

**DENALI COMMISSION
COMMISSIONERS' MEETING**

November 29, 2021

Taken via:

Via Zoom Web Conference
Anchorage, Alaska

COMMISSIONERS:

Commissioner Garrett Boyle, Federal Co-Chair, Denali Commission
Commissioner Nils Andreassen, Alaska Municipal League
Commissioner Tyson Gallagher, State of Alaska
Commissioner Joelle Hall, Alaska State AFL-CIO
Commissioner Julie Kitka, Alaska Federation of Natives
Commissioner Pat Pitney, University of Alaska
Commissioner Alicia Siira, Alaska General Contractors of Alaska

OTHERS PRESENT:

Janet Davis, Denali Commission Grants Officer
Jocelyn Fenton, Denali Commission Director of Programs
Erik Obrien, Denali Commission Program Manager
Kristin Reardon, Denali Commission Program Manager
Anne Stanislawski, Denali Commission Administrative Officer
John Whittington, Denali Commission General Counsel

Agenda Item 1: Call to Order

Federal Co-Chair Garrett Boyle called the meeting to order at 4:11 p.m.

Agenda Item 2: Roll Call

This item not addressed.

Agenda Item 3: General Discussion

Federal Co-Chair Boyle welcomed the Commissioners to the meeting to discuss the allocation of upcoming funding. Jocelyn Fenton will become the of Director of Programs as Tom Wolf is retiring. General Counsel John Whittington is present to help answer questions. Authority is requested to retain 5 percent of the funding, or \$3.75 million, to cover administrative costs over the next five years, as well as \$375,000 for the Office of the Inspector General to ensure that he can complete his work.

Commissioner Gallagher agreed that money should be set aside for administrative purposes to keep staff working.

Commissioner Pitney asked for clarification on the timing of the funding and whether there were any constraints on the funds.

Federal Co-Chair Boyle said there were very few constraints on the funding, which is no-year funds and can be expended at any time within the Commission's statutory purview.

Commissioner Pitney asked if there was a Denali Commission Strategic Plan available for guidance or if it needed to be updated.

Federal Co-Chair Boyle said the current Denali Commission Strategic Plan was drafted in 2016 and was currently being rewritten and updated.

Ms. Fenton referenced the previously approved Work Plan where contingencies were made in case excess funding was received by the Denali Commission. Excess funding was directed to Workforce Development, which had not been funded over the last few years. Workforce Development is a program that trains people in rural Alaska to build and maintain projects.

Mr. Whittington said the last Work Plan allocated \$15 million to projects, as well as \$2 million for Workforce Development, \$250,000 for broadband, and \$5 million for the Village Infrastructure Program, which assists communities in dealing with permafrost degradation, flooding, erosion, and other threats.

Ms. Fenton said the Denali Commission anticipated receiving more money from the Build Back Better Initiative for broadband. The question is whether \$2 million is enough to train the people who would be needed to install, maintain, and build the broadband projects.

Commissioner Gallagher said the State of Alaska was looking at whether they would have a sufficient workforce to build broadband projects. Broadband is an \$8 to \$10 billion industry a year nationwide and this bill has \$60 billion in it for broadband. We do not have a system in place, so it would be beneficial to come up with a good plan for the money. We should invest excess money in Workforce Development because we have a great workforce and there will be a lot of work. We should look at the annual appropriation, as well as one-time monies, and discuss how it should be divided between actual projects and training the workforce.

Federal Co-Chair Boyle said he thought the FY22 Work Plan allocated \$700,000 to Workforce Development. One idea would be for the Commissioners to add \$2 million, plus \$700,000 a year in subsequent years, to Workforce Development.

Commissioner Pitney asked for clarification on the program that prioritizes and puts the money allocated to Workforce Development on the streets.

Ms. Fenton said \$700,000 was allocated to Workforce and Economic Development, as well as \$375,000 allocated to Energy and Bulk Fuel Facility operator training.

Mr. O'Brien said the Denali Commission does outreach with entities like the University of

Alaska, AVTEC, and others. Funding is driven by applicants and their programs. Bulk fuel, a legacy program managed by Tom Wolf, is a set aside and is formulaic in how it moves forward, but the others are not. Staff networks with potential applicants and service providers to look for gaps and then searches for mechanisms to fund their programs. There are often gaps that prevent good programs from going forward, particularly in rural Alaska, and that is what we focus on.

Commissioner Hall asked if people who met the criteria for funding but was denied direct funding in Build Back Better in the Infrastructure Bill could request funding from the Denali Commission.

Federal Co-Chair Boyle said the Denali Commission had a lot of flexibility, and he saw no reason why the Denali Commission could not consider projects denied direct funding in the Infrastructure Bill.

Commissioner Hall said the National AFL-CIO was looking at projects that had labor participation requirements. There are projects on the list that were denied funding that are very cool and fit squarely in the Denali Commission's lane, especially in Arctic construction, cold climate housing, and Arctic buildings. She wondered what 8(a) companies that would bid on the construction projects, what their supply chain might look like, and how they could house the people needed to build and maintain projects like the one proposed for Saint Paul. She felt it was likely the Denali Commission would be asked to fund some of those projects.

Commissioner Pitney wondered if it made sense for the Denali Commission to develop a value or principal statement outlining their interests in structuring jobs and training to ensuring that the local workforce was utilized and find service providers who were willing to enter a community versus moving people into the training provider.

Commissioner Hall said it was her understanding that there was an existing preference for local hire in either the standards or the bids. The year-round work, and some of the work done in the past like leaky underground storage tanks or healthcare facilities, are one-and-done projects where hot-shot crews build the project, but the person remaining on site is someone like a CNA who is not a construction worker. For rural Alaska broadband projects, there would likely be a construction team and then other craftsmen who maintained the project and would need training.

Commissioner Siira said the Denali Commission has gone through a lot of changes in the last few years. We need to allow for flexibility when it comes to training. While we want to get the biggest bang for our buck, we don't want to train people for one-time project or jobs that are not going to exist in the future.

Commissioner Gallagher referenced the purpose and vision statements. He questioned if the intent of Workforce Development was to have people who were ready, fit, and willing to build projects; if it was broader than the Denali Commission's scope and was to ensure that there was a workforce in place, along with the added benefits of having a trained workforce, as priority areas that the Denali Commission wanted to focus on; or if it was a core tenant of what the Denali Commission wanted to do with the funding. Having a workforce available to support construction activities may inform how much we allocate to an area and what we need to do.

Federal Co-Chair Boyle said they could figure out exactly what they were going to do with the funding and train a workforce to build projects in rural Alaska to keep people employed for years to come, but that would require a long-term strategic vision, which they were not prepared to discuss at this meeting.

Commissioner Gallagher said the Denali Commission was a reputable agency that was known for getting projects done expeditiously in rural and smaller communities. State agencies like the Department of Transportation do a great job with big programs that are data driven, but smaller outlying projects take a long time to move through the STIP. It would be great to have projects constructed in rural communities and people working in these communities. It would also be great to facilitate investments through the Denali Commission's ability to get smaller and medium-sized projects done quickly.

Commissioner Andreassen said he was not prepared to make decisions today. He felt the most exciting thing about the \$75 million was it forced the discussion of strategic investments that the Denali Commission wanted to make given the billions of dollars coming into the state. He would prefer to have a better grasp of the gaps and needs in rural communities before decisions were made. Until there is a demand to respond to, he did not believe they should be making decisions about where the money would be allocated. We should be patient as more information comes forward. He would love to see the Denali Commission be a partner, a convener, and a collaborator to ensure the billions of dollars increased into more billions of dollars and have the Denali Commission facilitate as much as possible without making commitments too early.

Federal Co-Chair Boyle said this was a preliminary discussion and he did not expect decisions to be made today. If the Build Back Better Reconciliation Act comes through, we may receive even more money. He questioned if the Commission wanted to focus on where the gaps were. Another idea is the Denali Commission could be the entity that provides money to funded projects that have a matching fund requirement.

Commissioner Pitney said she liked the idea of leveraging, as well as looking at areas that only could be done by the Denali Commission. For example, what can the Denali Commission do with renewable energy from a leveraging standpoint versus just renewable energy projects. She wondered if there was a way to position the Denali Commission to be the tipping point to move projects from pretty good to over the top and what resources were needed to identify dozens of projects and then find funding from other multiple sources.

Commissioner Hall suggested convening a summit between all the entities to discuss budgets, workforce, and other issues after the budget issues were finalized. When choosing projects, the State works from the top of the list. The Denali Commission could work from the bottom of the list. The summit could be held via email over a couple of years, but if the Reconciliation Act goes forward, more money will be awarded in the next few months. The Denali Commission used to do a lot of technical assistance. In the summertime, we could bring everyone together to discuss how we can use all the different pots of money to complete the most projects.

Federal Co-Chair Boyle said it would be easy to work with the State, but it is more difficult

when there are dozens of grant programs over the next five years and people do not know what projects they will be doing in fiscal year 2026. By the time some of the federal agencies put their grant money on the streets, do their regulations, and everything else, it could take six months. He suggested talking with the State in a couple of months after they wrap their heads around things. In another six months, we could put out a general call across the state to let agencies know that if they get grants and need matching funds, the Denali Commission can help. That would be an interim process over the course of years and not just in a few meetings.

Commissioner Gallagher said the Governor asked him to make sure the state agencies were available to work collaboratively with the Denali Commission. The Denali Commission is a unique entity with a unique set of rules and compliances, and we should try to leverage that as much as possible. We have agencies who deliver programs, but the Denali Commission may be able to do the work more expeditiously.

(Zoom meeting disconnected due to reaching 30-minute limit on the Denali Commission's free Zoom account. Meeting continues offline as new Zoom meeting is being setup.)

Commissioner Kitka said there were many resources and national formulas, as well as a lack of understanding on the national level of what is going on in Alaska, what is unique, and what we need to make projects or programs work. For coordination, especially with broadband, there needs to be a structure in place for the State, the Denali Commission, and Native communities sitting at the table to talk about plans and projects. It would be worthwhile for the State or the Denali Commission to setup the coordination because different entities are eligible for different pots of money. Coordination is important if we are going to stretch the funding out as far as possible. The Denali Commission set the stage for allocating added resources in the previous Work Plan. The Denali Commission also has the ability to receive end-of-year money from agencies who do not expend all their money. As we get closer to June 30th, there may be a ton of year-end money available. If we have a wide arrange of programs available, it will be easier for us to sweep money from other federal agencies at the end of their fiscal year.

Federal Co-Chair Boyle said it sounded like what was in the Work Plan previously to allocate money was guidance that could be built on. We could have further conversations about whether we want to focus the Workforce Development money on specific line items or specific types of training programs to ensure that the demands of the workforce can be met over the next five years. And then we could have another conversation about how best to work with the State and leverage funding, as well as hosting a forum or putting out a notice asking people to come before the Denali Commission and present their proposed projects so we can consider using matching funds to leverage projects.

Commissioner Gallagher thought that sounded like a good path forward. The State has a number of systems in place to where they can receive capital budget requests or perspective requests from various entities. A worthwhile process would be to have the Denali Commission invite people to put their ideas on the table so we can all talk about it.

Federal Co-Chair Boyle said there used to be a portable on the Denali Commission's website for sharing ideas, but he was not sure if it was still active. We can set something up and publicize it

so people know they can come to the Denali Commission with their projects.

Commissioner Hall said she did not fully follow what Commissioner Kitka was saying related to sweeping year-end money. It would be a really important thing to do if she was saying that other people could give the Denali Commission the money that they did not spend by year end. If people are looking to move money into state with large travel populations, Alaska would meet that prospectus, but maybe not in a timely way. The Denali Commission should definitely put out their flag and let people know that donations would be accepted.

Federal Co-Chair Boyle said the Denali Commission has the statutory authority to accept money transfers from other agencies, and it eliminates all the prior requirements attached to the funds. The challenge is getting agencies to recognize that we have that authority. Federal agencies like to hold onto their money and not give it to other agencies, but we are working on getting that message out.

Commissioner Kitka said she and the Governor sent out joint letters at the end of the last fiscal year targeting specific agencies. Once the money comes to the Denali Commission, it becomes no-end year money and can be used past the statutory deadlines.

Commissioner Pitney suggested that the Denali Commission could focus on projects that have some alignment with the agencies they targeted.

Commissioner Kitka discussed an initiative called Justice 40 through the Office of Management and Budget (OMB). The program was part of the Biden campaign, but we thought it was just campaign rhetoric. When Justice 40 was rolled out, it contained government guidance that said 40 percent of federal resources under the Biden Administration should be targeted to lifting people out of poverty. A meeting was setup with Shalanda Young, the Acting Director of OMB to discuss the Justice 40 initiative. We talked about the Denali Commission, which is specifically listed in the Justice 40 memorandum due to our distressed communities category. We also talked about Alaska's small and needy tribes. OMB invited us to provide more information, which will be included in their updated guidance to all the departments. We should market a tight strategy to OMB on the role of the Denali Commission in Justice 40, Alaska's small and needy tribes, and Alaska's disadvantaged communities and get them to help us with the other departments by pushing out the Denali Commission as a funding vehicle.

Federal Co-Chair Boyle agreed that pursuing the Justice 40 initiative was a good idea.

Commissioner Kitka said the Alaska Federation of Natives was putting together a virtual convention. She asked the Federal and State Co-Chairs if they would host a request for planning input for the Denali Commission from 12:00 noon to 1:00 o'clock on December 14.

Commissioner Gallagher and Federal Co-Chair Boyle both agreed to participate in the Alaska Federation of Natives virtual convention on December 14.

Commissioner Kitka said she was thrilled with the new breath of fresh air in the Denali Commission and all the new people involved. The Denali Commission is an incredible vehicle

and structure and statutory authority, and she thought they could do some really good things this year.

Federal Co-Chair Boyle agreed with Commissioner Kitka and said he was very optimistic about the coming year.

Commissioner Pitney suggested setting up one-hour Denali Commission meetings every month or every six weeks. If more meetings are needed, they can be added. Likewise, if fewer meetings are needed, they can be cancelled.

Federal Co-Chair Boyle said he would schedule monthly meetings starting in January. He suggested having staff refine the plan discussed at this meeting and do a presentation at the next meeting.

The meeting adjourned at 5:01 p.m.