

ALASKA STATE LEGISLATURE
SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

February 1, 2011

3:37 p.m.

MEMBERS PRESENT

Senator Donald Olson, Chair
Senator Thomas Wagoner
Senator Linda Menard
Senator Johnny Ellis

MEMBERS ABSENT

Senator Albert Kookesh

COMMITTEE CALENDAR

PRESENTATION: ALASKA DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT OVERVIEW

- HEARD

PRESENTATION: DENALI COMMISSION - "SUSTAINABLE RURAL COMMUNITIES"

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

SUSAN BELL, Commissioner
Department of Commerce, Community, and Economic Development
Juneau, Alaska

POSITION STATEMENT: Gave an overview of the Department of Commerce, Community, and Economic Development.

JOEL NEIMEYER, Federal Co-Chair
Denali Commission
Anchorage, Alaska

POSITION STATEMENT: Presented the Denali Commission's report on sustainable rural communities.

ACTION NARRATIVE

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CHAIR DONALD OLSON called the Senate Community and Regional Affairs Standing Committee meeting to order at 3:37 p.m. Present at the call to order were Senators Menard, Wagoner and Chair Olson. Senator Ellis arrived shortly thereafter.

Presentation: Alaska Department of Commerce, Community, and Economic Development Overview

CHAIR OLSON announced the first order of the business would be to hear an overview from the commissioner of the Department of Commerce, Community, and Economic Development (DCCED).

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SUSAN BELL, Commissioner, Department of Commerce, Community, and Economic Development (DCCED), said the mission of DCCED is to promote a healthy economy, strong communities and protect consumers in Alaska. She turned to her presentation.

Slide two included an organizational chart that showed the six corporate entities housed within the department, which include: Alaska Aerospace Corporation (AADC); Alaska Energy Authority (AEA), Alaska Industrial Development Export Authority (AIDEA), Alaska Seafood Marketing Institute (ASMI), Regulatory Commission of Alaska (RCA), and Serve Alaska. It also included the five core divisions: Banking and Securities, Corporate Business & Professional Licensing, Community & Regional Affairs, Economic Development, and Insurance.

She said that DCCED has 538 employees with offices located in Anchorage, Fairbanks and Juneau; as well as western and northwestern regional hubs in Kotzebue, Nome, Dillingham, and Bethel. Alaska Aero Space Corporation (AADC) operates out of Kodiak and the Division of Economic staff operates the Public Lands Information Center in Tok. Finally, ASMI [Alaska Seafood Marketing Institute] has offices located in Juneau and Seattle.

Slide 4 illustrated DCCED's FY12 budget request of \$204,178,400 and broke it down into four core areas of economic growth: sustainable energy, strong communities, consumer protection, and economic growth.

Slide 5 described which entities were grouped into these core areas:

- Economic development included the Division of Economic Development, AADC, Alaska Industrial Development Export Authority (AIDEA), and ASMI. Together these entities coordinate, develop, and promote programs for sustainable economic growth.
- Sustainable energy programs are executed by the Alaska Energy Authority (AEA). The division's focus is on the development of sustainable energy systems and reducing the cost of energy, in particular in rural Alaska.
- Strong communities programs are predominately run by the Division of Community and Regional Affairs (DCRA) and Serve Alaska (the AmeriCorps Vista program). The division assists communities in achieving maximum local self-governance and, through Serve Alaska, helps foster volunteerism.

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SENATOR ELLIS joined the committee

COMMISSIONER BELL continued with the consumer protection program which includes: the Division of Banking and Securities, Division of Insurance, Division of Corporations, Business and Professional Licensing, and the Regulatory Commission of Alaska. She explained that these entities work together to license, regulate and enforce consumer protection and provide a stable business climate.

Slide 7 discussed DCCED's different economic development programs.

She explained that, recently, the department created the Division of Economic Development by merging the Division of Investments and Office of Economic Development. Through this merge DCCED is working on strengthening and realigning the following programs: finance, marketing, research, business & technical assistance, and outreach & coordination.

Through the financing section DCCED has given 268 loans, totaling \$20.3 million and look forward to being able to offer information about these financing programs not only from Juneau but also Anchorage and Fairbanks. She noted that this creates greater outreach across the state and better interaction with the business community.

She added that some of the other economic development programs include the licensing of the "Made in Alaska" logo, which aids

in marketing products from Alaska, and the Alaska Film Office. She said the tourism program includes managing the qualified trade association contract with Alaska Travel Industry Association, which focuses on product development and training, and coordinating with the industry in market research. This allows DCCED to provide information to communities and policy makers.

DCCED also works with the minerals, forestry, seafood, agriculture, and transportation industry.

Other small programs that DCCED works with are the Alaska Regional Development Organizations (ARDORs), which help create a statewide approach to economic development.

Slide 9 included the three other entities that are housed within the economic development program area: AADC, AIDEA, and ASMI.

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SENATOR MENARD said that less than an hour before, through an Executive Order [EO 115], the Alaska Aerospace Corporation was moved from DCCED to the Department of Military and Veterans Affairs (DMVA).

COMMISSIONER BELL replied that the DCCED understands that the House and the Senate have a 60-day window in order to indicate whether the legislature does not concur with the EO. For this period DCCED will continue providing administrative services and interacting with AADC.

CHAIR OLSON asked, if the EO moves forward, whether it would be a blessing or a curse.

SENATOR MENARD informed the committee that the EO did pass unanimously out of the [Senate Labor and Commerce Standing] Committee.

COMMISSIONER BELL replied that DCCED recognizes that AADC clients are predominately military and the department believes that by being in the DMVA these individuals will have greater access to key contacts, sustainability funding, and launches.

She continued with her presentation.

Slide 10 summarized the sustainable energy programs at DCCED. These programs are executed by the Alaska Energy Authority (AEA), run by newly announced Executive Director, Sarah Fisher-

Goad. In the last year AEA completed the Alaska Energy Pathway document which helps the state and communities understand the energy resources that it has and the investment it would take to achieve statewide goals. AEA has a number of programs that help strengthen the energy utilities in the state and reduce the cost. Some of the core programs include:

- Renewable energy development
- Technical assistance
- Bulk fuel facility upgrade and loan programs
- Rural power system upgrades

COMMISSIONER BELL continued that the Renewable Energy Fund grants are of great interest right now. There is currently \$150 million for 133 authorized projects, which AEA is working to distribute. Also, from a training standpoint, more than 50 rural residents were trained to manage and operate their rural infrastructure. AEA also manages the Power Cost Equalization Program, with nearly \$32 million distributed last year. Finally, within this legislative session there is legislation that is focused on positioning AEA to have its own employees and greater administrative separation from AIDEA. The idea, she explained, is to make sure that AEA has the right structure and the right people in order to help address our critical energy needs.

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SENATOR MENARD asked if the [Alaska] renewable energy is on Round IV.

COMMISSIONER BELL replied yes.

SENATOR MENARD asked Commissioner Bell to confirm that the governor put \$20 million into the December 15 budget [for AEA].

COMMISSIONER BELL answered that the governor put \$25 million into the budget and she is aware of the legislature's interest in that.

SENATOR ELLIS said that the commissioner is correct; there is interest within the legislature. He pointed out that, in order to reach their goal of \$250 million, there is supposed to be \$50 million in the budget per year for five years. At \$25 million per year this goal will not be reached.

CHAIR OLSON asked if the commissioner had any insight on how to get to the goal of \$250 million in five years.

COMMISSIONER BELL replied that she would need to follow up with AEA. She said in her understanding \$100 million had been distributed the first year and the subsequent two rounds of grants were \$25 million.

SENATOR MENARD said part of the problem is that some of the money awarded has not been spent by the grantees, so these projects have been pulled out temporarily. In defense of the governor, she explained, some of those projects have been discontinued so there is additional money that could be available.

SENATOR OLSON responded that he was not asking the commissioner to defend the governor, rather, if the commissioner had some insight into reaching this goal.

COMMISSIONER BELL replied that by awarding the \$150 million this is between one-third and one-half of the money that has been implemented.

Slide 11 was an overview of the Division of Community and Regional Affairs (DCRA):

- Local government assistance staff provides day to day interaction with local governments in dealing with basic accounting services, elections, understanding code and functioning in a sustainable and efficient manner. The staff also provides training to local elected officials and planning commission members.
- The Rural Utility Business Advisory program involves 167 communities looking at the role the state can play in insuring sustainability at the community level.
- DCRA's grant staff administered \$1.2 billion in grants for FY2011 and is active with the distribution of funds such as: Payment In Lieu of Taxes (PILT); National Forest Receipts; State Fisheries Business Tax & Landing Tax; and Community Revenue Sharing.
- Involved in land management and planning.
- The state assessor, located in Anchorage, works with communities of all sizes throughout the state.

- The community publications include the community database, Lien Watch, and fuel reports.
- Local Boundary Commission.
- Bulk Fuel Bridge Loan works with communities that are not eligible for the Bulk Fuel Loan Program run by AEA. This program helps bring communities back to a level of sustainability in order to be eligible.

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Slide 12 noted the continuing challenges on both the division and the department level:

- Increased operating costs, staff turnover, and potential for reduced federal funding
- Lack of infrastructure and the high cost of doing business in rural Alaska
- Water, electric, and fuel utilities are vulnerable and may need more regional strategies to insure communities' success.
- Disparity in the ability to attract and evaluate diverse economic development projects
- High energy costs negatively impact community viability and economic development efforts

Slide 13 noted the current implementation of several new local government specialist positions. This was done by realigning internal resources and, with the support of the legislature, adding additional positions in Kotzebue, Nome, and Juneau.

SENATOR MENARD confirmed that there are 538 employees at DCCED. She asked, with these new positions, what their employment number will be.

COMMISSIONER BELL answered that the positions were added in the last legislative session. DCRA has approximately 64 positions. She said, on a related note, it does have one-time funding for a land management planning position last year. There are still more than 50 communities that need to be addressed and this position is in DCCED's funding request for FY2012. This position relates to economic development and community sustainability.

She continued by describing the role of Serve Alaska, a small organization which works closely with DCRA to coordinate the AmeriCorps Vista program with communities and non-profit

organizations throughout the state. Last year, through the program, there were more than 300,000 volunteer hours in education, health, public safety, and the environment.

Slides 14 and 15 gave a brief description of DCCED's Consumer Protection entities.

Division of Banking and Securities:

- License, charter and examine banks.
- Consumer Education and Protection program.
- Issue mortgage licenses.

Division of Insurance:

- Ensures financial solvency of insurance carriers throughout the state.
- License and ensure compliance.
- Consumer education and protection.
- Criminal investigations; last year there were more than 300 consumer complaints, which resulted in more than 200,000 additional dollars going to Alaskan consumers and seven criminal convictions.

She explained that the Division of Insurance takes its mission very seriously. It has been working with the governor's office, Department of Health and Social Services and the legislature in understanding what implications national health care will have on the state, in addition to its daily responsibilities.

Division of Corporation, Business and Professional Licensing:

- Administer 40 professional licensing programs, with 20 board supported and 20 supported by division staff.
- Issue business licenses.
- Register corporations and trademarks.
- Consumer outreach and complaint investigation.

COMMISSIONER BELL explained that the division is working to be as efficient and responsive to consumer and business interactions as possible. She stressed that the division is looking for how it can be a partner and not an impediment to businesses.

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SENATOR WAGONER asked if she could give an example of a case of consumer outreach and complaint investigation.

COMMISSIONER BELL replied that the division gets complaints about the various professions that are regulated, which can range from medical doctors to engineers. She said that she does have some metrics on this issue that could give him an idea of the volume, however she could not think of a specific example. The division did have more than 700 complaints last year, of which 556 were turned into cases. She explained that the kind of disciplinary actions that one of the two licensing boards might take could be a fine, additional education, or monitoring or auditing to ensure that they are in compliance.

SENATOR WAGONER asked if the division is dealing mainly with individuals or businesses that are licensed through DCEED on a professional basis, rather than on consumer protection.

COMMISSIONER BELL answered yes; it is more directed towards professional business licensing. Broad consumer protection questions are redirected to the Better Business Borough or the Attorney General's office.

She continued with the Regulatory Commission of Alaska (RCA):

- Regulates public utilities and pipeline carriers; currently monitoring 598 active certificates.
- Tariff filings, dispute resolution, regulations.
- Establish PCE [Power Cost Equalization].
- Significant challenges include emerging energy issues, changing regulatory environment, and viability of rural utilities.
- FY12 concurrent hearings with FERC [Federal Energy Regulatory Commission] on TAPS [TransAlaska Pipeline System].

COMMISSIONER BELL reiterated that the state, as a whole, is facing significant energy issues and viability of utilities and rural utilities. Many of the entities within DCCED are collaborating to figure out where the state should be heading in the future.

Slide 16 pictured DCEED's budget requests for FY12 of \$204,178,400. The chart showed how the budget is divided between the corporate and core agencies.

Slide 17 defined DCEED's budget by line item and slide 18 gave a comparison by fund source for the current fiscal year.

COMMISSIONER BELL concluded that DCCED is very committed to its mission and "excited to work intra-departmentally, as well as with other departments".

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SENATOR MENARD complimented the commissioner on her professionalism and presentation.

SENATOR ELLIS commended Dave Worrel's work at the film office and in making the program a success. He complimented the commissioner and the governor on their hiring of Roberta Graham.

CHAIR OLSON asked the commissioner to give the committee the vision that she has for the department under a new administration. He said that Commissioner Bell is coming into the department with some monumental issues that are looming on the horizon, namely, in energy.

COMMISSIONER BELL replied that there is so much opportunity within DCCED to work with other departments. The beginning of a new administration, she explained, is always a hopeful and exciting time. She said she sees so much more potential for collaboration. In considering the future of the state, economic development, and community vitality it is necessary to take action now and have a longer vision. She said that DCCED is working in small and large ways within the department and with other departments to try and identify those areas.

CHAIR OLSON said in the past there have been two deputy commissioners at DCCED, one working in economic development and the other on rural development. However, he noticed under her oversight, there will only be one deputy commissioner. He asked the commissioner to elaborate on her thoughts in going in this direction.

COMMISSIONER BELL replied that she wanted to make sure, coming into this position, that they were not artificially breaking the department. DCCED had recently reduced the number of divisions by one, by combining the Division of Investments with the Division of Economic Development. Because of the potential move of AADC from DCCED, she said that she feels comfortable that she and one deputy commissioner would be able to address the day-to-day issues in the department. If the structure turns out to be short-sided, she noted, she would not hesitate to change that.

CHAIR OLSON asked why DCCED has an office in Seattle.

COMMISSIONER BELL answered that the Seattle office is part of ASMI. She explained that this allows the division to be close to the product, the market and the distribution. She noted that the executive director and many key personnel are based in Juneau.

CHAIR OLSON returned to slide 7. He asked how DCCED is not competing with existing banks and whether there is a segment of society that is ill served by the banking industry.

COMMISSIONER BELL replied that most of the loan portfolio's value is in commercial fishing programs. However, there are a number of programs that are underutilized, including: the Capstone Aviation Program, Rural Development Investment Fund (RDIF), and the Small Business Economic Development Program (SBED). She explained that, typically, the reason DCCED steps in to finance is because of the loan size or it does not fit into a traditional bank view. Last year, as the microloan bill was introduced, the department spent time talking with the Bank Association of the state and individual bankers and this year, a financing package was introduced by the governor, which includes reintroduction of the micro-loan, AmeriCulture program, and a commercial charter fishing quota loan. She explained that the department believes these loans all fit into a particular niche that is non-traditional.

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CHAIR OLSON asked how many of these loans are in default or behind in payments.

COMMISSIONER BELL answered she would have to follow up with him on his question. She said that DCCED's revolving loans are healthy.

CHAIR OLSON returned to slide 11 which discuss the Bulk Field Bridge Loan Program. He asked how successful this program has been in trying to resolve some of the energy issues in rural communities and what provisions exist for communities so they can continue to get fuel.

COMMISSIONER BELL answered that the Bulk Field Bridge Loan Fund is the safety net for communities. She said she would need to follow up with him in terms of the success and default rates. However, there is a point where the state steps in and ensures that fuel gets to communities.

CHAIR OLSON noted that the Bulk Fuel Revolving Loan Fund is at a set amount, and has remained that way for the last five years.

He asked if she would be in favor of increasing the cap amount of the loan.

COMMISSIONER BELL replied that she would want to discuss this with DCRA and AEA staff, as it seems to be a combination of the fuel storage capacity, the financial condition of the community, and what programs they have.

SENATOR MENARD said the word "sustainability" comes up constantly, which she views as participatory, long-term, and integrated. She asked if there were other terms that the commissioner would add to the equation when dealing with that word.

COMMISSIONER BELL answered that it is important to also recognize the infrastructure, the technical capability, and the business environment opportunity. She said that across state government it is important to be working together and towards a vision.

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At ease from 4:23 p.m. to 4:27 p.m.

Denali Commission - "Sustainable Rural Communities"

CHAIR OLSON announced the next order of business would be a presentation by the Denali Commission on sustainable rural communities.

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JOEL NEIMEYER, Federal Co-Chair, Denali Commission, said the Commission was enacted in 1998 and is based on the Appalachian Regional Commission, one of three regional commissions of note, which also includes the Denali Commission, and Delta Regional Authority. The Denali Commission is an independent federal agency, with ties to many other federal agencies which provide funding. He noted that the commission tries to have a small staff and do not do project management. This means that a vast majority of its projects are farmed out to the state and other program partners.

In the past twelve years the Denali Commission has received \$1 billion to fund 2,100 projects. A vast majority of funding has gone into energy, health, and transportation.

The Denali Commission Funding Sources FY1999-FY2010 slide shows the funding, the sources of funding, and how the funding peaked

in FY2006 and has been in decline since. He explained that he is not allowed to speak of the FY2011 funding until the president releases it.

He explained that with the other regional commissions it is important to recognize that these include a number of states, which means that the commissions have a large number of US senators and representatives in support of them. On the other hand, the Denali Commission, being one state, only has three.

The Denali Commission has partners in the federal, state, and non-profit areas. In the past, concerns were raised in Congress about whether the state's partnership with the commission has been "robust enough." This issue was raised because with the other regional commissions there is legislation that requires those states to contribute, whereas the originating act for the Denali Commission did not. In response to this concern, the commission did an analysis for the last five years and of the \$478 million the commission funded to 899 projects, there was state funding of \$106 million. Of the \$106 million, about \$10 million dollars went directly to the Denali Commission, while the remaining amount went towards projects that were jointly funded. He explained that what he really likes about this analysis is of the 899 commission projects funded, the state provided project management for 412 of the projects under seven different state agencies.

He continued that for every \$4 the state spends, the commission spends \$1. This, he explained, is an important "story" because of the \$2.4 billion that the state has invested into Denali Commission programs for rural Alaska, the commission has invested \$.6 billion. He said that this collaboration is very complimentary.

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MR. NEIYMEYER explained that there are four significant programs to be noted. These programs have been worked on since the start of the Denali Commission and include the following:

- Energy Program
- Health Facilities Program
- Transportation Program
- Training Program

Government coordination should also be included as an important and significant aspect to the Denali Commission. This coordination is the collaboration across federal and state

agencies with municipalities, tribes and non-profits. He emphasized that it is with government coordination that the commission can have its most important impact in the development of rural Alaska.

He explained that the energy program includes bulk fuel, which is its mainstay of the program. He noted that an important thing to remember about rural Alaska is that diesel will always be a necessity. However, it may be possible to provide diesel energy that is more effective and efficient or other alternatives that lower the use of diesel.

He said the vast majority of the work the Denali Commission has done in health is in primary care. The commission has also done some additional work in senior assisted living, domestic violence, and hospital programs.

He continued that there are two parts to the Transportation Program: surface roads and waterfront ports & harbors. From what he has observed, there is a lot of work being done on road improvement, but not as much opportunity for waterfront projects.

Lastly, in the training program the commission tries to train individuals in rural settings to work on the projects that the commission funds.

MR. NEIYMEYER said there are some significant points that he wanted to share with the legislature including:

- \$3 Million in State Funding for FY11
- Transportation Program -- FY2011 projects
- Health Program -- Suite of four projects
- Energy Program -- Emerging technologies and FY11
- Sustainable Rural Communities

He explained that Governor Parnell put \$3 million in the capital budget for the Denali Commission last year. This allocated money was not specified for a particular project, but rather, an investment into the seven Alaskans who make the funding decision for the commission. He said that about half of the money from the capital budget will go to energy projects and the other half to waterfront projects. With the \$3 million partnership grant, there are seven projects for power generation, which have been proposed by AEA. With regard to the transportation program, he explained, there are proposed mooring projects in up to 17

communities to be funded in 2011 and 2012. In the final analysis for transportation, the waterfront projects have a secured matching fund from the state. However, with the roads program, it is estimated that the commission is \$500,000 short of the cost share match.

MR. NEIYMEYER continued with that with regard to the health program the commission is looking into a suite of four behavior health projects. He explained that, historically, the commission has received a significant amount of money from the Health Resources and Services Administration. As that funding has diminished it was the deliberate action of the commission to begin putting the remaining money into primary care. However, the commission has a small amount of money left over for behavioral health. He explained that because the commission will not be receiving any more funding, it wants to figure out how to best leverage this money and move forward. The Health Steering Committee, in partnership with the Department of Mental Health Trust, made the recommendation of the following projects:

- Yukon-Kuskokwim Elder Assisted Living Facility
- Tundra Women's Coalition
- Nugen's Ranch
- Seeds of Change

He noted that there is no additional state funding that is required for these projects, just some legislative change.

Within the energy program, he shared with the committee some of the pending energy program changes in federal legislation. Last year, the federal OMB [Office of Management and Budget] insisted that a cost-share match be included for the Denali Commission. Traditionally, the base budget has gone to energy, so that often the commission has funded these projects 100 percent. With this requirement, the commission will require a 20 percent cost-share match for economically distressed communities and 50 percent for non-distressed communities. He said that at this time the commission does not know how much money it will receive for energy but has provided the committee with a range of \$4.5 to \$15 million for the cost-share match needed.

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MR. NEIYMEYER referred the committee to a report produced by the Denali Commission regarding sustainable rural communities [titled, Sustainable Rural Communities: A report by the Denali Commission in coordination with Federal Partners, July 2010]. He explained that this document addresses how federal agencies can

engage the state in the delivery of federal services to projects in rural Alaska. The report focuses on the barriers that federal agencies currently have that prevent efficient delivery of federal services to rural Alaska.

Findings from the report included the following needs:

- Lead federal agency on projects, which would allow a community to work with a single agency
- Focus on community engagement
- Solutions in partnership at the federal level
- Regional Approach: finding ways to deliver services more efficiently

MR. NEIYMEYER said the commission has been receiving public comments since publishing the report and intends to issue a supplemental report, after which the commission hopes to collaborate with the state in order to address these issues.

Finally, he said, the commission is conducting "Listening Sessions" in order to receive feedback from the state and communities in Alaska. There are three fundamental questions that the commission is asking:

- What is the commission doing right?
- What isn't it doing?
- How can it improve?

MR. NEIYMEYER said that these questions are important because the commission is going to be reauthorized. The listening sessions will allow the commission to give suggestions to the congressional delegation when it rewrites the act.

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SENATOR MENARD thanked Mr. Neiymer for his presentation. She commended the commission in aiding Nugen's Ranch, a detox center in Wasilla.

SENATOR ELLIS said it is an incumbent upon legislators to listen to what is happening on a federal level in regards to the Denali Commission. He asked if Mr. Neiymer could speak to what forces are at play in this discussion and how the state can enhance its relationship with the federal government.

MR. NEIYMEYER answered that the federal OMB [Office of Management and Budget] is supportive of the collaborative work

that the Denali Commission does and understands that a certain amount of funding is required in order to do so. However, the OMB does have some concerns about the agency. On the congressional level there is very strong support with the delegation, but other states are upset by the funding being received by a single state.

He said it is important to provide the data showing how that partnership has been strong. He said he thinks there will be an expectation in Washington, DC to move to more intentional investments.

He explained that if talk occurs on funding on a project level the commission and the state can collaborate in creating a list of projects that has impact. He noted that in the future conversations should begin earlier.

CHAIR OLSON inquired about the Denali Commission's decrease in funding since the peak in FY2005 and FY2006. He asked if this funding decrease has been the same for the Appalachian Regional Commission and the Delta Regional Authority.

MR. NEIYMEYER answered no. The Appalachian Regional Commission and the Delta Regional Authority have been flat lined. He explained that as the Denali Commission has seen a 20-30 percent annual decrease, the other regional commissions have seen a one to two percent decrease or increase annually.

CHAIR OLSON said as the trajectory decreases there will be no more funding for the commission in the next few years. He asked how the commission can protect itself from this.

MR. NEIYMEYER answered that the commission must continue to add value. He explained that there is a certain amount of money that allows them to be out in the field and engaged on the regional, tribal, and state level. He said "if we're not out there doing work, then what do we have to add?" There is a certain amount of money that is needed to continue doing this kind of work and he said that he hopes that the commission does not fall below this amount so that it can continue doing so.

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There being no further business to come before the committee, Chair Olson adjourned the meeting at 4:57 p.m.