

**ALASKA STATE LEGISLATURE**  
**HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE**

March 31, 2022

8:08 a.m.

**MEMBERS PRESENT**

Representative Sara Hannan, Co-Chair  
Representative Calvin Schrage, Co-Chair  
Representative Harriet Drummond  
Representative Ken McCarty

**MEMBERS ABSENT**

Representative Josiah Patkotak, Vice Chair  
Representative Mike Prax  
Representative Kevin McCabe

**COMMITTEE CALENDAR**

PRESENTATION: COMMUNITY SERVICE BLOCK GRANT PROGRAM BY THE  
DEPARTMENT OF COMMERCE~ COMMUNITY & ECONOMIC DEVELOPMENT

- HEARD

PRESENTATION: DIVISION OF COMMUNITY AND REGIONAL AFFAIRS AND  
RURAL CAP

- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

PAULETTA BOURNE, Grant Administrator  
Division of Community and Regional Affairs  
Department of Commerce, Community & Economic Development  
Juneau, Alaska

**POSITION STATEMENT:** Gave a PowerPoint presentation on the  
Community Service Block Grant state plan; answered questions  
during the PowerPoint presentation on the Public Hearing  
Community Service Block Grant.

TIEL SMITH, Chief Executive Officer  
Rural Alaska Community Action Program, Inc. (RurAL CAP)

Anchorage, Alaska

**POSITION STATEMENT:** Gave a PowerPoint presentation on the Community Services Block Grant.

**ACTION NARRATIVE**

[8:08:10 AM](#)

**CO-CHAIR SARA HANNAN** called the House Community and Regional Affairs Standing Committee meeting to order at 8:08 a.m. Representatives McCarty (via teleconference), Schrage, and Hannan were present at the call to order. Representative Drummond arrived as the meeting was in progress.

**PRESENTATION: Community Service Block Grant Program by the Department of Commerce, Community & Economic Development**

[8:09:16 AM](#)

CO-CHAIR HANNAN announced that the first order of business would be a presentation on the Community Service Block Grant (CSBG) program by the Department of Commerce, Community & Economic Development.

[8:09:38 AM](#)

PAULETTA BOURNE, Grant Administrator, Division of Community and Regional Affairs, Department of Commerce, Community & Economic Development, gave a PowerPoint presentation titled "Community Service Block Grant (CSBG) State Plan" [hard copy included in the committee packet].

[8:10:05 AM](#)

The committee took a brief at-ease at 8:10 a.m.

[8:10:46 AM](#)

MS. BOURNE explained how CSBG funds are allocated, as she moved to the second slide, titled "CSBG - General Information," which read as follows [original punctuation provided]:

Federal program funded by the U.S. Department of Health and Human Services (HHS)

- For the Federal Fiscal Year (FFY) 2023 funding cycle, we anticipate receiving \$2.3M to \$2.5M.

- By statute:
  - 95% goes to Community Action Agency: Rural Alaska Community Action Program (RurAL CAP).
  - 5% for State administrative costs

MS. BOURNE continued on slide 3, titled "CSBG - Purpose," which read as follows [original punctuation provided]:

Purpose and Goals:

- Alleviate the causes and conditions of poverty.
- Revitalization of low-income communities.
- Empower low-income families and individuals in rural and urban areas to become fully self-sufficient.

MS. BOURNE added that the CSBG is particularly for families who are attempting to transition off of state programs. She continued to slide 4, titled "CSBG - State Plan" that highlighted the requirements to be able to receive a grant, which read as follows [original punctuation provided]:

42 USC § 9908 (a)(3) requires States to hold at least one legislative hearing every three years.

- The hearing is to be held in conjunction with the development of the State Plan.
- The State Plan outlines the activities to undertake in the Federal Fiscal Year.
- Alaska's FFY 2023 State Plan is currently in development.

MS. BOURNE stated that because the state plan is lengthy, she would briefly outline the major components. She moved to slide 5, titled "CSBG - Program Components," which read as follows [original punctuation provided]:

The RurAL CAP identifies several program components through the following departments:

- Administrative Services

- Child Development Division • Community Development Division
- Development and Communications
- Planning and Construction Division
- Supportive Housing Division

MS. BOURNE reminded the committee that each of these components are described in detail in the state plan. She moved on to slide 6, titled "CSBG - Outcome Measures," which read as follows [original punctuation provided]:

Identified in the State Plan:

- Track results and report on quarterly basis.
- Progress reviewed by RurAL CAP staff, who use it to evaluate results and make changes when necessary.

MS. BOURNE concluded the presentation by stating that both the department, and the Rural Alaska Community Action Program, Inc. (RurAL CAP) place a strong emphasis on promoting maximum participation for rural residents in the elimination of causes and conditions of poverty. She said today she wished to educate the public and accept comments.

[8:14:04 AM](#)

CO-CHAIR SCHRAGE asked Ms. Bourne whether she had been the grants administrator for 11 years.

MS. BOURNE replied yes.

**PRESENTATION: Division of Community and Regional Affairs and RurAL Cap**

[8:15:01 AM](#)

CO-CHAIR HANNAN announced that the final order of business would be a presentation by the Division of Community and Regional Affairs and RurAL Cap.

[8:15:52 AM](#)

TIEL SMITH, Chief Executive Officer, Rural Alaska Community Action Program, Inc. (RurAL CAP), presented a PowerPoint, titled "Public Hearing Community Services Block grant" [hard copy included in the committee packet], and began by providing his background. He stated that Ms. Bourne's presentation was extremely meaningful and highlighted that CAP agencies are unique in that they are not trying to subsidize someone's living, but rather trying to educate, participate in healing, and help individuals change.

[8:19:20 AM](#)

MR. SMITH pointed out the "amazing mission" this year, as strategic planning will not be changed, but rather expanded to areas of development which will be discussed today. He focused on the fifth slide, titled "Statewide Impact," which showed a map of the areas of development, and he pointed out a narrative report that should be included in the committee packet.

[8:20:37 AM](#)

CO-CHAIR HANNAN sought to confirm that there was only one CAP agency in Alaska, whereas most states have many.

MR. SMITH replied that is correct and gave a brief summary of where the CAP agency came from in the 1960s. He explained that rural CAP is no different in leadership change, adding that he was not here to emphasize that. He proceeded to the sixth slide, titled "Statewide Impact," which read as follows [original punctuation provided]:

FY 2021 Highlights:

- 233 adults and 315 children received transitional or affordable housing
- 125 families' homes were weatherized
- 22 Tribes received training and technical assistance through the Alaska Tribal Justice Resource Center
- 639 children were enrolled in Early Head Start and Head Start programs

[8:25:26 AM](#)

MR. SMITH reiterated that success could not be accomplished without partners, including tribes and government relations working together and collaborating. He stated there is no healing or change without education first.

[8:26:55 AM](#)

CO-CHAIR HANNAN referred to the 639 children enrolled in the Early Head Start/Head Start programs, and questioned whether that number is the entirety of the Head Start programs or only the programs with which RurAL CAP is coordinating.

MR. SMITH responded it is just RurAL CAP at this time.

[8:27:43 AM](#)

REPRESENTATIVE DRUMMOND reported that in total, at least 3,000 kids from birth to age 5 had been served through Head Start programs statewide. She acknowledged how "critically important" the programs are and thanked Mr. Smith for being one of the Head Start providers.

MR. SMITH commented how early the brain starts absorbing information, adding that [age 0-5] is a very influential time of life.

[8:29:55 AM](#)

REPRESENTATIVE DRUMMOND asked whether the Parents as Teachers program is affiliated with the RurAL CAP program in parts of Southeast Alaska.

MR. SMITH confirmed that is correct. He proceeded to slide 7, titled "Community Driven Planning & Development," where he stressed a focus on housing. He stated that since taking over as the Chief Executive Officer (CEO) role last year, he has been meeting with the partners, funders, and stakeholders to see where the work has been together and to refresh it going forward and set new goals. Also highlighted with housing, he said, was that education and healing will occur when there are good and well-built homes to complement living. In addition, he stressed the importance of sustainability and food security.

[8:35:16 AM](#)

CO-CHAIR HANNAN referred to the governor's task force on food security, indicating that there will be another bill next spring. She encouraged RurAL CAP to have a voice in the process.

[8:38:15 AM](#)

REPRESENTATIVE MCCARTY asked what Rural CAP is doing to avoid redundancy with their partners.

MR. SMITH responded that it takes ongoing outreach to individual partners that provide services in a similar arena as Rural CAP, but also development planning. He said Rural CAP was utilizing its communication avenues while also building new ones that can provide what other organizations are doing.

REPRESENTATIVE MCCARTY pointed out that Rural CAP is the point organization for these projects. He asked whether different organizations report to Rural CAP.

MR. SMITH replied that it is less about reporting and more about collaboration and sharing so the organizations complement one another.

REPRESENTATIVE MCCARTY asked how one audits the progress if there is collaboration but no data sharing.

MR. SMITH clarified that there is a sharing element within the organizations. He explained that a data team within the child development division assembles and reports data regularly.

[8:42:27 AM](#)

REPRESENTATIVE MCCARTY alluded to a baseline of longitudinal studies.

[8:42:47 AM](#)

CO-CHAIR HANNAN summarized Representative McCarty's question and asked Mr. Smith how Rural CAP is reporting success for each program based on a baseline analysis.

MR. SMITH responded they have monthly and quarterly reports they measure against and continue to do planning going forward. There is a whole system of assessment that allows for measuring success, he added.

REPRESENTATIVE MCCARTY asked about challenges for Rural CAP over the past three years.

MR. SMITH replied that there are easily obtainable reports available in areas of success and those in which improvement is needed. He said there had also been a recent CSBG report

accounting system updated in the last three years, as well as an updated human resources (HR) system, which allows for more accuracy being reported.

REPRESENTATIVE MCCARTY stated that he would like to receive the more accurate reports.

[8:45:33 AM](#)

CO-CHAIR SCHRAGE offered his perception as to what happens with the money flow after the funds are administered. He stated his understanding that the federal government issues the CSBG, which flows to the state of Alaska, after which the funds are administered by Ms. Bourne as grants to RurAL CAP. RurAL CAP then further administers the funds to partner organizations and utilizes the funds to administer programs in-house. He asked whether this is accurate.

MR. SMITH directed the question to Ms. Bourne.

[8:47:00 AM](#)

PAULETTA BOURNE, Grant Administrator, Division of Community and Regional Affairs, Department of Commerce, Community & Economic Development (DCCED), confirmed that Co-Chair Schrage's understanding of the flow of funding was accurate. Part of the plan to health and human services, she explained, identifies how the board wants to utilize the funds. Once they are distributed, she said, then outcome measures must be shown.

MR. SMITH confirmed that what Co-Chair Schrage perceived was stated very well. He added that the partners with whom they have grant relationships with take advantage of the funds, which is where data and reports are assembled and reported back. He referred back to the program areas that take advantage of CSBG funds, including construction, child development, and community development. He said RurAL CAP leverages the CSBG dollars with the programs to accomplish the mission of a block grant.

[8:50:09 AM](#)

CO-CHAIR SCHRAGE said he appreciated the opportunity to have this conversation and learn more. With respect to the programs RurAL CAP runs in-house, he asked whether Mr. Smith is in charge of all the programs or whether there are program coordinators. He asked how it all works.

MR. SMITH explained that he has a team of people he works with, composed of an executive team and directors over each of the program areas. In the end, he stated, there are about 400 employees in various communities who all execute the mission.

CO-CHAIR SCHRAGE thanked Mr. Smith for the helpful information.

[8:52:04 AM](#)

CO-CHAIR HANNAN asked whether there is any headway being made in safe housing and adequate conditions in Alaska - mainly rural Alaska. She questioned whether that is an achievable goal. She gave examples of the hardships that can be experienced living in rural Alaska.

MR. SMITH provided his perspective, stating that he has a board chair and that Rural CAP is focused on housing with all the other entities. He said there is slow progress being made, and there is much to do. There is an outmigration problem, he explained, from rural Alaska into the central hubs, so the low-income housing is being built as there is a strong need in urban areas; however, there are many who still want to remain in the rural villages they grew up in.

[8:56:04 AM](#)

REPRESENTATIVE DRUMMOND related that when she first came to Alaska, a lot of housing was built in the Pacific Northwest and barged up to many of the villages in Alaska. She explained that the walls were prefabricated with wiring and plumbing and were then stacked and assembled in the villages due to the lack of facilities to build them in the villages.

MR. SMITH thanked Representative Drummond for her input and important points. He stated there is currently a housing business case with assessments for the right design and location. All the elements are being considered, he added.

[9:01:36 AM](#)

CO-CHAIR SCHRAGE expressed confusion as he read through a report and asked how the statewide plans relate to each other.

MR. SMITH responded it may be a two-part answer. He began by simplifying that the needs assessment determines how to execute in all the program areas.

[9:04:02 AM](#)

MS. BOURNE added that 42 U.S.C. requires that agencies have a strategic plan, a needs assessment, and a budget to implement the program.

[9:05:01 AM](#)

CO-CHAIR SCHRAGE commented that RurAL CAP works to deploy a funding strategy. He asked whether the reports on various work areas RurAL CAP engages in could be found online.

MR. SMITH replied if the information is not on the website, it can be made available.

[9:06:05 AM](#)

REPRESENTATIVE MCCARTY reflected back to the discussion mentioning food security and the rural areas that depend on a different paradigm of food security, where traditional values of food security may have been altered. He asked whether RurAL CAP is exploring those traditional values.

MR. SMITH replied absolutely. He relayed that he also sits on the Bristol Bay Native Corporation Board, which has a cultural and traditional development program area that goes back to their shareholders. He discussed leveraging the wisdom and experience of the elders and letting youth participate in resetting their understanding of language, culture, and a subsistence way of life. The focus is on understanding the intimate nature of that culture, he said.

REPRESENTATIVE MCCARTY inquired about the cultural significance of a multi-generational household.

MR. SMITH replied that being culturally sensitive is important, and he highlighted the importance of collaborative and strategic thinking with different areas of Alaska. He agreed there is a community element in their housing and in functioning together, but it is not all created equal throughout the state.

[9:11:43 AM](#)

CO-CHAIR HANNAN asked Mr. Smith to rephrase a statement he made earlier regarding Bristol Bay.

MR. SMITH replied that Bristol Bay comprises roughly 8,000 people, 10,000 bears, and 50 million fish.

CO-CHAIR HANNAN asked Mr. Smith whether she could appropriate that and use it.

MR. SMITH confirmed yes.

CO-CHAIR HANNAN mentioned that in Juneau, Tlingit and Haida Central Council purchased a contractor and its forte is modular commercial buildings. After the contract was purchased, the council's goal was workforce development and the idea of modular construction inside the rainforest as a successful enterprise.

MR. SMITH said that "one size does not fit all," adding that Central and Southwest Alaska are different areas and require potentially different designs, as well as different circumstances. All these elements are a part of making sure there is a solution in the communities. He stated that a model has to be there for it to be sustainable.

[9:16:40 AM](#)

CO-CHAIR SCHRAGE referred back to slide 5, "Statewide Impact," and questioned numbers 1 and 3 [corresponding handout included in the committee packet], as to what drives the level of spending in a region. He also asked for clarity regarding the \$9 million for the Cook Inlet Tribal Council Region.

MR. SMITH replied that the ingredients that make up that particular allocation are the economy, the population, and the application, all of which allow these areas to benefit. It is not specific to one area, he said, adding that Co-Chair Schrage was right in questioning the allocation of funds to different areas. It will change going forward, he said.

CO-CHAIR SCHRAGE asked whether the aforementioned \$9 million was distributed to entities that are headquartered at the location or whether some of the funds are "bleeding" out to other communities.

MR. SMITH replied he would have to do a "deeper dive" on that.

[9:21:28 AM](#)

REPRESENTATIVE DRUMMOND sought to clarify whether the \$9 million is leveraged with grants and other resources, and whether it covers salaries.

[9:22:25 AM](#)

MS. BOURNE replied that is the "beauty" about the CSBG - the ability to combine funding to help the cause and conditions of poverty. She added that performance results must also be shown to ensure that the monies are reaching as many people as possible throughout the state.

MR. SMITH commented that he would be better prepared to talk about the numbers next time.

[9:24:32 AM](#)

REPRESENTATIVE MCCARTY asked whether prefabs are done here rather than in the Lower 48.

MR. SMITH replied that RurAL CAP is not in that development space yet; however, RurAL CAP is looking for development ideas and will be continuing to explore that business model and partnership with others that are doing it already.

[9:26:58 AM](#)

CO-CHAIR SCHRAGE asked for confirmation that some of the entities, such as Alaska Vocational Technical Center (AVTEC), actually started within RurAL CAP.

MR. SMITH listed Alaska Village Initiatives, AVTEC, and Alaska Legal Services Corporation as three examples of what came out of what is now called RurAL CAP.

CO-CHAIR SCHRAGE asked whether the entities still collaborate with and receive funding from RurAL CAP.

MR. SMITH confirmed Co-Chair Schrage's statement was correct.

[9:31:19 AM](#)

CO-CHAIR SCHRAGE expressed appreciation for all the information shared today.

[9:31:37 AM](#)

CO-CHAIR HANNAN noted that Ms. Bourne's boss, Sandra Moller, had been available online and thanked her for her work.

[9:32:21 AM](#)

REPRESENTATIVE DRUMMOND stated that she was grateful for learning about all the different ways RurAL CAP and the grants program benefits Alaskans.

[9:33:16 AM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 9:33 a.m.