employed on jobs created by the Denali Commission's investment in public facilities in a community.

- In order to protect the federal investment, training should increase the local capacity to operate and maintain Denali Commission funded public infrastructure.

#### *Intergovernmental Coordination—The Memorandum of Understanding*

The Denali Commission Act recognizes that our mission can only be

accomplished through a collaborative, coordinated effort by the State of Alaska and key federal agencies. The State of Alaska also recognizes benefits can be furthered if State agencies work in a collaborative and coordinated effort. With this in mind, Denali Commission has drawn up a Memorandum of Understanding (MOU), which more than 20 agencies have agreed to, that outlines some points of agreement that will facilitate the collaboration and coordination necessary for achievement of the purposes of the Denali Commission and related missions of agencies who are parties to the MOU.

The points of the MOU Are—

- *Sustainability.* Federal and State agencies recognize the importance of utilizing sustainability principles when investing in public infrastructure projects.

- *Regional Strategies.* Systematic planning and coordination on a local, regional and statewide basis are necessary to achieve the most effective results from investment in infrastructure, economic development, and training.

- *Community Plans.* A single community strategic plan should be sufficient to identify and establish the priorities of each rural community.

- *Sharing Information.* Sharing information increases efficiencies and decreases duplication of services by State and Federal agencies.

- *Economic Development.* Economic development facilitates and supports the growth of self-sufficient communities.

- *Non-Profit Organizations and Other Community Organizations.* Non-profit and other organizations in Alaska are a valuable resource for State and Federal Agencies. They provide regional planning, program support and partnering opportunities.

- *Workforce Development (Vocational and Career Training).* Workforce development is a critical component to building sustainable public infrastructure and self-sufficient communities in Alaska.

#### **Appendix A: Needs Assessment Supporting Information**

##### *Power Utilities*

*Need:* \$300.8 million  
*Annual Funding:* Denali Commission to establish.

*Source:* AEA Assessment, 2000.

*Background:* 178 communities were surveyed by the Alaska Energy Authority (AEA) which was completed in 2000. The total need for power utilities which includes power plant