



DENALI COMMISSION

Memorandum

For: Office of Management and Budget

From: Denali Commission

Re: Agency Equity Plan in response to EO 13985

Agency Name: Denali Commission

Date of agency head review: January 19, 2021

Primary point of contact: John Whittington, General Counsel, 907-271-1640,
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Executive Summary:

The Denali Commission is an independent federal agency created in 1998 focused on critical community infrastructure and the economic development of rural Alaskan communities. The focus on rural Alaska was needed because rural Alaska communities suffer from persistent levels of poverty and are lacking in some of the most basic community infrastructure. The Commission is led by seven Commissioners. The Federal Co-Chair is the head of the agency and is one of the seven Commissioners. The other six commissioners are appointed by the Secretary of Commerce and are leaders of other Alaskan-based organizations. The Commissioners meet a minimum of twice a year to establish agency priorities by creating a workplan that allocates Commission funding to various program areas.

The Commission reviewed its programs and determined that the Commission has consistently allocated a minimum of 75% of its funds to economically distressed communities and 46% to majority Alaska Native communities with most years being higher. However, the Commission's review of its programs also revealed that for many program areas the Commission's application process was opaque and needed revision to improve transparency.

The Commission's intends to remedy this issue by utilizing a "Unified Notice of Funding Opportunity" (Unified NOFO) process to complement existing funding processes. The Unified NOFO will include all the Workplan program categories (Energy, Bulk Fuel, Village

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Infrastructure Protection, Transportation, Sanitation, Health Facilities, Housing, Broadband and Workforce Development) with program specific selection criteria which will be used to evaluate funding applications. The Unified NOFO will remove barriers to accessing Commission funding by making the process clear and easy to understand. Furthermore, the Commission intends to reduce the amount of paperwork associated with funding applications requiring only the minimum amount of paperwork required so that the Commission can review the proposed project and assess risk. The combination of clear and streamlined process will make it easier for communities to assess Commission funds.

Summary of Accomplishments:

The Denali Commission works with State of Alaska Department of Labor to assess communities to determine which are most economically distressed. The most recent Distressed Communities report can be found at [2021DistressedCommunities.pdf](#). In determining whether a community is distressed the Commission considers three criteria, Average Market Income, Percent of Residents Earning less than \$21,195 and Percent of Residents Working all Four Quarters. Any location that meets two of the three criteria is considered distressed. The linked report includes a more detailed description of the criteria and process.

The amounts vary from year to year, but the overwhelming percentage of Commission funds are invested in distressed communities. The following chart provides the last four years of data:

Fiscal Year	Percentage obligated to Distressed Communities
2017	100%
2018	97.61%
2019	82.03%
2020	88.51%
2021	75.5%

While the Commission has tracked its investments in economically distressed communities for many years, the Commission has not tracked its investments in communities by underserved racial groups. However, by focusing on rural Alaskan communities the Commission has also invested in communities with significant numbers of Alaska Natives.

According to the US Census Alaska Natives composed 15.6% of the overall Alaska population. The Commission has used data from the State of Alaska to review its investments in FY 2017- FY 2020 as follows:

Fiscal Year	Percentage obligated in communities with greater than 30% Alaska Natives	Percentage obligated in communities with greater than 50% Alaska Natives
2017	100%	100%
2018	95.9%	93.9%

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2019	94.9%	94.9%
2020	92.6%	82.4%
2021	67.9%	46.2%

The Commission intends to continue collecting data on its investments in Alaskan Native communities. It is important to note that the Commission’s high investments in distressed communities and Alaskan Native communities happened without the establishment of any specific metric or arbitrary goal. The entire focus of the Commission is addressing the needs of rural Alaska with an emphasis on assisting the most distressed communities resulting in the above numbers. The Commission will continue to collect this data for reporting and analysis but does not intend to make any other use of the data. The Commission does note that its FY 21 investments in distressed communities and Alaska Native communities are lower than historical averages. The Commission intends to review its FY 21 awards to determine if any further change is needed.

Equity Action Plan:

Barrier: Lack of a clear process describing how to access Commission funding.

Some of the Commission funding is administered using an established needs-based system (Energy, Bulk Fuel, Village Infrastructure Protection, and Sanitation) however, even in these program areas there are typically funds remaining which will be available through the NOFO process. Other Commission programs follow no established application process. The Unified NOFO will remedy this. The Unified NOFO will include all program areas in the annual workplan. Each program area will have a separate section detailing the eligibility and selection criteria for that program making it clear how applications will be evaluated. This change will make it clear to rural Alaskan communities how to apply for Commission funding and what criteria will be utilized in the evaluation process. The Commission believes this greater transparency will increase the number of applications in total and will also increase the number of communities applying for funding. The Commission will track the total number of applications and the communities applying for funding to evaluate this process.

Barrier: Standard federal NOFO processes often conflict with subsistence activities critical to rural Alaskan communities.

The Unified NOFO will be open for applications year-round with periodic reviews of applications taking place by Commission staff. The NOFO will indicate how often these reviews will take place but will likely be no less than quarterly. The year-round application process is important for rural Alaskan communities because it allows communities to work around their subsistence activities and ensures they will never miss an application deadline. The Commission expects this change will increase the number of applications and the Commission will track the total number of applications to determine the success of this change.

Barrier: Many rural Alaskan communities have poor broadband connectivity making electronic submissions difficult.

The Unified NOFO will be available for both electronic and hardcopy submittals. Broadband access in rural Alaska is often very poor and unreliable. It is important to offer the option of hardcopy submittals to rural Alaskan communities to ensure access to Commission programs. The Commission expects this change will increase the number of applications and the Commission will track the total number of applications to determine the success of this change.

Barrier: Many communities find the typical federal application for grant funding to be overly burdensome and difficult.

Responding to the Commission NOFO is intended to be a simple process. Applicants are instructed to provide enough information to determine their eligibility, points of contact, and describe their project with enough detail to understand the scope, schedule, and budget.

The application will be emailed or mailed directly to the Commission for evaluation, limiting the burdens of signing up for an account on www.grants.gov or other web-based mechanisms.

Stakeholder engagement: The Commission intends to submit this plan to its commissioners for their review and also provide a public comment period of thirty days. The Commission may adjust this plan depending on the comments received.

v/r

Garrett Boyle
Federal Co-Chair
Denali Commission