

Testimony of Julie E. Kitka, President
Alaska Federation of Natives

On H.R. 3351, the Native American Challenge
Demonstration Project Act of 2007

U.S. House Resources Committee
Longworth, House Office Building, Room 1324

October 14, 2007

Good morning. My name is Julie E. Kitka, and I am testifying today in my position as President of the Alaska Federation of Natives. Thank you for holding this hearing and allowing us to testify on H.R. 3351. The Alaska Federation of Natives (AFN) is fully supportive of H.R. 3351 and urges its swift passage and implementation. The delegates to the 2007 AFN Annual Convention held recently in Fairbanks, Alaska considered H.R. 3351 and unanimously voted in support of the legislation. We asked that the 2007 AFN Annual Convention resolution of support be included in the hearing record.

Background:

In March 2002, President Bush proposed establishing the Millennium Challenge Account (MCA), a foreign aid program designed to provide substantial new foreign assistance to low-income countries that are “ruling justly, investing in their people, and encouraging economic freedom.” The MCA was envisioned as the most fundamental change to US foreign assistance policy since President John D. Kennedy introduced the Peace Corps, the US Agency for International Development (USAID), and the Alliance for Progress in the early 1960s. The significance of the initiative lies partly in its scale, with a greater focus on recipient country ownership of programs, greater budget support in certain circumstances, and a greater emphasis on “results-based management” and on providing a larger share of aid to countries with a demonstrated commitment to policy reform.

H.R. 3351 proposes essentially a demonstration project of a domestic version of the Millennium Challenge Account (MCC) targeted to Native American populations with the highest levels of poverty. AFN is fully supportive of this demonstration project and has been working with our partners, Bristol Bay Native Association and the Association of Village Council Presidents, and their 87 Native villages, for a number of years on elements of it. The relevance of this demonstration project recently was brought home by a visit from the President of Mongolia to the AFN Annual Convention in Fairbanks a couple of weeks ago. President Nambaryn Enkhbayar was in the United States to sign a MCC agreement with the United States. The October 22, 2007 signed agreement was a five year, \$285m compact to reduce poverty and increase economic growth. The five main areas of the agreement deal with a rail project, property rights project, vocation education project, health project and administration. This was the 15th MCC compact signed by the United States totally nearly \$4.9B covering areas in Africa, Central America, Eurasia and the Pacific.

When AFN talked with President Enkhbayar about the recent MCC compact – we mentioned H.R. 3351 which was pending to create a domestic version. We asked President Enkhbayar if he would share lessons his country learns from their implementation, and that we would share what lessons we learned. He agreed. The reach of globalization continues – where in a remote isolated place like Alaska, we could have exchanges with a remote isolated place like Mongolia – for the sole purpose of reducing poverty with economic growth and fostering positive relations. It is amazing times we live in.

This model deserves to be tested among our Native American populations with high poverty rates. We don't need to invent or reinvent the wheel. We need the Congress to pass H.R. 3351 and provide the resources for our people to bring about the benefits of this program to more people. It can be replicated within the United States with predictable positive results and we will discover how to do it with your help. We can also add to the collective knowledge about strengthening Native communities within the US during periods of rapid change and uncertainty.

We ask you to think of the following questions as you deliberate on this important piece of legislation: Is this a good idea? Is it a powerfully good idea for systemic change in Native communities? Can you take a chance on us that we are capable of implementing this? Is there a national impact here? AFN believes there is. We are committed to staying the course and are willing to keep at it as long as it takes to succeed. That is an expression on how much we believe this demonstration project can make a difference in our peoples lives.

As a result of this program getting authorized and implemented we will continue to build the capacity of Native Americans to engage in economic activities and pull ourselves out of the poverty trap. We all know that the US economy has continued to grow and that there are pockets within the US where the increased prosperity has not reached. This demonstration project, in many ways is intended to ensure that no one gets left behind. AFN anticipates that the renewed focus and attention on poverty within Native communities will allow the development of new partnerships working together to expand life opportunities for Native Americans.

Recently, AFN commissioned the University of Alaska, Institute of Social and Economic Research, and First Alaskans Institute to do a thirty-year trend analysis of key indicators within the Alaska Native population. Although tremendous improvements in health, education, housing and well-being has occurred over the last 30 years – poverty among Alaska Natives remains twice that of Non-Alaska Natives – over 20%. **We see a continuing thread of disparity on every major indicator of well-being.** It is this disparity we hope to attack with implementation of H.R. 3351. That is our focus. That is what we ask you to hold us accountable to accomplish. We need your help to do this. We need H.R. 3351 passed and implemented quickly. AFN asks that the Executive Summary of the 30 Year Trend Analysis be included in the hearing record.

Another example of our advance preparations included a request we made to the Congress several years ago to include a new provision within the Denali Commission to do an assessment of indicators, performance measures on reducing poverty in Alaska. The First Alaskans Institute just completed the project on behalf of the Denali Commission and has released a lengthy report entitled “Engaging Community Knowledge to Measure Progress: Rural Development Performance Measures Project Report” – September, 2007. We ask this report be made a part of the hearing record. We have a hard copy, and a CD of the report and 10 appendices. AFN anticipates that

this report will become a part of the demonstration project and used extensively in the development of work plans and proposals to the Secretary of Commerce under this legislation.

AFN has been very interested in how the results-based management process works in different sectors and with what success. AFN commissioned an analysis of the results-based management process of the Office of Management and Budget (OMB), the Asian Development Bank's process and RuralCAP's ROMA model. AFN asks that this analysis be included in the hearing record.

AFN has also anticipated that the Congress will want to see independent verification of activities and results of the demonstration project. In this light, AFN has contacted the Center for Global Development and the Brookings Institute, both leading entities who have been following the MCA project since its inception. AFN has asked them to convene a workshop of leading experts to share best practices learned from the MCA and other global initiatives to reduce poverty through economic growth. AFN anticipates, when H.R. 3351 is passed and is in its implementation stage, the US Commerce Department and the Center for Global Development, and Brookings Institute will sit down with us and map out 1) a process for exchange of information on best practices and 2) an independent third party evaluation process. This should ensure that the funds the Congress appropriates and the purposes set out in H.R. 3351 are used well and leveraged with the best information available from throughout the world.

Thank you for allowing AFN to testify today. We stand ready to work with you to better life opportunities for Native Americans. Thank you for your dedication and hard work on behalf of our people.

Attachments:

- (1) 2007 AFN Convention resolution of support of the Native American Challenge Demonstration Project of 2007
- (2) AFN commissioned report on results-based management (OMB, ADB, ROMA process)
- (3) AFN commissioned report: Executive Summary of the 30-Yr Trend Analysis
- (4) Engaging Community Knowledge to Measure Progress: Rural Development Performance Measures Project Report, September 2007 First Alaskans Institute report to the Denali Commission

INTRODUCTION

The Alaska Federation of Natives (“AFN”) has proposed development of an Alaska Native Center for Excellence (“Center”), which will work to enable Alaska Native peoples to improve their living conditions and control their future through social, educational, economic, and political development within their communities. The Center intends to nurture the development of a comprehensive economic development strategy/framework that: 1) is premised upon a knowledge-based economy; 2) reflects the unique needs and challenges of remote communities in Alaska; and 3) links economic development strategies with reduction of poverty. The Center intends to partner with varying institutions to help create private and public sector conditions that will encourage the development of this much-needed economic development framework.¹

To achieve its goals, the Center will develop objectives, promote public sector reform and private sector development, encourage coordination and collaboration between private and public sectors, and review the effectiveness of federal assistance² in this arena. The Center will work with a wide variety of Native institutions in Alaska to select appropriate social and economic development indicators from the 575 social and economic indicators devised by the World Bank, and to set measurable goals for increasing economic growth and reducing poverty in rural communities in Alaska.³ In addition, the Center will develop a set of metrics/indicators that will measure the relationship between economic growth and poverty reduction.⁴

One of the Center’s ultimate goals is to develop a simplified, results-based management process that can be used to achieve greater accountability of federal resources used for economic development, while simultaneously maximizing local decision-making and

¹ Some of the overarching goals AFN intends to achieve through creation of the Center are reflected in S519, the Indian Tribal Development Corporation Feasibility Study Act of 2004, which amends the Native American Business Development, Trade Promotion, and Tourism Act of 2000. S519 directs the Secretary of Commerce to establish the Tribal Development Corporation Feasibility Study Group, which will study and report to Congress on the feasibility of establishing an Indian Tribal Development Corporation. The Corporation would address barriers to economic development within Indian country from a broad perspective. S519 also establishes a Native American Economic Incubation Center Fund to ensure that resources dedicated to Native Americans are used by and for Native Americans. AFN seeks to establish an Alaska-specific version of this Center, which would mirror the national efforts under S519, but be directed and controlled by Alaskans to address the unique circumstances and challenges that inform the lives of Alaska Native peoples in remote villages in Alaska.

² See GAO 2005 Report (GAO-05-719) for a summary of federal assistance to Alaska Native Villages for fiscal years 1998 – 2003.

³ The Center intends to look at indicators that include size, growth and structure of population and demographics, determination of population growth (including fertility, infant mortality, and life expectancy), labor and employment, poverty and income distribution, education, and health. See Testimony of Julie Kitka, President, Alaska Federation of Natives, *before* the Senate Committee on Indian Affairs Regarding S.519, April 30, 2003.

⁴ See Testimony of Julie Kitka, *supra*, note 4.

responsibility.⁵ To assist the Center toward achievement of this goal, you have asked me to review the results-based management tools and processes utilized by the Rural Alaska Community Action Program (RurAL CAP), the federal Office of Management and Budget (OMB), and the Asian Development Bank (ADB), and to outline a range of results-based management options that could be used for economic development projects in rural Alaska Villages that will result in greater accountability of federal resources while maximizing local decision-making and responsibility. At this juncture, AFN has identified the Center's overarching goals. Because the Center is in its infancy stages, it has not yet had an opportunity to identify the specific indicators/metrics that will help the Center fully develop an appropriate results-based management tool. Once the Center has developed the details of its strategic plan, it will be able to identify the appropriate and relevant metrics/indicators, which in turn will provide the Center with the components necessary to develop a management tool.

Based on the information available to me at this time, I have made preliminary recommendations regarding which components of the three results-based management processes might be most relevant to management of economic development projects in rural Alaska Native communities. I have based my preliminary recommendations on the understanding that: 1) the Bristol Bay Native Association (BBNA) and the Association of Village Council Presidents (AVCP) will utilize the Center's newly devised results-based management process for a collaborative pilot economic development initiative under the auspices of the Center; 2) BBNA and AVCP will work closely with the tribes located in their respective regions to develop and implement the pilot economic development initiatives; 3) the new management tool will not be used to manage all federal program funding that benefits Alaska Natives; 4) the Center does not intend that individual tribal governments will utilize the Center's results-based management process.

I. Statement of Need

Poverty in Rural Alaska

The Alaska Native community has identified a compelling need to reduce poverty and substantially improve living conditions in rural Alaska Native communities. While Alaska Native per capita income in the year 2000 was four times higher than it was in the 1960s, that income was less than one half that of the income earned by non-Natives during the same time period. Half of all Native families in Alaska have incomes below \$30,000, and in remote Alaska, where the cost of living is the highest, 60% of the population is Alaska Native. In fact, one quarter of all Native families in remote Alaska live below the poverty level,⁶ and one fifth of the Native population lives below the poverty line. Overall, the poverty rate for Alaska Natives is 3 times that of non-Natives.

The remoteness of the majority of Alaska Native communities has, in various ways, hindered the ability of Alaska Native peoples to promote viable economic development, for a variety of reasons. The isolation of village communities, vast distances between

⁵ Alaska Native Center for Excellence, Preliminary Work Plan, Presented to the Denali Commission, p.2. ("Center Work Plan").

⁶ See Our Choices, Our Future (Alaska Federation of Natives).

villages and urban communities, and harsh weather conditions throughout Alaska, have presented tremendous challenges to the development of local economic in two fundamental ways. Remote communities lack easy access to capital markets, which makes it more difficult for individuals to establish and foster essential relationships with important financial institutions and investors. In addition, community remoteness and isolation have made it difficult for rural communities to attract qualified educators, law enforcement personnel, CPAs, and other professionals and para-professionals whose education, skills, and experience would facilitate healthy community development, growth, and stability.

With the hope of eliminating these challenges and reducing poverty among Alaska Natives, AFN proposes the Center, which would help re-focus the power to effect much-needed change within the Alaska Native community, and marry the power of Alaska Native cultures, traditions, and creativity with the various financial institutions necessary to develop a relevant economic base under the most difficult conditions in this country. The Center will focus on: 1) changing perceptions both within and without the Native community through pro-active endeavors, thereby improving the ability of the Native community to care for itself and determine its future; 2) reducing poverty in rural Alaska by promoting culturally-sound, innovative, locally-driven economic solutions and initiatives that can be expanded, replicated, and leveraged through the utilization of best practices; and 3) developing a viable 5 year economic development plan that will recognize the importance of a knowledge-based economy, accountability, and results, and which maximizes local decision-making and control.⁷

AFN has identified four key questions that will inform all of the Center's decision-making throughout the entirety of the project.

Are the Center, its partners, and the process:

- Focused on growth, particularly private sector growth that can generate jobs?
- Linking economic development with poverty-reduction strategies?
- Sharing information, best practices, lessons learned, and success stories?
- Focusing on accountability and results?⁸

To address these questions, and achieve its mission, the Center must develop more specific goals, indicators, and outcomes, as well as a results-based management process that is straightforward, clear, and relevant to rural Alaska Native villages.

Results-Based Management and Accountability

As mentioned earlier, the Center will develop a results-based management tool that will assist entities engaging in economic development in managing their federal resources. The Center intends to develop a management tool that will simultaneously ensure greater accountability of federal development resources while maximize local control and

⁷ See Center Work Plan.

⁸ See Center Work Plan.

decision-making relating to development efforts. The Center understands that it will be necessary to develop its specific strategic goals, outcomes, and indicators/metrics prior to development of a results-oriented measurement methodology.

II. Key Terms

The language of accountability for financial resources can vary significantly between the private and public sectors, among federal agencies, and within the international development community. Following are definitions of some key terms, as defined by OMB:

- **Input** -- Resources, often measured in dollars, used to produce outputs and outcomes. Performance measures may include consideration of inputs, particularly in the context of cost-efficiency or unit costs. PART encourages use of cost-efficiency measures based on outputs per dollar, rather than on output per unit of personnel (FTE). Social costs may be more meaningful than federal budget costs when evaluating effectiveness of regulatory programs – which means that inputs from state and local or other partners may be relevant in assessing the effectiveness of some programs matched by federal assistance.
- **Outcome** – Intended result or consequence of program or activity. They are distinct from, but logically connected to, outputs,
- **Outcome Measure** – assessment of the results of program activity compared to its intended purpose (quantitative metric, such as number of jobs)
- **Output** – Goods and services produced by a program or organization and provided to the public/customer/beneficiary. Outputs help track a program’s progress toward reaching its outcomes, and can include process measures (paper flow, adjudication), attribute measures (timeliness, accuracy, customer satisfaction), and measures of efficiency, and are typically measured at least annually.
- **Performance Goal** – target level of performance expressed as tangible, measurable objective, against which actual achievement can be compared
- **Performance Indicator** - Particular value or characteristic used to measure output or outcome
- **Performance Measure** – Indicators or metrics used to gauge program performance (can be either outcome or output measures)
- **Program** – An activity or set of activities intended to help achieve a particular outcome for the public
- **Strategic Goals** – Statements of purpose or mission that may be included in a strategic plan, but might not be easily measurable
- **Targets** – Quantifiable or otherwise measurable characteristics that tell how well a program must accomplish a performance measure.

It is also worth noting that there is little agreement regarding the definition of the key terms “economic development” and “community development,” which often are used

either interchangeably, or as a single term (“community and economic development”). For purposes of this memorandum, it seems advantageous to consider the term “economic development” narrowly, as a subset of the concept of “community development.” In addition, this memorandum assumes that AFN’s reference to the ‘political development of Alaska Native peoples’ means building capacity for strong, stable, local governments.

A cautionary note: in any decision-making regarding what tool to use for results-based management, a distinction must be made between results/indicators and strategies/performance measures. The former address the end goals. The latter address the means of achieving those goals.

III. Summary of Three Results-Based Measurement Tools

There is no single, standard tool for successfully managing financial resources and ensuring accountability for those resources. Following are summaries of three results-based measurement models that are used by public and private sector agencies/organizations. While each of these management tools operates from the perspective that good management requires some focus on results, as opposed to mere outputs, distinctions between the agency or organizational perspectives and goals are reflected within each model, and should be taken into consideration as the Center evaluates these tools for its own use.

A. RurAL CAP: ROMA

In 1993, Congress passed the Government Performance and Results Act (“GPRA”), with a goal of improving internal management within the federal government by eliminating waste and inefficiency in federal programs. The Act requires strategic planning and performance measurement within the federal government, including all federally funded programs, to achieve greater accountability regarding use of federal funds.

To meet federal requirements under GPRA, Community Action Agencies nationwide collectively developed a results-based management tool known as Results-Oriented Management and Accountability (“ROMA”), which RurAL CAP utilizes. Because individual federal agencies impose on their funding recipients different reporting requirements regarding the measurement of programmatic results/outcomes, ROMA is designed as a master organizational and management evaluation tool that serves as an umbrella, of sorts. Once an agency has gathered information about its programs, it can re-tool the way in which it provides that information to meet the specific reporting requirements of its individual funding agencies. The ROMA process incorporates program outcomes, or results, throughout the delivery, administration, management, and operation of the human services that Community Action Agencies offer, enabling each organization to focus on the outcome/result of the program, rather than on the service that was offered. This model emphasizes measurable changes in either conditions or behaviors from the perspective of the individual being served by the program, i.e. the

beneficiary/client.⁹ ROMA does not require the use of specific rules, procedures, forms, or techniques. Rather, it establishes a mechanism that encourages ongoing dialogue and feedback for managers, requiring only that they ensure that the outcomes/results¹⁰ to be achieved drive all of their ongoing decision-making and program management.

Following is an excerpt from the RurAL CAP 2005 ROMA Reporting Document, which sets forth the core elements of the ROMA model used by RurAL CAP:

- *Goals* – Identify which program, agency or national funders’ goal is being addressed;
- *Outcome Statements* – Summarize the end state or ideal vision for program customers;
- *Performance Targets* – Specify the ideal vision for program customers in quantifiable terms;
- *Milestones* – Incremental, measurable changes in customer conditions or behaviors required to achieve a performance target;
- *Means of Verification* – Tools or documents used to verify that a milestone is reached;
- *Projected Numbers* – The number of unduplicated, individual customers expected to achieve a given milestone; and
- *Product Steps* – What the program staff must do to make a milestone happen

“Staff members responsible for a given set of outcome measures track customer progress and report each quarter on the actual number of unduplicated customers who achieve a given milestone for the first time that fiscal year. Customer results are recorded in the appropriate column for each quarter by the middle of the following month. RurAL CAP then transforms the Outcome Measures from an evaluation model to a useful management tool through regular meetings between supervisors and staff to discuss results and learning, and to integrate a customer service perspective in all they do.”¹¹

RurAL CAP’s assessment tool relies, in large part, on six broad National Goals, which were established by a task force of members of the Community Action Network to serve as a unifying framework to be used by Community Action Agencies responding to the demands of GPRA. These goals assist individual agencies in re-tooling and re-framing their agency’s goals and achievements under the rubric of ROMA. The six National Goals are:

- (Self-sufficiency) Low income people become more self-sufficient
- (Community Revitalization) The conditions under which low-income people live are improved

⁹ The term “client” refers to the individual customer who is the direct recipient, or beneficiary, of the service provided by the Community Action Agency. Conversation with David Hardenbergh, Executive Director, RurAL CAP.

¹⁰ The results of a particular program or set of programs are evaluated and measured as “outcomes.”

¹¹ See RurAL CAP Outcome Measures, 2005 Reporting Document, Introduction.

- (Community Revitalization) Low-income people own a stake in their community
- Partnerships among supporters and providers of services to low-income people are achieved
- Agencies increase their capacity to achieve results
- (Family Stability) Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive systems.

The task force also identified 12 National Indicators (metrics) to assist the Community Action Agencies in their management process.¹² For each community action/mission area that RurAL CAP addresses, RurAL CAP identifies the appropriate National Goal and National Performance Indicator, as well as the relevant portion of RurAL CAP's strategic plan, and then devises an Outcome Statement and a Performance Target. Creation of a chart identifies various milestones to be achieved as the client progresses toward the target, what mechanism enables RurAL CAP to verify those milestones, the number of people expected to participate, and what steps the staff will take to achieve the milestone (referred to as the Product Step). Each distinct community action area addressed by RurAL CAP¹³ may have several components and subdivisions, each of which are evaluated individually pursuant to this tool. RurAL CAP also uses this tool to evaluate and measure the effectiveness of its internal administrative services.

B. OMB: Program Assessment Rating Tool

To help federal agencies comply with GPRA, OMB developed the Program Assessment Rating Tool ("PART"), which is used as the federal government's primary mechanism or tool for measuring the outcomes/results of federal programmatic spending (agencies still have some reporting requirements directly pursuant to GPRA). PART offers a method for assessing both program performance and how the program achieves its goals. OMB intended that implementation of PART will encourage program efficiency by assessing and improving performance through identification of a program's strengths and weaknesses.

PART examines all factors that affect or reflect program performance, including: purpose and design; performance measurement, evaluations, and strategic planning; program management; and program results. Each year, federal agencies work with OMB to decide at what juncture a particular federal program will be reviewed under PART, taking into consideration authorization cycles, efforts to develop common goals among similar programs, availability of data, and staff workload.

¹² The 12 National Indicators upon which RurAL CAP and other Community Action Agencies rely are attached as Appendix A.

¹³ RurAL CAP's community action areas are: Child Development, Rural Housing and Planning, Community Development, Public Policy, and Anchorage Services. *See RurAl CAP Outcome Measures, 2005 Reporting Document.*

Because different federal programs deliver goods and services in different ways, there are *seven* different variations of PART that serve the following categories of funding: Direct Federal; Competitive Grants; Block/Formula Grant; Research and Development; Capital Assets; Credit; and Regulatory. The “Direct Federal PART,” summarized below, forms the foundation of all PART tools, containing 25 core questions that generally are applicable to all types of programs.

PART evaluates program performance by reviewing four general areas: 1) program purpose and design; 2) strategic planning; 3) program management; and 4) program results and accountability.¹⁴ It is intended as a collaborative process between federal agencies and OMB, where assessment will, in turn, inform actions to improve performance and budget recommendations to the president, holding agencies accountable for making progress on recommendations. Once PART analysis is complete, it is reduced to a summary that captures (theoretically) key results. The summaries include recommendations for improvements within a program, and do not automatically justify either reassessment or termination of the program assessed.

The schedule for PART performance begins in the first three months of the calendar year, where the agency’s first PART draft and evidence are due to OMB. During the next 2 months, discussions take place between the agency and OMB. Ultimately, OMB engages in an internal review that excludes the agency. Once the agency receives the OMB review, the agency may appeal OMB’s findings – all appeals are resolved by the beginning of the 4th quarter of the calendar year, and final PARTs and summaries are due immediately thereafter. Agencies subsequently submit updated performance data via the web, all of which is included in the President’s budget in February of the following year.

The 25 core questions within PART generally require yes/no answers, except for those contained in Section IV (the “Results” evaluation), which provides a four-level score (Yes, Large Extent, Small Extent, and No) that permits the agency’s answers to reflect partial achievement of program goals. The questions also require clear explanations and “rigorous” evidence to support the answers. The more specific PARTs include additional, more specific questions that are directly relevant to the type of funding utilized by the program at issue. PART requires a program to demonstrate that it is achieving its purpose *and* that it is well-managed. The individual questions within a section have been assigned equal weighting that total 100% for each section. The program manager may alter the weighting of the question to emphasize key factors in a particular program. In such circumstances, the weighting must be adjusted so that the overall score is not manipulated by the change. If a question is not relevant, the manager may answer that it is not applicable, but must provide a thorough explanation, and weight the question zero.

Each of the section scores are weighted to produce an overall score which translates into a rating of the program:

¹⁴ The format was historically an Excel workbook, but is now a web-based tool.

Section I – Purpose and Design (20%)

This Section contains 5 common questions, and assesses whether the purpose of the program and its design are clear and sound. It also looks at aspects of the program that the manager may not control, but may influence (legislation and market factors). The relevant questions for this section are:

- Is the program purpose clear?
- Does the program address a specific and existent problem, interest, or need?
- Is the program designed so that it is not redundant or duplicative of any other federal, state, local or private effort?
- Is the program design free of major flaws that would limit the program's effectiveness or efficiency?
- Is the program design effectively targeted, so that the resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?

Section II – Strategic Planning (10%)

This section, which contains 8 common questions, assesses whether a program has valid, long-term and annual measures and targets. The performance measures must focus on outcomes, and there must be a link between measures and program planning. The performance measures identified in this section will be used later in evaluating results. The evaluations must be high quality and must measure the impact of the program. Efficiency measures will receive credit, but must be in place, not simply in development. The relevant questions for this section are:

- Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?
- Does the program have ambitious targets and timeframes for its long-term measures?
- Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?
- Does the program have baselines and ambitious targets for its annual measures?
- Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or longer-term goals of the program?
- Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?
- Are budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resources needs presented in a complete and transparent manner in the program's budget?

- Has the program taken meaningful steps to correct its strategic planning deficiencies?

Section III – Program Management (20%)

This section, which includes 7 common questions, assesses general management, including financial oversight and accountability. Its key elements include collection and use of performance data, and program efficiency, focusing on how performance information is used, not just whether it was collected. This section relies upon a “good government” standard of management (I have not yet found a concrete definition for what this means), as opposed to simple compliance with the law. The relevant questions for this section are:

- Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?
- Are federal managers and program partners held accountable for cost, schedule and performance results?
- Are funds (federal and partners’) obligated in a timely manner and spent for the intended purpose?
- Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?
- Does the program collaborate and coordinate effectively with related programs?
- Does the program use strong financial management practices?
- Has the program taken meaningful steps to address its management deficiencies?

Section IV – Results (50%)

This section, containing 5 common questions, assesses the effectiveness of the program and reported progress on performance measures. Its key elements focus on results of the independent evaluations, demonstration of efficiency gains, and meeting long-term performance measures. It evaluates the program results based on data from various sources. The relevant questions for this section are:

- Has the program demonstrated adequate progress in achieving its long-term performance goals?
- Does the program (including partners) achieve its annual performance goals?
- Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?
- Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?
- Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?

Clearly, program performance forms the foundation of the PART, which requires that performance measures must support the mission and purpose identified in Section I. Managers are held accountable for results, independent evaluations must focus on overall performance, performance data must be used to inform program management and planning decisions, and the program must demonstrate efficiency improvements.

The most significant aspect of program performance, or effectiveness, is the impact that program has on the program's client beneficiaries – i.e. the outcome that would not likely have occurred without the program intervention. PART underscores the need for agencies to think about the most appropriate type of tool to use to evaluate and demonstrate the effectiveness of the program. PART guidance tools encourage agencies to use Randomized Controlled Trials (RCT) as an example of the best type of evaluation to use. According to this guidance, well-designed and implemented RCTs are considered the “gold standard” for evaluating an interventions' effectiveness across many diverse fields of human inquiry, including welfare, employment, education, etc. Unfortunately, as OMB acknowledges, RCTs are not suitable for every program. For an agency to conduct an RCT, they must be able to select randomized intervention and control groups, which may not be possible due to practical, legal or ethical constraints. In circumstances where it is not possible to conduct an RCT, the analysis must compare the effect of the program with a baseline of what existed in the absence of the program, which is a very difficult test. Alternatively, it would be necessary to utilize an approach that can help shed light on how or why a program is effective.

Programs must also include efficiency measures, which demonstrate the ability of the program to implement activities and achieve results, making the best use of resources (time, effort and money). They typically are expressed as a ratio of inputs to outputs/outcomes.¹⁵ PART contemplates that the efficiency measures: are relevant to program purpose; capture improvements in program outcomes for a given level of resources use; and consider the benefit to the customer.

Absent more detailed information from AFN regarding the likely sources of funding and specific types of pilot programs that might engage in a results-based management process, the differences in the manner in which different categories of programs deliver services and goods make it impossible for me to determine which of the seven PART tools may be most relevant to the Center's work. It is not advisable for me to spend time, at this juncture, evaluating distinctions between the questionnaires that may, in the end, have no relevance to the Center's strategies and mission.

C. Asian Development Bank: MfDR

¹⁵ Again, outputs are the internal activities of the program, i.e. the products and services delivered (what does the program do to achieve its goal or purpose), and the outcomes are the conditions or events external to the program and of direct importance to the public/beneficiary (i.e. the program's goals or purpose). For example, the number of businesses assisted through loans and training might be an output, and the percent of businesses that remain viable after 3 years of assistance might be the corresponding outcome.

In the 1990s, the international economic development community came to the realization that assistance to developing countries typically was delivered in piecemeal ways that were fragmented, unsustainable, imposed a heavy burden of contracting and reporting on countries, and focused on funding activities through the transfer of resources, rather than achieving broader, sustainable development results/outcomes. The development community thus began major efforts to reform its focus, and redefined its goal: to ensure that donor assistance reached target beneficiaries, and that it was used efficiently to achieve the development objectives embodied within the United Nations' Millennium Development Goals (MDGs).¹⁶ The MDGs provide specific, measurable targets that developing countries are beginning to adapt, on an individual basis, as their outcomes/goals.

Over the past 5 years, key concepts have surfaced within the international economic development community as embodying the foundation for *effective* development:

- *Harmonization of operational requirements* - which lessens an otherwise substantial burden on developing countries.¹⁷ Accordingly, they recommend placing nationally designed strategies at the heart of the development process, and establishing common procedures for managing aid, relying on the partner country's own management system, and sharing information widely and transparently.
- *Country ownership of development goals and objectives* – without which the commitment necessary for success will not exist, and development will not likely be sustainable.
- *Partnership* - donors and recipient countries must work collaboratively, toward a common vision of poverty reduction and development.
- *Intensive investment in building sustainable capacity within country* – providing target specific technical assistance for public and private sector management.
- *Constant feedback as development proceeds* - incorporating experience throughout the process, which results in more informed and better decision-making. Evidence suggests that the *way* in which development partners manage the collective learning and feedback process can play a central role in the success or failure of the intervention.¹⁸

The ADB has concluded that the following key principles generally support sound performance management:

¹⁶ It is obviously no accident that S519 reflects these same intentions.

¹⁷ This concept rings a bell regarding the myriad operational requirements that federal funding from various sources can impose on Alaska Native villages. The reporting and operational requirements that come with federal funding have been substantial and, at times, burdensome for the small administrative infrastructures that currently exist in some villages.

¹⁸ MfDR Sourcebook on Emerging Good Practices (Draft 2004), Part 1. It is worth repeating that the manner by which RurAL CAP manages for results also reflects the importance of ongoing feedback throughout the results-based management process.

- Initiatives should be designed to help the developing country improve quality of life in a sustainable way
- Initiatives should emphasize continuous improvement at all levels of implementation
- Management authority should devolve, gradually, to the public sector of the developing country
- Initiatives should be oriented toward a quality of service delivery that is based on the needs and preferences of beneficiaries
- A wide variety of stakeholders should participate in defining the desired results
- Budget processes and financial management systems must reform to increase public transparency and accountability
- There should be consistent application of modern public management techniques

With all of these principles in mind, the ADB developed a results-based management process that is referred to as Managing for Development Results (“MfDR”). Beginning in 2002, the international development community breathed new life into development strategies, calling for an increased collaborative effort between developing and developed countries, and to move management beyond its traditionally narrow focus on outputs. They asked developing countries to strengthen their commitment to reduction of poverty and stimulation of economic growth, and for developed countries to provide more relevant and effective support through managing for results during every stage of the development process: strategic planning; implementation; and, importantly, after completion, to encourage learning and reinforce accountability.¹⁹

Five key principles form the core of the MfDR model,²⁰ each of which emphasize the importance of *achieving* the desired results/outcomes, not just of measuring the results and/or improving accountability for resources:

- **Focus collaborative dialogue on results at all phases of the development process**
- **Align programming, monitoring, and evaluation with results**
 - Developing country priorities and constraints must remain the focus of agency support strategies, operations, analytical support, and technical support
- **Keep measuring and reporting simple and cost effective**, ensuring that:
 - Tools are straightforward
 - Country-defined indicators that are cost-effective and realistic measure the outcomes, starting with any available baseline, and using qualitative indicators to complement quantitative (or to compensate where necessary). Include support for cost-efficient measures to improve data availability
 - Risk and institutional performance indicators track key contextual changes that may affect achievement of outcome

¹⁹ MfDR Website at www.mfdr.org/1About.html.

²⁰ MfDR Sourcebook on Emerging Good Practices (Draft 2004), Part 1.

- There is commitment to minimize costs and avoid duplication by use of indicators for assessment and reporting, as well as adjustments or mitigation measures
- **Manage for, not by, results**
 - Focus on desired outcome and impact, and identify input and action needed to get there. Missing key targets should trigger need for more partnership analysis to bring things back on track, not to impose penalties.
- **Use results for learning and decision-making**
 - Make information public
 - Avoid risk-averse behavior by using reports in a positive way for learning
 - Set performance measures that reflect level of responsibility of actor, and results that the actor can reasonably achieve, recognizing that external factors may hinder achievement of outcomes even among the best

There is no sequential recipe for use of these principles – rather, implementation of the core principles is somewhat circular in that it requires constant monitoring at all levels, throughout the entirety of the project, to ensure proper adjustments throughout the entirety of the process. It is noteworthy for this analysis that the ADB believes that strong performance management requires both a strong public sector (developing country) and strong development donor agencies, and that public sector reform is inextricably linked to institutional reform within development donors.²¹ In addition, the international development community has concluded that if the goal of performance management is to enhance the likelihood of success, it is essential that performance assessment be open and honest.

ADB summarized lessons learned regarding introduction of result-based management in developing countries:

- *Each organization must adopt its own, customized system, as it has not proved effective for organizations to simply adopt a successful model used by another. No single system is appropriate for every organization.*
- *There is a need for the development of a performance management culture that focuses on results, not simply on implementation of new systems*
- *Leadership at senior level is critical to success.*
- *Full participation by staff fosters support for implementation.*
- *Training and education are key components, as relative lack of experience, expertise, knowledge, skills and abilities prevent growth.*
- *A simple, user-friendly system is best*

²¹ This fundamental belief appears to inform the Center’s work plan.

- *There is a risk of distortions in behavior*, including resistance, dishonest reporting, or focusing on easy tasks rather than important ones. To avoid this, incentive systems should give proper weight to results, and realign staff with appropriate priorities.
- *Design and Implementation of an effective system takes time and resources.*
- *Adopting too many indicators could render the system too complex.* Select a few vital indicators that test progress on strategic outcomes, as opposed to individual activities.
- *Avoid attribution* It is difficult, if not impossible, to attribute changes and results (causation) to certain projects and programs. It is essential to remember that results-based management is a tool that requires dialogue, partnership, and participation.

Logic models, which are technical tools used for summarizing all relevant information related to development assistance, a project, or program, are an essential component of MfDR. Typically, they are presented in the form of a matrix that summarizes categories of information such as objectives/results, inputs, indicators, means of verification, and assumptions/risks. There is no one correct format – different formats accommodate different purposes.²²

IV. Analysis

You have asked me to evaluate to what extent the three results-based management models discussed in this Memorandum might be relevant to development of a model that would be pertinent and useful to Alaska Native entities engaging in economic development initiatives under the umbrella of the Center. My analysis relies upon the following key questions, which the Center posed in its Preliminary Work Plan, for guidance:

- Are the Center’s initiatives focused on growth, particularly private sector growth that can generate jobs?
- Is the Center linking economic development with poverty-reduction strategies?
- Is the Center sharing information, best practices, lessons learned, and success stories?
- Are the Center’s initiatives focused on accountability and results?

I also based my analysis on the Center’s mission, which invokes the following questions:

- Does the process foster decision-making and responsibility at the local (i.e. beneficiary) level?

²² This aspect of the MfDR model is similar to the mechanism used by RurAl CAP.

- Does the process focus equally on achievement of results, as well as on accountability?
- Does the process truly value the importance of integrating information gleaned during implementation, resulting in amendment of proposed outcomes, outputs, etc., or is it so firm in its accountability and performance requirements that
- Is the process flexible enough that it allows the developing entity to learn from mistakes, or does it penalize the beneficiary during the learning and growth phases of initial development with loss of funding?
- Is the process flexible enough to be adapted to reflect the specific needs of major culture groups, or would amending the tool reduce its effectiveness?

Finally, the international development community has concluded that an optimum approach to results-based management is a phased approach that aims, over time, to: 1) introduce and nurture the capacity and demand for results-based management techniques at both the local (developing country) level and at the institutional level;²³ and 2) encourage participation in development of partnerships.

With all of this in mind, following are my preliminary thoughts regarding the three systems that I reviewed.

A. MfDR

As stated earlier in this Memorandum, there appears to be a general consensus that no single results-based management tool can possibly be relevant, appropriate, or useful to all organizations, governments, institutions, or programs. The ADB has, however, identified key components that are common to those development approaches that have been most successful in the international context:

- Focus on the desired results;
- Ability to measure progress toward those results;
- Ability to incorporate information relating to results into management operations to achieve improved performance;
- Accountability of staff at all levels;
- Merit based human resources management system; and
- Staff awareness and ownership.²⁴

There are obvious analogies that can and should be made between development efforts in nations outside of the United States, and those in which the Center will engage in rural

²³ The ADB model reflects the importance of attaining the following eight United Nations Millennium Development Goals: eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce child mortality; improve maternal health; combat HIV/AIDS, malaria and other disease; ensure environmental sustainability; develop a global partnership for development. There are also 18 targets, and 48 performance indicators, that accompany these goals. *See* United Nations Millennium Development Goals 2005.

²⁴ *Enhancing Effectiveness: Managing for Development Results, Paper for Discussion* (Asian Development Bank, November 2003).

Alaska Native villages. First, and most obviously, both organizations are focused on, and committed to nurturing economic development in part through reduction of poverty.

Second, villages in Alaska are not unlike developing countries elsewhere in the world: they are previously self-contained, self-sufficient, self-determining nations whose very survival depended (and continue to depend) on creativity, ingenuity, and intuition. Like residents of developing countries, Alaska Native villages: have inherited vital knowledge, passed down through generations spanning thousands of years, which has enabled them to survive in some of the harshest environments in the world; are rural and remote, relatively small in population, underdeveloped,²⁵ tribal in nature, and have relied, until recent history, exclusively on subsistence economies; typically lack financial resources and easy access to basic infrastructures that are deemed essential to development of administrative capacity, communication, and infrastructure that will support stable economic enterprise (copying machines, CPAs, financial institutions, etc.).

In addition, both Alaska Native villages and developing foreign nation depend, in large measure, upon financial and technical assistance from larger institutions (public and private) that do not reflect the culture or cultures that exist within the developing community. This is of great significance to achievement of the Center's goals. History has demonstrated repeatedly that where efforts aimed at achieving major changes within the developing nation derive from the outside, and not from within, failure is often the result. In Alaska, for example, the unique culture of every Alaska Native village has evolved, in large part, as a result of the village location, weather patterns, and accessibility. These circumstances are unique to each community, and have shaped village societies in ways that are, more often than not, indiscernible to the outsider. These subtleties in cultural nuance can cause the failure of the most valiant effort if it does not comprehend and fully embrace cultural norms. MfDR fully embraces the importance of distinctions in cultural nuance in its commitment to self-determination, reflecting the international development community's understanding and recognition of this vital concept.

It is also significant that MfDR focuses on self-determination and collaboration between the funder and the developing community, recognizing the vital importance of local knowledge, decision-making, and responsibility in successful development. The Center's plan also recognizes the importance of self-determination and collaboration, making a firm commitment to encourage and enhance local decision-making, control, and ownership, while encouraging partnerships between private sector, non-profit organizations, and local communities. The unique circumstances of life in remote Alaska require nothing less.

The MfDR model is relevant to the Center's efforts in other ways. It reflects management practices that are inherently intuitive and obvious, and which are generally supported by the collective experience of many throughout Alaska and elsewhere in the

²⁵ I use this term only to denote administrative infrastructure and capacity to support private industry and partnerships, recognizing that in other significant and vital ways villages in rural Alaska have developed survival capacities that their urban counterparts cannot even begin to contemplate.

country.²⁶ These principles would be extremely pertinent to any results-based management process that relates to programs that serve the indigenous peoples within Alaska. The fact that MfDR focuses on achieving results by infusing the entire development process with concepts of self-determination, collaboration, partnership, country ownership, harmonization, and alignment is of obvious and tremendous relevance to the Center's future development efforts in rural Alaska.

One of the more important strengths of MfDR is that it emphasizes the importance of providing an opportunity to learn from the derailment of a particular initiative, and encourages the developing country to evaluate the "failures" and to use this information to refine and refocus the initiative. In so doing, MfDR implicitly acknowledges that successful development takes time, and that initial efforts at development do not always succeed. Rather than discontinuing an initiative that failed at its earliest phases, MfDR focuses on integrating the information gleaned from the assessment process to re-focus the desired results and outcomes. In this regard, it reflects an understanding of the components that are most critical to successful entrepreneurial development. It requires managers to think through the extent to which their activities and "outputs" have a reasonable probability of leading to the desired outcomes, and to make the necessary adjustments to ensure achievement of those outcomes. Again, this approach would be useful, and relevant, to efforts in rural Alaska. The Center's initial projects will focus on development in communities that have not previously engaged in substantial development efforts. Thus, it will be of utmost importance that the Center's results-based management process reflect an understanding that small failures can, if properly analyzed, understood, and integrated, lead to ultimate achievements. Any process developed by the Center will need to embody some level of "forgiveness" if development initiatives in remote, underdeveloped communities have any chance of success.

Recognizing the numerous reasons that mitigate in favor of looking to MfDR as a potential results-based management model, it should be cautioned that the ADB has access to tremendous financial resources that clearly impact its economic development efforts. In stark contrast, federal money available to the Center is likely to be much more limited. Given the overwhelming resource demands that are needed to address the devastation from Hurricanes Katrina and Rita, as well as the war in Iraq, any development projects that the Center initiates (pilot or otherwise), the availability of federal resources will be more limited than they in the past.

Nonetheless, the Center would be wise to digest and embrace the lessons learned by the international development community, and to integrate them, in some fashion, into its own results-based management tool. Because MfDR embodies principles, rather than a

²⁶ For example, the principles embodied in the Sirolli Institute's economic development initiatives in rural communities in this country (Enterprise Facilitation) reflect the Institute's belief and experience that successful development the developing community must design and take full responsibility for the initiative. See Enterprise Facilitation website, www.Sirolli.com. See also the Denali Commission July 2005 Report, which contains a report on a field trip taken by John Tetpon (AFN) and Ruth St. Amour (State of Alaska DCED) to evaluate remote, underdeveloped, rural communities elsewhere in the country that are utilizing the Sirolli Institute's Enterprise Facilitation technique to promote economic development.

specific protocol, this should be relatively easy to do. The ADB's findings and recommendations might serve well in the capacity of core principles that can infuse a new management process with clear direction at every level of implementation. The MfDR principles and values are intuitive, and, given the comparisons to be made between remote villages in Alaska and the developing countries for which the ADB established the MfDR process, it is highly likely that adherence to these principles, in some manner, will encourage success with any development activities in village Alaska.

B. ROMA

There are several reasons why the ROMA process used by RurAL CAP might also provide a useful and appropriate model for the Center's results-based management tool. First, at the risk of stating the obvious, there are clear parallels between the Center's and RurAL CAP's missions. RurAL CAP is currently the only non-profit Community Action Agency in Alaska dedicated, in large measure, to promoting "maximum participation by village [residents] in overcoming all forms of poverty."²⁷ RurAL CAP's mission is to improve the quality of life for rural Alaskans, promoting maintenance of cultural heritage while protecting economic and human potential. This dovetails with the Center's goal of developing an economic development strategy that is linked with reduction of poverty within rural Native Alaska communities.

Second, it is of some importance that Community Action Agencies nationwide devised this model to respond to federal reporting requirements that result from GPRA. RurAL CAP relies almost exclusively on federal funding, and this model has proven successful as a tool to assist RurAL CAP managers in demonstrating accountability to their federal funding sources. While RurAL CAP managers re-tool information gleaned during the ROMA process to report to individual federal agencies whose reporting requirements may differ from the ROMA tool, Executive Director David Hardenbergh reported that ROMA has served as a tool that easily facilitates the federal reporting process. Because the Center is contemplating development of a process that will encourage and improve accountability for federal funds, this might be an important consideration for the Center. It appears that funding for development initiatives under the Center's auspices will likely come from more than one federal source for any given program, and, certainly, there will likely be more than one program – with multiple funding sources. Thus, a model such as ROMA, which is flexible enough to encourage strong results-based management while organizing important information for accountability to multiple agencies with differing reporting requirements, could be useful.

Third, RurAL CAP's ROMA implementation appears to strike a balance between *measuring and achieving* the delivery of results to the client/beneficiary in an organized, methodical way. The RurAL CAP process ensures that there is ongoing dialogue within each program that informs future management decisions based on results that have been achieved. The model also focuses on accountability and responsibility, providing a

²⁷ RurAL CAP Reporting Document, at p. 1.

response to two of the key questions you posed to keep the Center’s activities and initiatives on track.

The RurAL CAP ROMA model may not, however, meet all of the Center’s assessment needs, and may need to be supplemented. For example, it does not answer why a client fails to achieve a desired outcome – rather, it illuminates only *at what point* the client derails in his/her efforts to achieve his/her goals. Theoretically, this failure *could* be perceived as a weakness in the model that could be corrected by building into the measurement process more detailed milestones or measures. It seems to me that those who are implementing an initiative or project would want to know what *caused* a client to fail to achieve a desired outcome, not simply at what point the client jumps ship. The issue of causation, however, raises other challenges that are not easily addressed. Experts warn against confusing correlation and causation – one does not necessarily imply the other. Thus, in order to accurately establish causation, it would be necessary to run a designed experiment that offers opportunities to use a clearly and carefully designed control group that measures similarly situated projects/individuals.²⁸ In fact, it is generally accepted that absent use of such a control group, it is almost impossible to evaluate actual causation. As mentioned previously in the OMB discussion, because use of such an actual control group likely would not pass constitutional muster, this is a deficiency that is likely to exist in *any* existing results-based management system. Each of the other two models reviewed in this Memorandum share this particular “deficiency.”

In addition, the model will likely need to be “tweaked” to ensure that it fits the specific needs of the Center’s strategic plan. For example, RurAL CAP does not report on indicators such as unemployment, rates of family violence, rates of child abuse, etc. While the Center has not yet determined the indicators/metrics to be used in its own results-based management process, the Center might want to consider including these indicators within the Center’s metrics, as they are fundamental issues that go to the heart of community well-being and stability, and, therefore, capacity. The four key questions posed within the Preliminary Work Plan imply that addressing these and other related issues will be a fundamental component of the Center’s strategic plan and will be addressed by the pilot projects and other initiatives devised to implement the plan. The fact that the RurAL CAP tool does not measure these indicators is not a fatal flaw. The Center can easily devise a system that measures against whatever indicators are most appropriate to the Center’s goals while still relying, in whole or in part, upon the RurAL CAP management model. There is no readily apparent reason why the inherent nature of the ROMA model forecloses inclusion of these types of indicators in an amended version of ROMA.

It is not readily apparent to what extent this model can be amended to reflect to extent to which an initiative or program maximizes local decision-making and responsibility. Because this is one of the key demands the Center has placed on the results-based management process, the fact that this process does not provide a mechanism for evaluating this component presents a challenge. If the Center were to utilize the ROMA

²⁸ H. Joseph Newton Statistic 30X Class Notes, which can be found at www.stat.tamu.edu/stat30x/notes/trydouble2.html.

model, it would be important to incorporate that fully evaluate the local decision-making component.

It should also be mentioned that ROMA does *not* address the economic return on the investment -- i.e. ROMA reporting does not include an economic impact analysis. It appears that the failure to include this component is not accidental. Because such analyses are extremely expensive, federal program funding typically is not sufficient enough to accommodate such an analysis.²⁹ This may or may not be a drawback to use of this model, depending upon whether the Center determines that this is a necessary element to good results-based management. Clearly, however, if the primary source of the funding for economic development activities will likely be the federal government, and the federal government does not fund economic impact analyses, it is axiomatic that such an analysis cannot be expected to be part of *any* results-based management process.

Finally, it is conceivable that there *might* be substantial differences between the types of services offered by RurAL CAP and those that will be offered by BBNA, AVCP, and any other entity that will utilize the Center's results-based management process. Clearly, RurAL CAP's mission and the Center's mission directly relate to one another -- i.e. reducing poverty and strengthening self-reliance while maintaining culture. RurAL CAP is a human services organization that provides education, training, and other direct services to individual clients. I do not have sufficient information about the BBNA/AVCP pilot project, or any other initiatives contemplated at this time, to evaluate whether the activities (and potential services) in which the organizations and local governments will engage under those initiatives will differ from those offered by RurAL CAP. Initially, it would seem that there should be some similarities, if not substantial overlap, between the services and programs offered by RurAL CAP and the Center. If the Center's goals are to be achieved, it will be absolutely essential that the individuals within each community be healthy -- requiring, to some degree, some, if not all, of the human services offered by RurAL CAP.

Overall, the ROMA model is about service delivery to individuals. In that regard, it is straightforward, and focused on achieving results while maintaining accountability for resources. This is a difficult balance to achieve -- but RurAL CAP seems to have achieved it successfully.

Finally, depending on what specific strategic goals the Center adopts to implement its mission, the Center might find that some of the 12 National Indicators used by Community Action Agencies to implement ROMA could be appropriate or relevant to the Center's needs as it identifies the indicators and metrics to be used for its own results-based management model.

C. PART

²⁹ Conversation with David Hardenbergh, Executive Director, RurAL CAP.

The OMB/PART model provides a rigorous methodology that requires reliance on objective data that is supported by substantial evidence to assess program performance. The majority of the PART questions appear, on their face, to be straightforward and somewhat objective. It is questionable, however, whether it is appropriate to apply this demanding and rigorous process to private sector development initiatives in remote small, remote villages in Alaska.

OMB developed PART to assess the effectiveness of federal government activities under GPRA. Its exacting standards demand improved utilization of, and accountability for, federal resources from large *government* agencies. It appears to have been created with an eye toward thinning the herd, so to speak, to help OMB inform the President's budget decisions. The PART process does not emphasize the importance of integrating "lessons learned" into future management decisions to enhance the likelihood of a program's success, focusing, instead, on actual performance and accountability. While the process acknowledges that integration of information into management decisions is useful, it does not emphasize that process.

There is no doubt that any program of the Center's magnitude must, ultimately, demand both performance and accountability. Yet the Center's initiatives must be given a real opportunity for success. It is not clear that utilization of the OMB management methodology will really serve the goal of achieving private sector economic development in remote villages in Alaska, and whether its use would enhance opportunities for success. The experience of the international development community underscores the reality that successful entrepreneurial development often entails initial failures – the key to successful development lies in ascertaining why the failure occurred, and incorporating that knowledge into future decision-making that may entail rethinking strategic goals. PART is not, in my opinion, flexible enough to provide room for such failure.

It is also important to consider that substantial changes to basic community infrastructures will have to occur as a predicate to any successful economic development in villages in Alaska. The mere occasion of these changes, even if they derive from within each community, will affect, in various ways, the likelihood of initial success of any development initiative. The development of private sector industry will, of necessity, require a stepped process that fully contemplates the enormity of the changes that will occur. It should be asked, then, whether it is appropriate to evaluate the success of economic development in villages that currently lack the infrastructure that is essential to successful development by utilizing a process that is designed to demand results and accountability from a large, established, government bureaucracy where infrastructure is already in place.

To some extent, it is arguable that there is some value in utilizing the evaluation tool that federal agencies, themselves, must utilize to justify their programs and budgets to OMB. If the funding to be received to support the Center's initiatives is likely to be federal, use of at least some portion of this format will provide those entities engaging in development activities with a framework that is familiar to the federal sources that will provide funding for the Center's initiatives. Toward this end, the core questions relating

to the program's purpose, strategic planning, and management could serve as useful inquiries to any organization with an eye toward achieving better results. The question remains how the Center might integrate the core questions into a new management model: should they hold a primary position within the model, or serve as an informative component, only.

It is my belief that PART is too rigid and too rigorous to apply to the economic development initiatives contemplated by the Center as is. It does not make sense to me to apply a tool designed to evaluate a large bureaucracy with an established infrastructure and access to much-needed capacity to initiatives that will necessarily involve small governments in communities that lack essential infrastructure. I would not recommend using PART as the Center's evaluation tool. If the Center concludes that it is appropriate to utilize PART in some way, I would recommend using only the 25 PART questions (or some semblance thereof) in combination with components from either or both of the two other management tools. The challenge will be to ensure that the Center define the mission, strategic goals, and incremental steps necessary to achieve them in such a way that the tribes/villages will not fail. If the Center defines strategic goals in a way that requires home runs each step of the way, there is a high likelihood that the initiatives will fail. If, however, the Center defines its goals to have a success rate that is equal to the national average for startup businesses, for example, the PART questions could be very helpful.

CONCLUSION

AFN chose to evaluate each of the results-based management models summarized in this memorandum because each has substantial merit, and each offers components that could be incorporated into the Center's own management tool. MfDR, which is less concrete than PART, but more relevant to the Center's work, reflects that it was created to enhance development activities in underdeveloped countries under circumstances that are similar to those in remote rural Alaska. MfDR looks to the local developing nation for partnership and collaboration throughout the process, and requires the developing country to own the initiative throughout the entirety of the process, including its successes and failures. While the ADB could have developed a "top down" model, it did not. This strikes an obvious chord with regard to development initiatives involving villages in Alaska. There is no doubt that successful economic development in remote villages will require a firm commitment to collaboration between private and public sectors, and between non-profit organizations and tribes, with the villages driving the design and implementation of the initiative to ensure that it emanates from within the community, and that it takes into account community norms. The Center's goals reflect an understanding of, and commitment to this approach, which is embodied within MfDR.

PART, on the other hand, is very concrete, and very rigorous. It is a management process designed to assess whether federal agencies are meeting a "good government" standard. Its demands seem irrelevant to the demands of private entrepreneurship.

ROMA provides a very organized evaluation and reporting framework that would assist managers who want to infuse their planning with knowledge gleaned from ongoing and continuous evaluation. It would provide a useful tool, as it provides ongoing feedback to managers that could enhance their ability to make changes to project goals and implementation *before* the project reaches its conclusion, thus enhancing the likelihood of success.

In sum, I recommend that the Center consider developing a management model that takes the best from each of these models: 1) a ROMA component that provides critical information to management throughout the entirety of the initiative, facilitating integration of “lessons learned;” 2) a statement of fundamental principles that will guide the management process and reflect the invaluable lessons learned by the international development community and articulated within MfDR; and 3) if the Center desires to utilize PART, a reporting and internal evaluation tool that includes questions similar to the 25 core questions contained within PART.

ALASKA FEDERATION OF NATIVES

2007 ANNUAL CONVENTION

RESOLUTION 07-33

TITLE: IN SUPPORT OF THE “NATIVE AMERICAN CHALLENGE DEMONSTRATION PROJECT ACT OF 2007”

WHEREAS: The Association of Village Council Presidents, the Bristol Bay native Association, and the Alaska Federation of Natives applying jointly, are identified as an eligible entities in the Native American Challenge Demonstration Project Act of 2007; and

WHEREAS: The purposes of the Act are to:

1. adapt the lessons of foreign aid to underdeveloped economies, such as the experience of the Millennium Challenge Corporation, to the provision of Federal economic development assistance to similarly situated remote Native American communities;
2. provide Federal economic development assistance for Native communities through the Native American Challenge Demonstration Project;
3. administer Federal economic development assistance in a manner that promotes economic growth and the elimination of poverty and strengthens good governance, entrepreneurship, and investment in Native communities;
4. improve the effectiveness of Federal economic development assistance by encouraging the integration and coordination of such assistance in Native American communities;
5. promote sustainable economic and poverty reduction policies in Native American communities in a manner that promotes self-determination and self-sufficiency among remote Native American communities while preserving their cultural values; and
6. establish a demonstration project which, if successful, may be broadly applied to other Native American communities in the United States; and,

NOW THEREFORE BE IT RESOLVED by the Delegates to the 2007 Convention of the Alaska Federation of Natives, Inc., that AFN urges the Alaska Congressional Delegation to authorize the Native American Challenge Demonstration Project Act of 2007, utilizing the principles of the Indian Self Determination Act with new federal resources, maximizing local decision making process and a results based management process; and

BE IT FURTHER RESOLVED that after initial successful completion of the Native American Challenge Demonstration Project, this federal economic development assistance project will be extended statewide.

SUBMITTED BY: ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS

COMMITTEE ACTION: DO PASS, TIER 1

CONVENTION ACTION: PASSED AS AMENDED



APPENDIX A

12 NATIONAL INDICATORS USED BY RURALCAP AND OTHER COMMUNITY ACTION AGENCIES

Following is a list of the 12 national indicators created for use by community action agencies nationwide, which inform all results-based management under ROMA.

1. The number and percentage of low-income participants in community action employment initiatives who get a job or become self-employed as measured by one or more of the following:
 - Unemployed and obtained a job
 - Employed and obtained an increase in employment income
 - Achieved a “living wage” employment and benefits
2. The number of low-income participants for whom barriers to initial or continuous employment are reduced or eliminated through assistance from community action as measured by one or more of the following:
 - Obtained pre-employment skills/competencies required for employment and received training program certificate or diploma
 - Completed ABE/GED and received certificate or diploma
 - Completed post-secondary education program and obtained certificate or diploma
 - Enrolled children in before or after school programs in order to gain or maintain employment
 - Obtained care for child or other dependant in order to gain or maintain employment
 - Obtained access to reliable transportation and/or driver’s license in order to gain or maintain employment
 - Obtained health care services for themselves or a family member in support of family stability needed to gain or retain employment
 - Obtained safe and affordable housing in support of family stability needed to gain or retain employment
 - Obtained food assistance in support of family stability needed to gain or retain employment
3. The number and percentage of low-income households that achieve an increase in financial assets and/or financial skills as a result of community action assistance, and the aggregated amount of those assets and resources for all participants achieving the outcome, as measured by one or more of the following:
 - Number and percent of participants in tax preparation programs who identify any type of federal or state tax credit and the aggregated dollar amount of credits
 - Number and percentage that obtained court-ordered child support payments and the expected annual aggregated dollar amount of payments
 - Number and percentage enrolled in telephone lifeline and/or energy discounts with the assistance of the agency and the expected aggregated dollar amount of savings

- Number and percent of demonstrating ability to complete and maintain a budget for over 90 days
 - Number and percent opening and Individual Development Account or other savings account and increased savings, and the aggregated amount of savings
 - Of participants in a community action asset development program, number and percent capitalizing a small business due to accumulated savings; number and percent pursuing post-secondary education due to savings; number and percent purchasing a home due to accumulated savings
4. Increase in, or safeguarding of threatened opportunities and community resources or services for low-income people in the community as a result of community action projects/initiatives or advocacy with other public and private agencies, as measured by one or more of the following:
- Accessible “living wage” jobs created or saved from reduction or elimination in the community
 - Safe and affordable housing units created in the community
 - Safe and affordable housing units in the community preserved or improved through construction, weatherization or rehabilitation achieved by community action activity or advocacy
 - Accessible and affordable health care services/facilities for low-income people created or saved from reduction or elimination
 - Accessible safe and affordable child care or child development placement
 - Opportunities for low-income families created or saved from reduction or elimination
 - Accessible before school and after school program placement opportunities for low-income families created or saved from reduction or elimination
 - Accessible new or expanded transportation resources, or those that are saved from reduction or elimination, that are available to low-income people, including public or private transportation
 - Accessible or increased educational and training placement opportunities or those that are saved from reduction or elimination, that are available for low-income people in the community, including vocational, literacy, and life skill training, ABE/GED, and post-secondary education.
5. The quality of life and assets in low-income neighborhoods are improved by community action initiatives or advocacy, as measured by one or more of the following:
- Increases in community assets as a result of a change in law, regulation or policy, which results in improvements in quality of life and assets
 - Increase in the availability or preservation of community facilities
 - Increase in the availability or preservation of community services to improve public health and safety
 - Increase in the availability or preservation of commercial services within low-income neighborhoods
 - Increase or preservation of neighborhood quality-of-life resources.

6. The number of volunteer hours donated to Community action.
7. The number of low-income people mobilized as a direct result of community action initiative to engage in activities that support and promote their own well-being and that of their community as a result of one or more of the following:
 - Number of low-income people participating in formal community organizations, government, boards or councils that provide input to decision-making and policy setting through community action efforts
 - Number of low income people acquiring businesses in their community as a result of community action assistance
 - Number of low income people purchasing their own homes in their community as a result of community action assistance
 - Number of low income people engaged in non-governance community activities or groups created or supported by community action.
8. The number of organizations, both public and private, community action actively works with to expand resources and opportunities in order to achieve family and community outcomes.
9. The number of dollars mobilized by community action, including amounts and percentages from:
 - Community Services Block Grant (CSBG)
 - Non-CSBG Federal Programs
 - State Programs
 - Local Public Funding
 - Private Resources
 - Value (at Federal minimum wage) of volunteer time
10. The number of vulnerable individuals receiving services from community action that maintain an independent living situation as a result of those services:
 - Senior Citizens, and
 - Individuals living with Disabilities
11. The number of low-income individuals or families served by community action that sought emergency assistance and the percentage of those households for which assistance was provided, including such services as:
 - Food
 - Emergency payments to Vendors, including Fuel and Energy Bills and Rent/Mortgage payments
 - Temporary Shelter
 - Emergency Medical Care
 - Protection from Violence
 - Legal Assistance
 - Transportation
 - Disaster Relief
 - Clothing
12. The number and percentage of all infants, children, youth, parents, and other adults participating in developmental or enrichment programs that achieve program goals, as measured by one or more of the following:
 - A. Infants and children -

- Infants and children obtain age appropriate immunizations, medical and dental care.
- Infant and child health and physical development are improved as a result of adequate nutrition.
- Children participate in pre-school activities to develop readiness skills.
- Children who participate in pre-school activities are developmentally ready to enter kindergarten or 1st grade.

B. Youth –

- Youth improve physical health and development
- Youth improve social/emotional development
- Youth avoid risk-taking behavior for a defined period of time
- Youth have reduced involvement with criminal justice system
- Youth increase academic, athletic or social skills for school success by participating in before or “after” school programs

C. Parents or other adults –

- Parents and other adults learn and exhibit improved parenting skills
- Parents and other adults learn and exhibit improved family functioning skills.

Status of Alaska Natives 2004

Institute of Social and Economic Research • University of Alaska Anchorage • May 2004



The Alaska Federation of Natives asked ISER to report on social and economic conditions among Alaska Natives. We found that Natives have more jobs, higher incomes, and better living conditions, health care, and education than ever. But they remain several times more likely than other Alaskans to be poor and out of work. Alcohol continues to fuel widespread social problems. Native students continue to do poorly on standard tests, and they're dropping out in growing numbers. Rates of heart disease and diabetes are rising. In the face of all these challenges, subsistence remains critical for cultural and economic reasons. And there are more challenges to come. In the coming decade, when economic growth is likely to be slower than in the past, thousands more young Alaska Natives will be moving into the job market.

- Alaska Natives are increasingly urban. About 42 percent live in urban areas now, and that share could reach more than 50 percent by 2020.
- The fastest Native population growth since 1970 has been in urban areas, boosted by thousands of Natives moving from rural places.
- Populations of remote Native villages continue to grow, despite the migration to urban places.
- At current trends, the Native population will grow from 120,000 in 2000 to 165,000 by 2020.
- Natives are a young people. Those 19 and younger make up 44 percent of all Natives, compared with about 29 percent among all Americans. But the elder population has also been growing fast.
- Natives gained more than 8,000 jobs between 1990 and 2000. But only about 35 percent of all Native jobs are full-time and year-round.
- Native women held more jobs than Native men by 2000. Working-age women are also the most likely to live in urban areas.
- Despite job gains, the number of unemployed Natives increased 35 percent from 1990 to 2000.
- Demand for jobs will continue to grow, with 25 percent more Alaska Natives entering the work force between 2000 and 2010.
- Incomes of Natives remain just 50 to 60 percent of other Alaskans, despite gains. Transfer payments are a growing share of Native income.
- All the economic problems Natives face are worst in remote areas, where living costs are highest.
- Natives are three times as likely as other Alaskans to be poor. Half the Native families below the poverty line are headed by women.
- Many Alaska children are growing up in families headed by women, but the share is about a third larger in Native families.
- Alcohol continues to fuel high rates of domestic violence, child abuse, and violent death in the Native community. But two-thirds of small villages have imposed local controls on alcohol.
- Current Native health problems—like the spread of diabetes and heart disease—are linked more to the modern American way of life than to poor living conditions, as they were 30 years ago.
- Native education levels continue to rise, but haven't yet reached those among other Alaskans. Native women are significantly more likely than men to attend college.
- Native students are more likely to drop out of school and less likely to pass standard tests.

A WORD ABOUT THE 2000 CENSUS

The 2000 U.S. census reported nearly 120,000 Alaska Natives living in Alaska, including 21,000 who were Native and some other race. That was the first census to give people the option of specifying more than one race. Before that, everyone had to choose just one primary race to describe their heritage. The change in 2000 means:

- More people were probably counted as Native in 2000 than would have been under the old system. At least some people who were Native and some other race would likely have named the other race, if they had to choose.
- Since most Native people of mixed race live in urban areas, urban growth is the most likely to be overestimated.

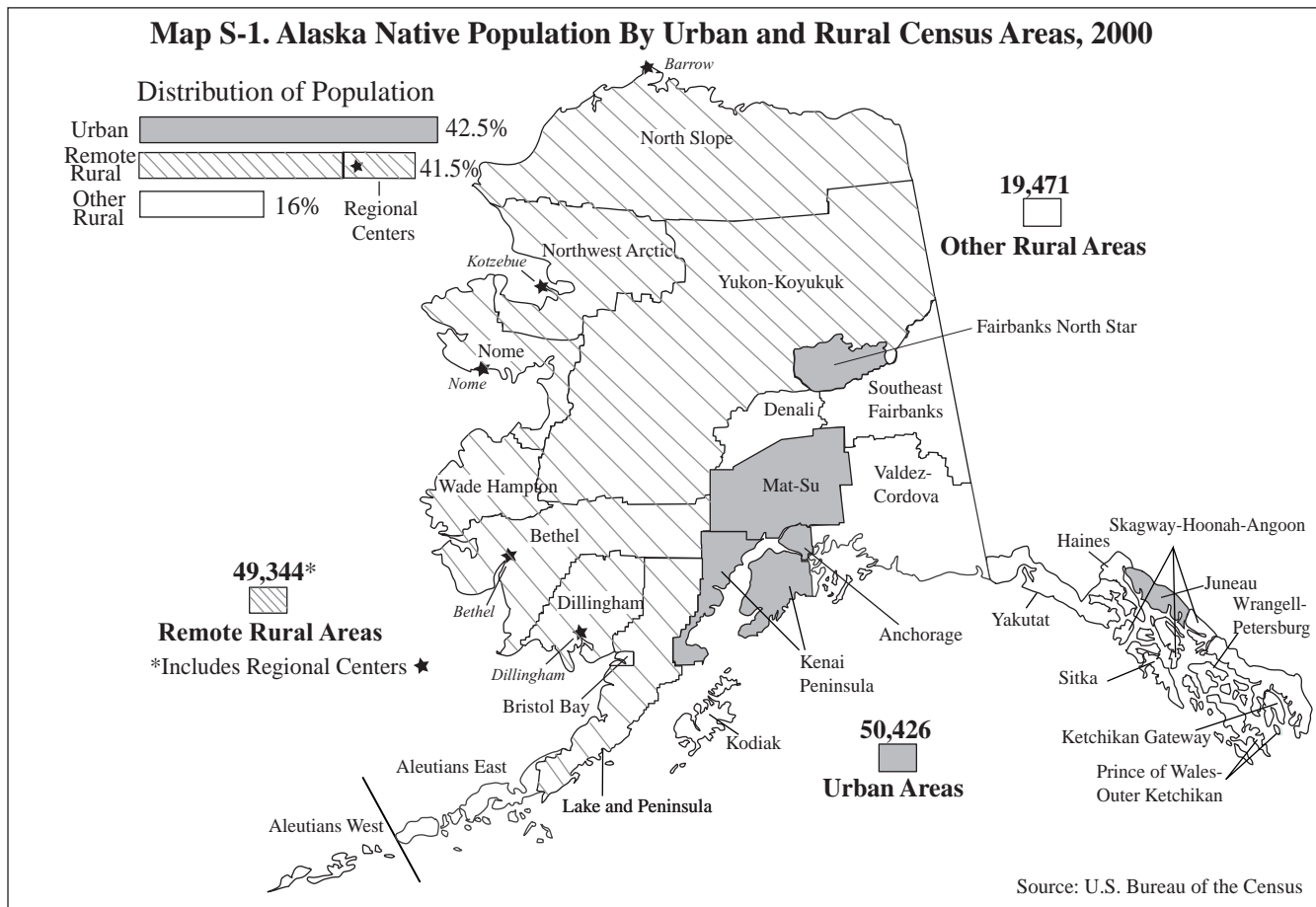
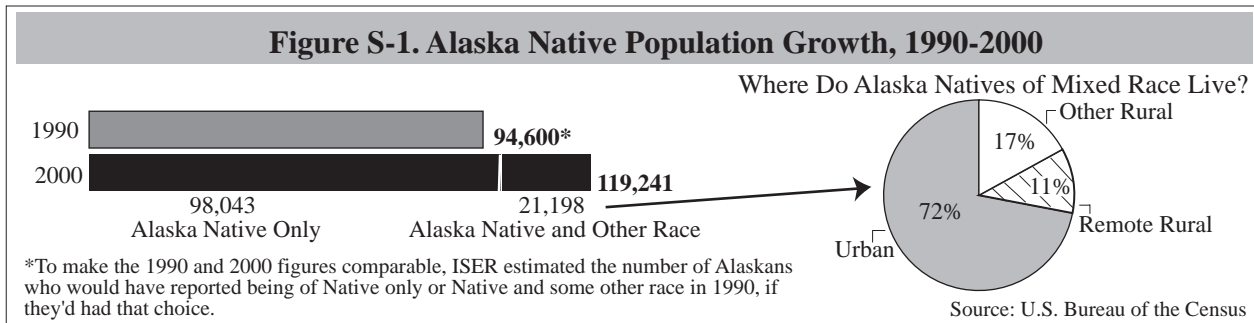
Still, the U.S. census is the best information available on conditions among Natives (and all other Americans), and it reliably shows trends and patterns.

POPULATION GROWTH AND TRENDS

- *Alaska Natives are only about half as likely as Native Americans nationwide to be of mixed race.* The 18 percent of Natives who are of mixed race are mostly young people living in urban areas (Figure S-1).

- *Today Alaska Natives are just as likely to live in urban areas as in remote rural places* (Map S-1). In 2000, nearly 43 percent of Alaska Natives lived in the urban areas of Anchorage, Fairbanks, Juneau, and the Mat-Su and Kenai Peninsula boroughs. Close to 42 percent lived in remote places in northern, interior, and western Alaska, including several regional centers. The remaining 16 percent lived in less remote rural areas.

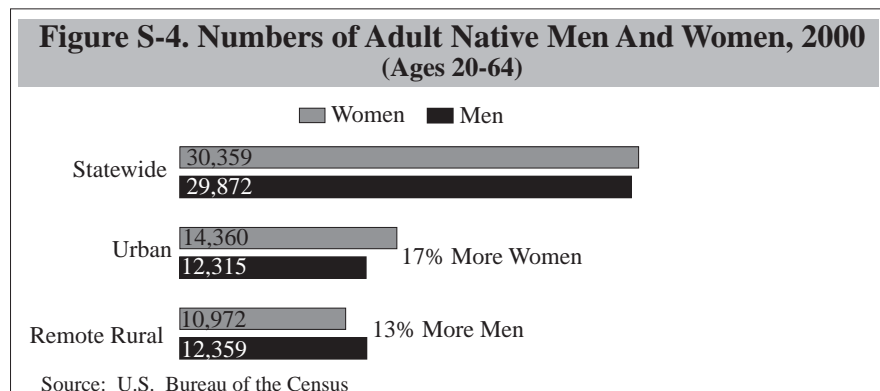
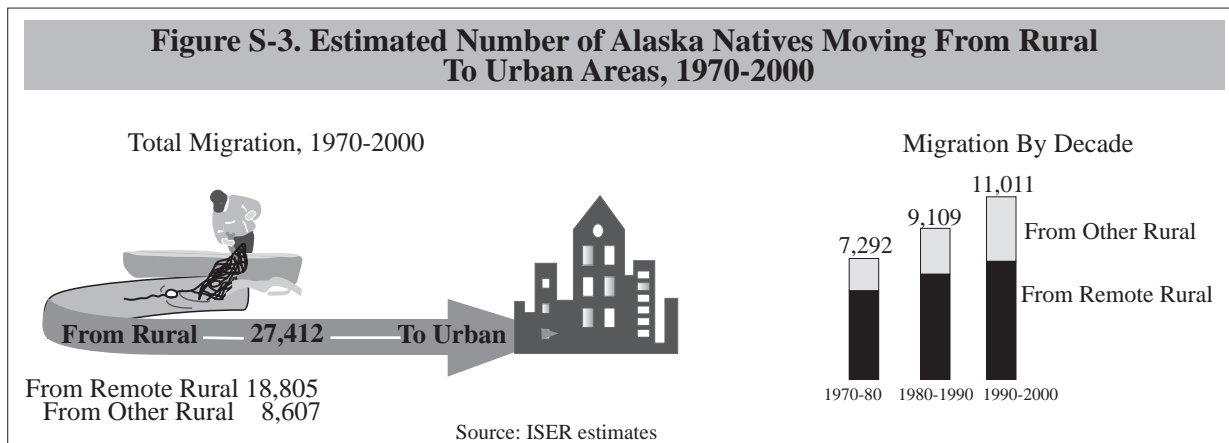
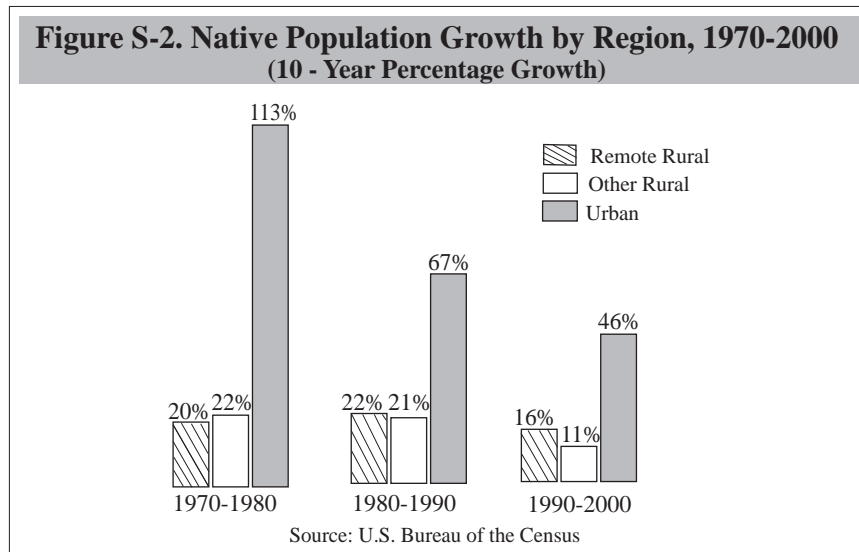
- *The Native population grew in both urban and rural areas in the 1990s, but the fastest growth was in urban areas—as it has been for the past 30 years* (Figure S-2).



- *Much of the fast growth in urban areas has been due to the thousands of Natives moving from rural to urban areas.* An estimated 27,400 Natives moved from rural places to urban areas from 1970 through 2000. Most of those people moved from remote rural areas, as Figure S-3 shows. Roughly 11,000 rural Natives moved to urban areas just in the 1990s.

- *Despite the movement out of rural areas,* the rural Native population still grew in every decade since 1970.

- *Native women of working age are especially likely to live in urban areas.* As Figure S-4 shows, numbers of adult Native men and women (ages 20 to 64) were close to equal statewide in 2000. But adult women outnumbered adult men in urban areas by 17 percent. By contrast, adult Native men in remote rural places outnumbered women by about 13 percent.



HOUSEHOLDS AND FAMILIES

• *Native households are far less likely to be married couples and much more likely to be headed by women today than 40 years go, as Figure S-5 shows. In 1960, 69 percent of Native households were married couples, compared with 40 percent in 2000. Women without husbands headed 11 percent of Native households in 1960, but double that share—22 percent—by 2000. Similar trends happened in households nationwide, but the changes in Native households were more dramatic.*

• *Households that aren't families also make up a much bigger share of Native households today, up from just 12 percent in 1960 to 28 percent by 2000. Most non-family households have just one person.*

• *Native households are also considerably smaller today, dropping from an average of 5.5 persons in 1960 to 3.6 in 2000.*

• *Native households are twice as likely as non-Native households to be headed by women without husbands—22 percent, compared with 9 percent for non-Natives (Figure S-6). Keep in mind that while many women who head households are raising children alone, not all are. Some families headed by women could be, for instance, sisters sharing a home or widows whose adult children live with them. Extended family households are common in the Native community.*

• *Native men without wives are also far more likely than non-Native men to head households—10 percent versus 5 percent. But again, not all these men are raising children alone; they could be adult cousins or other relatives sharing a home.*

Figure S-5. How Have Alaska Native Households Changed?

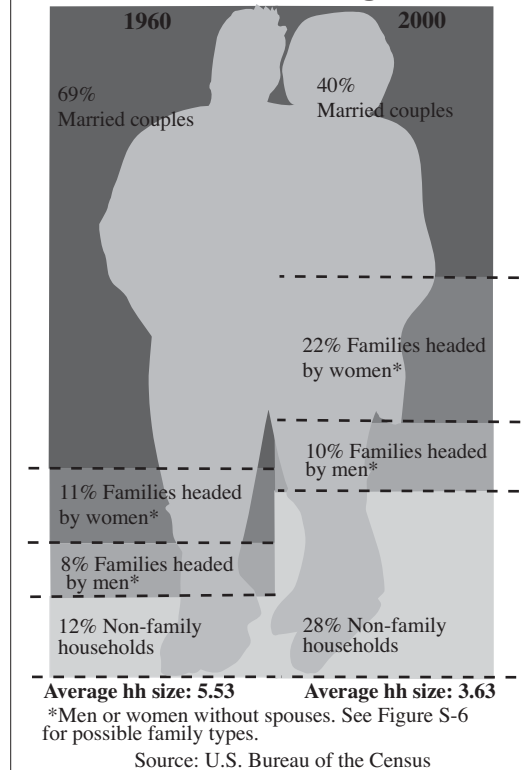
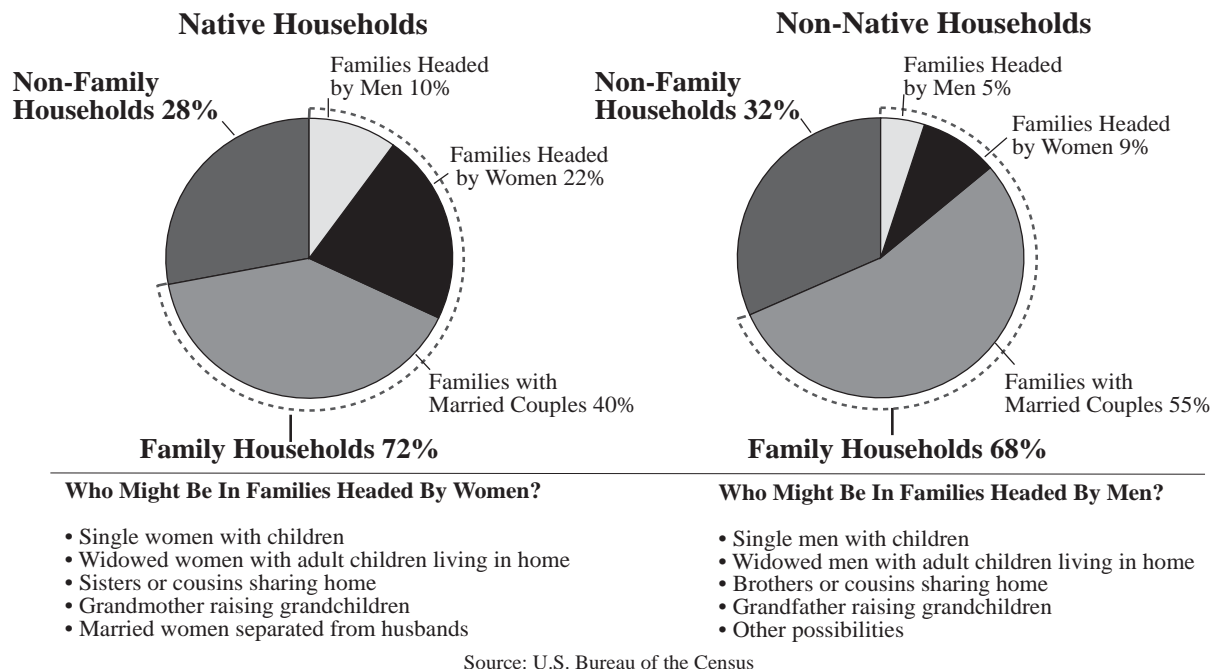


Figure S-6. Composition of Native and Non-Native Households, 2000
(Native Households: 31,675 • Non-Native Households: 189,925)

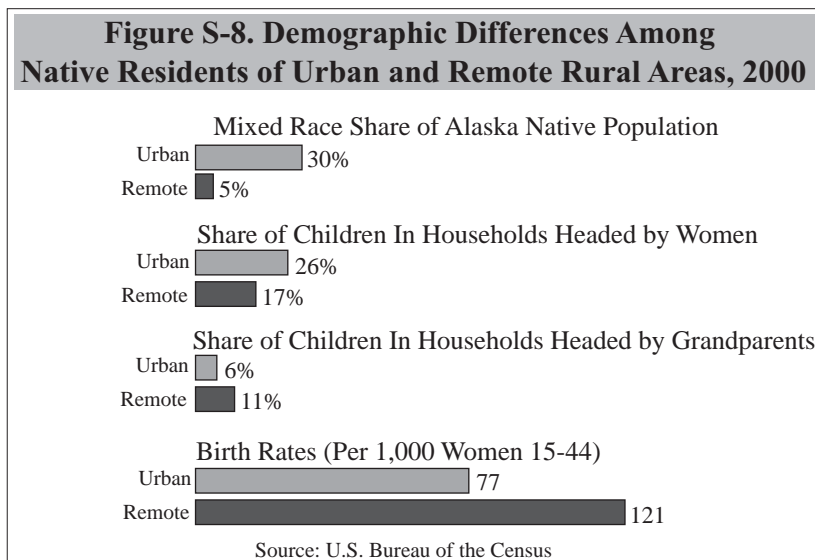
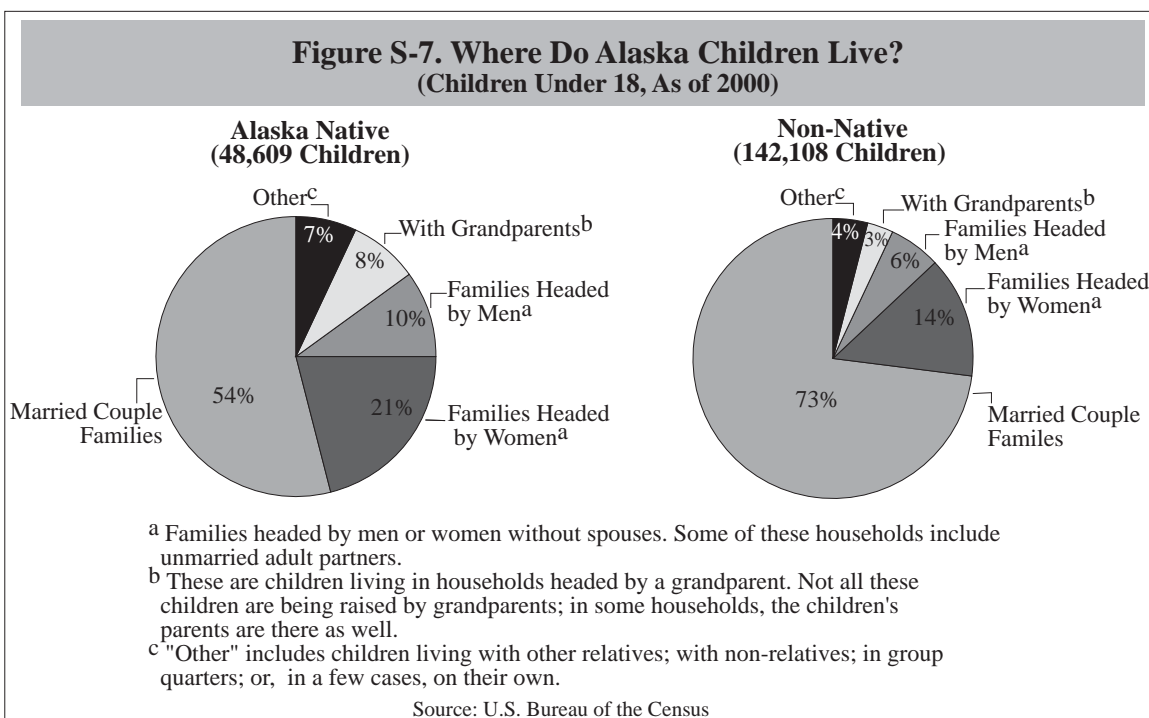


- *Just over half of Native children live in married-couple families*, compared with nearly three quarters of non-Native children (Figure S-7).
- *One in five Native children and one in seven non-Native children are growing up in households headed by women*. These households are by far the most likely to be poor (as Figure S-28 on page 13 shows).
- *Nearly one in 10 Native children live in households headed by their grandparents*, compared with about one in 30 non-Native children. But again, keep in mind that grandparents aren't raising all these children. The children's parents also live in many of these multi-generational households.

URBAN-RURAL DEMOGRAPHIC DIFFERENCES

Not only are there demographic differences among Natives and non-Natives, there are also significant differences among Natives living in urban places and in remote rural areas (see Map S-1 on page 2). As Figure S-8 shows:

- *Natives in urban places are about six times more likely to be of mixed race*.
- *Native children in urban places* are more likely to live in households headed by women.
- *Native children in remote rural places* are almost twice as likely to live in households headed by their grandparents.
- *Birth rates among Native women in remote areas are about 50 percent higher* than those among women in urban areas.



LONG-TERM IMPROVEMENTS IN LIVING CONDITIONS

When Alaska became a state, most Alaska Natives—especially in the western, northern, and interior regions—lived in remote villages without safe ways to get water or dispose of sewage. Houses in the villages were mostly small, crowded, dilapidated, and without electricity. Basic medical care was typically available only when public health nurses or doctors visited.

Alaska Natives died young and suffered high rates of tuberculosis, hepatitis, and other illnesses caused or aggravated by their living conditions.

But since the 1970s, the federal and state governments have sharply improved sanitation, housing, and health care in Native villages. As a result, Alaska Natives are living longer, fewer babies are dying, and many infectious diseases have been eliminated or sharply curtailed. Table S-1 shows a few results of better living conditions—lower infant mortality and death rates and increased life expectancy.

The figures here and on the facing page show the broad picture of improvements in sanitation, housing, and health care since the 1970s.

- **More than 75 percent of rural houses had sanitation systems by 2003**, according to figures from the Alaska Village Safe Water Program. That's up from about 40 percent in 1990 and around 20 percent in 1980 (Figure S-9).

- **Nearly 90 rural communities got new sanitation systems between 1975 and 2003.** Map S-2 shows locations of places, by Native regional corporation boundaries, where new systems serving at least 30 percent of houses have been built since 1975. Most of the new systems are in the remote areas of the state; many communities in southcentral and southeast Alaska had public sanitation systems in the 1970s. Many existing systems have also been improved over the years.

- **As of 2003, 32 communities in interior and western Alaska still lacked** public sanitation systems, and in another 23 communities less than 30 percent of houses had such systems.

TABLE S-1. SIGNS OF IMPROVED LIVING CONDITIONS

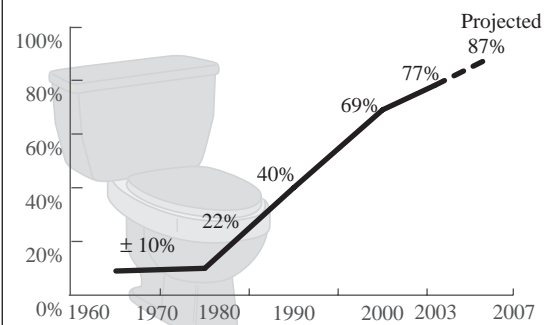
	1960	1990	2000
Infant Mortality Down (Deaths per 1,000 Births)			
Native	87.0	15.1	9.5 ^a
U.S. Average	25.7	9.2	7.0 ^a
Total Death Rate Down (Deaths per 1,000 from all causes)			
Native	9.4	5.8	5.6
Non-Native	4.8	3.3	4.4
Life Expectancy Up (Years expected at birth)			
Native	61.1	68.8	69.5 ^b
U.S. Average	69.7	75.4	76.5 ^b

^a Average, 1998-2000

^b As of 1997

Sources: Alaska Area Native Health Service; Alaska Bureau of Vital Statistics; U.S. Bureau of the Census

Figure S-9. Share of Rural Houses With Sanitation Systems, 1960-2007



Source: Alaska Department of Environmental Conservation Village Safe Water Program

Map S-2. Communities Where New Public Sanitation Systems Were Built, 1975-2003*

(Piped or Flush/Haul Systems Serving at Least 30% of Community in 2003)



*By boundaries of Native regional corporations. Does not include communities (1) that had public sanitation systems before 1975 or (2) have individual wells and septic tanks. A number of communities in the Cook Inlet, Sealaska, Chugach, Aleut, Bristol Bay, and Koniag regions had public systems before 1975, but only a handful of places in NANA, Bering Straits, Doyon, and Calista had systems. The Arctic Slope had none. Today a number of communities still rely on individual wells and septic tanks, especially in Ahtna, Cook Inlet, Doyon, and Bristol Bay.

Sources: U.S. Census, 1980 and 1990; Alaska Department of Environmental Conservation, Village Safe Water Program

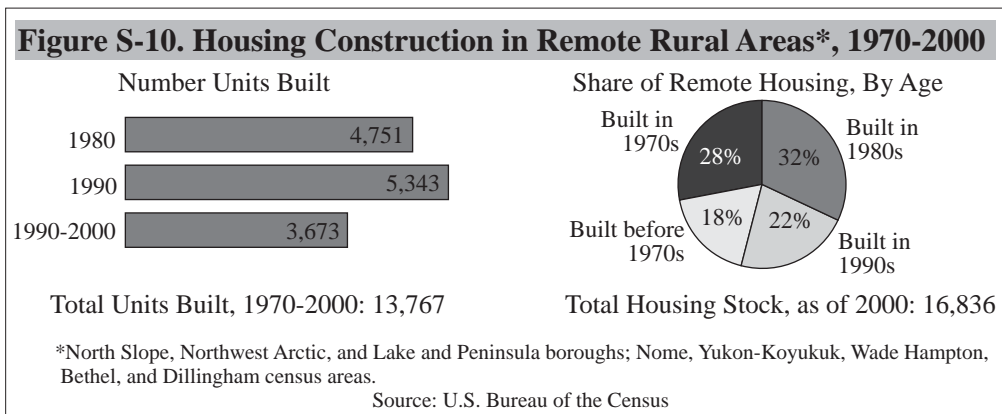
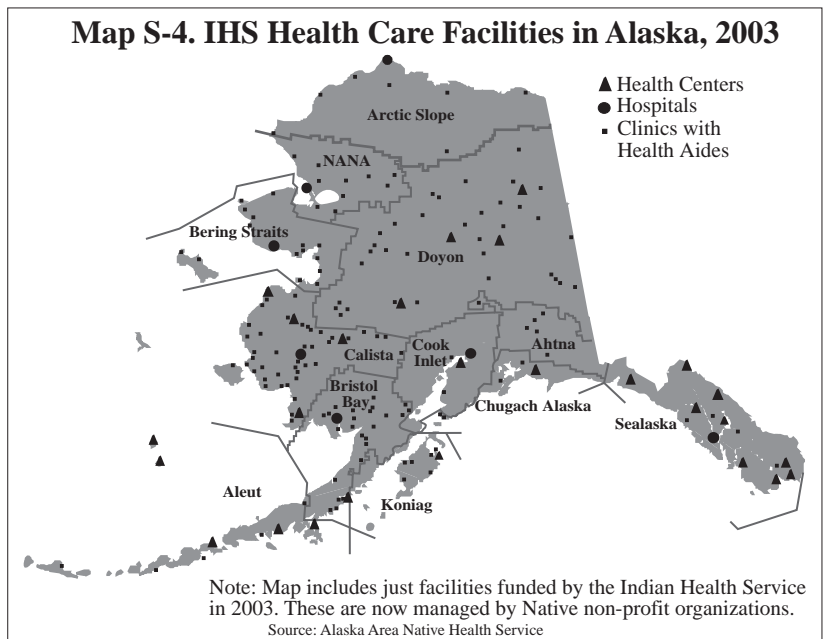
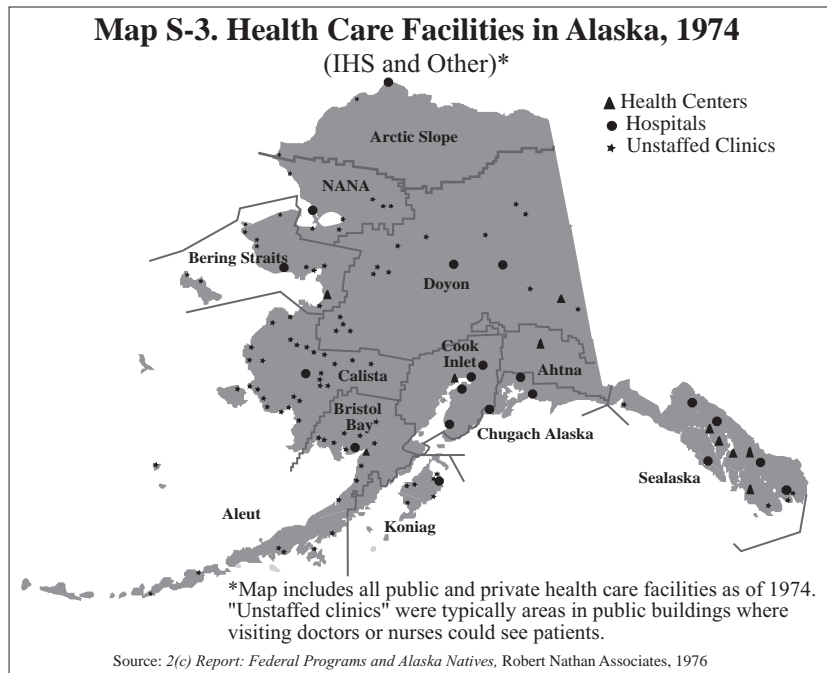
Maps S-3 and S-4 show expansion of basic health clinics and centers in rural areas since the 1970s. (Hospitals are mainly in the same locations where they were in the 1970s, but hospital facilities have been improved.)

Only a couple of health centers (which were usually staffed by at least some medical person) existed in remote western Alaska in 1974. A number of villages in the interior, western, and northern regions had unstaffed health clinics—these were usually areas of public buildings where visiting doctors or nurses could see patients.

By 2003, around 170 villages had health clinics staffed by local health aides, and a number of new health centers had been established in western, southwestern, and interior areas. Many also had access to the telemedicine system, which allows health aides in villages to transmit electronic images of patients to consultant doctors in larger communities.

However, rural residents report that in 2004 many clinic facilities still need improvement. The federal Denali Commission (established to help improve rural facilities) has worked with communities and identified about \$235 million in needed improvements to basic facilities.

A third major improvement since the 1970s is in rural housing. Figure S-10 shows that close to 14,000 new housing units were built in remote rural areas between 1970 and 2000, including about 3,700 units in the 1990s. Only about 18 percent of the housing in remote places today was built before 1970.



HEALTH AND SOCIAL PROBLEMS

The last two pages showed how better living conditions have helped Alaska Natives lead longer, healthier lives than in the past. But today they face other health and social problems. Experts link many of these problems to the modern American diet and way of life and to widespread alcohol abuse.

- **Rates of diabetes among Alaska Natives doubled in just 15 years**, as Figure S-11 shows. By 1999, diabetes had become more widespread among Natives than among Americans as a whole.

- **Natives today share the two leading causes of death—heart disease and cancer—with other Alaskans.** Natives die of cancer at higher rates than any other Alaskans and from heart disease at just over the rate among white Alaskans. Twenty years ago, Natives were much less likely to die from heart disease.

- **Accidents are among the top five causes of death for all Alaskans**, but rates of accidental death among Natives are more than twice those among other Alaskans and three times those in the U.S. as a whole.

- **Still, rates of accidental death among Natives fell nearly 40 percent from the early 1980s to the late 1990s**, as the top half of Figure S-13 shows. Experts credit the drop at least in part to widespread safety campaigns by Native organizations and government agencies. The bottom half of the graph shows the most recent figures, which are not directly comparable with the earlier figures because they are adjusted on a new basis.

- **Trends in homicides and suicides are less clear**, although rates at least aren't increasing. The figures from the late 1990s appear to be lower than in the 1980s. But

a relatively small increase or decrease in suicides or homicides in a given year can change the rates substantially. Again, the bottom half of Figure S-13 shows the most recent figures, which are not directly comparable with the older ones because they are adjusted on a new basis.

- **Alcohol continues to take a heavy toll** on Native people. Experts link most of the high rates of crime, violent death, and social problems among Natives to alcohol abuse.

- **Use of inhalants by Native high-school students declined by half between 1995 and 2003**, according to the Youth Risk Behavior Survey. About 10 percent of both Native and non-Native students report ever sniffing gasoline fumes or other inhalants. But Native students have become more likely to smoke marijuana, with the share reporting current use up from about 29 percent in 1995 to 36 percent in 2003.

- **Native children suffer half the child abuse in Alaska**, although they make up only one quarter of all children. Native women suffer more than a third of reported domestic violence, while making up about a fifth of Alaska women.

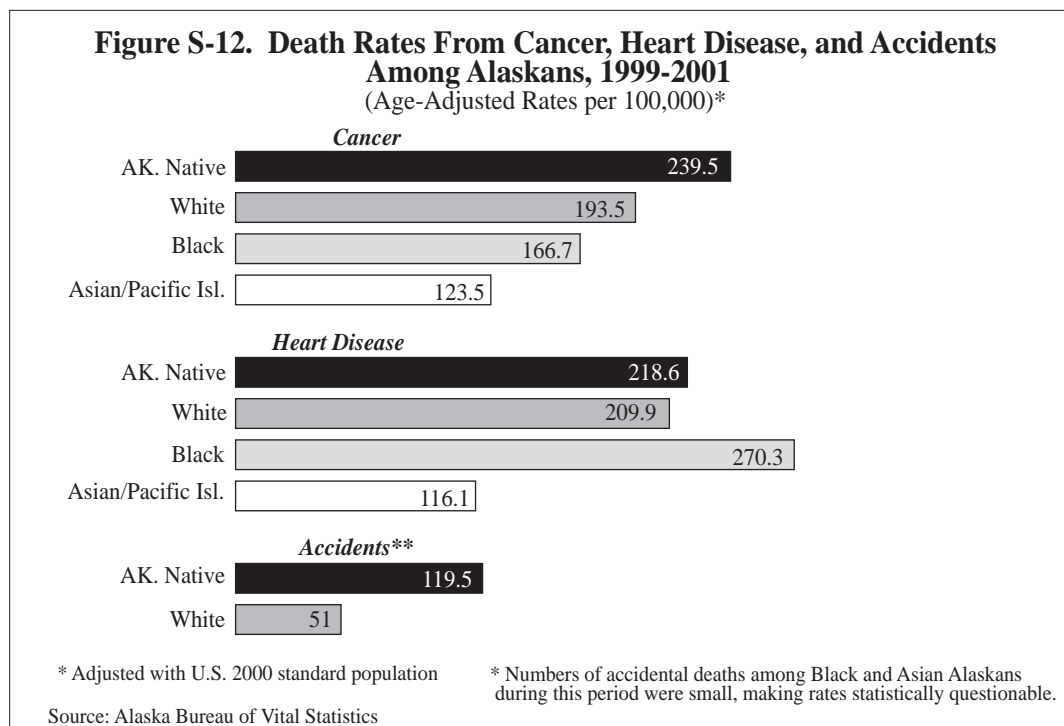
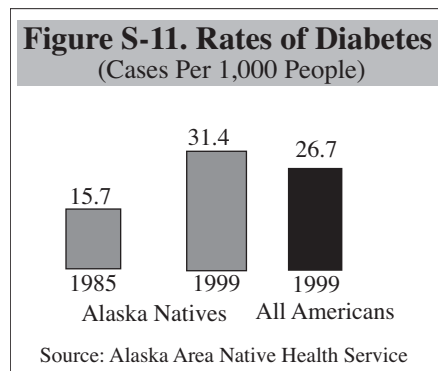
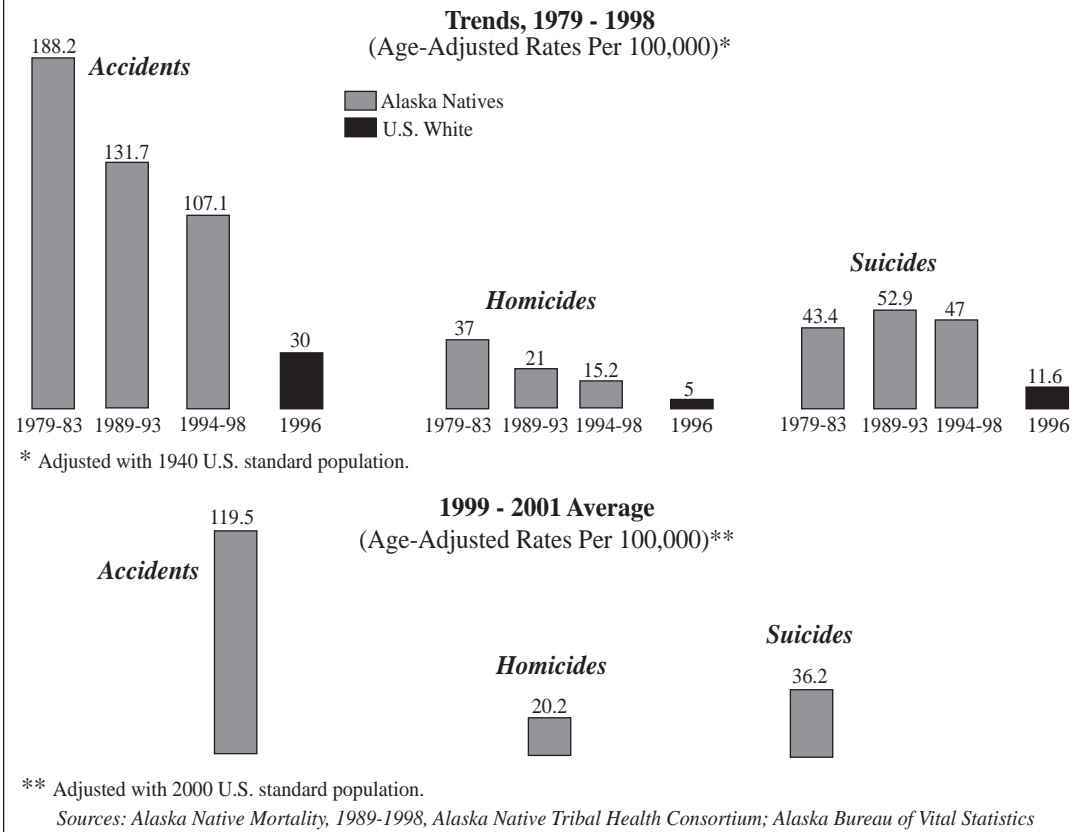


Figure S-13. Violent Deaths Among Alaska Natives and U.S. White Population

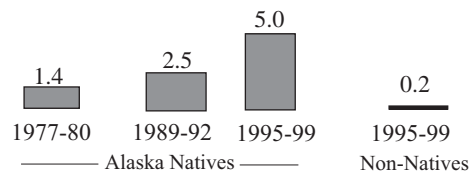


- The rate of Fetal Alcohol Spectrum Disorder among Native babies doubled in the 1990s. Part of that increase may be due to improved diagnosis in recent years. Still, rates among Native children are many times higher than among other children.

- The number of Native prisoners in Alaska jumped 50 percent from 1993 to 2002 (Figure S-15). Natives make up more than a third of prisoners but less than a fifth of the population.

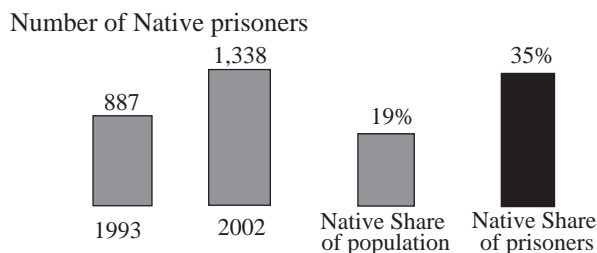
- Native communities are fighting back against alcohol, with about two thirds of small villages controlling alcohol under state law. Research has shown that local control of alcohol has helped prevent as many as one in five violent deaths that would otherwise have occurred.

Figure S-14. Fetal Alcohol Spectrum Disorder
(Cases per 1,000 Births)



Source: Alaska Department of Health and Social Services

Figure S-15. Native Inmates in Alaska Prisons, 1993-2002



Source: Alaska Department of Corrections

Figure S-16. Alcohol Control in Native Communities, 2001*

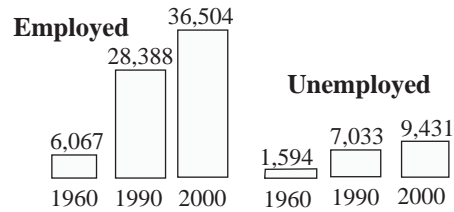


*ISER calculations for 168 small rural places, based on records of Alcoholic Beverage Control Board

THE CHANGING JOB PICTURE

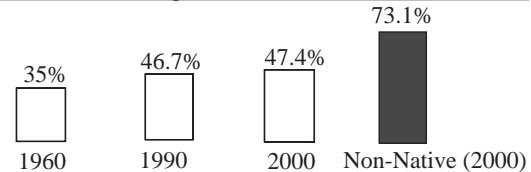
- *The number of Alaska Natives with jobs was 30 percent bigger in 2000 than in 1990 and six times bigger than in 1960 (Figure S-17).*
- *Native women in particular continued to gain jobs in the 1990s, and by 2000 they had a slight edge on Native men (Figures S-18 and S-19).*
- *But both Native men and women continue to be far less likely than non-Natives to have jobs.* Less than half of adult Natives have jobs, compared with 73 percent of non-Native men and 64 percent of non-Native women.
- *Native jobs are also more likely to be part-time or seasonal.* About 35 percent of Native jobs in 2000 were full-time, year-round, compared with close to 60 percent among non-Natives. But a growing share of Native women's jobs are full-time—40 percent, up from 27 percent in 1990.
- *The number of Natives without jobs grew at about the same pace as those with jobs in the 1990s—because many more Natives moved into the labor force (Figure S-17).*

Figure S-17. Numbers of Employed and Unemployed Alaska Natives, 1960-2000



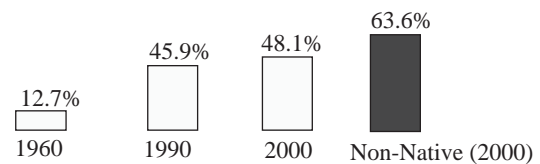
Source: U.S. Bureau of the Census

Figure S-18. Share of Native Men with Jobs (Age 16 and Older)



Source: U.S. Bureau of the Census

Figure S-19. Share of Native Women with Jobs (Ages 16 and Older)



Source: U.S. Bureau of the Census

Map S-5. Alaska Native Jobs, By Urban and Rural Census Areas, 2000

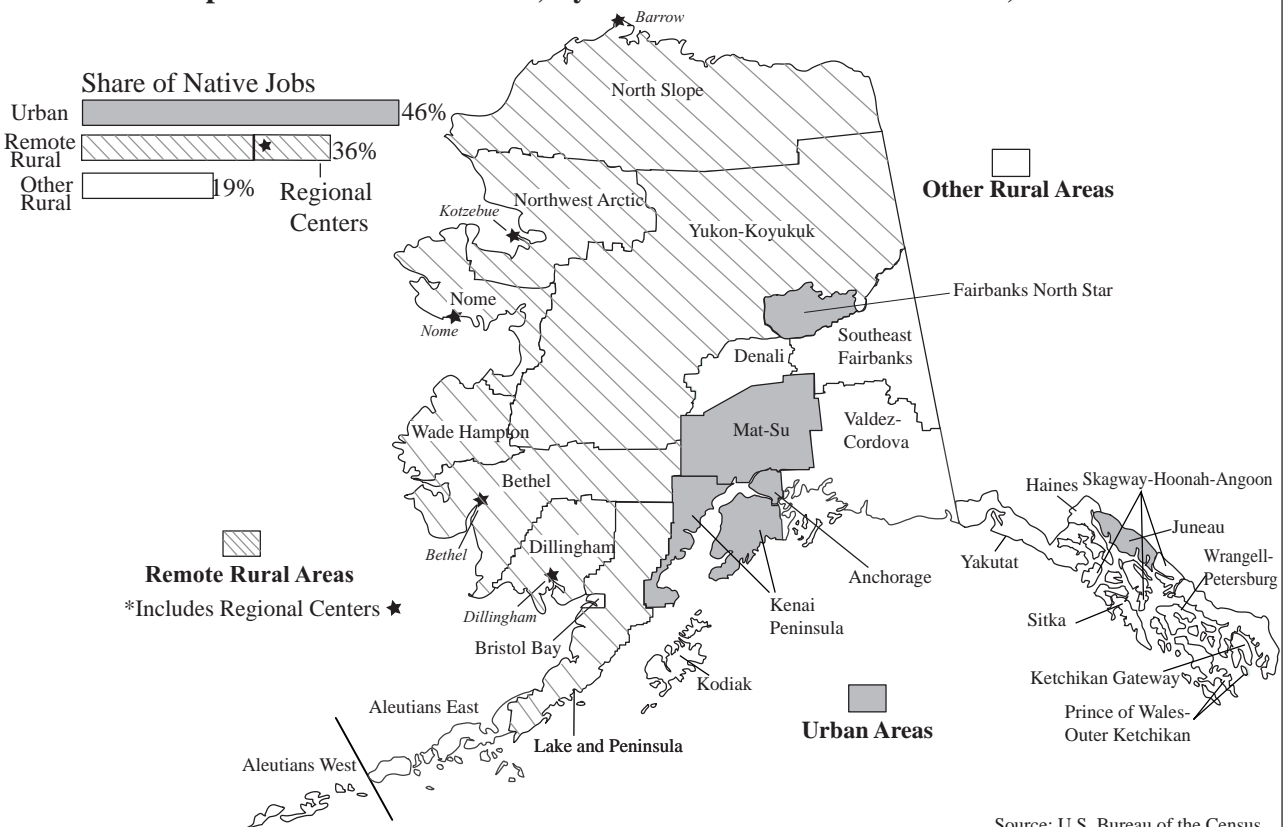


Figure S-20. Shift From Fishing To Service Jobs, 1960-2000

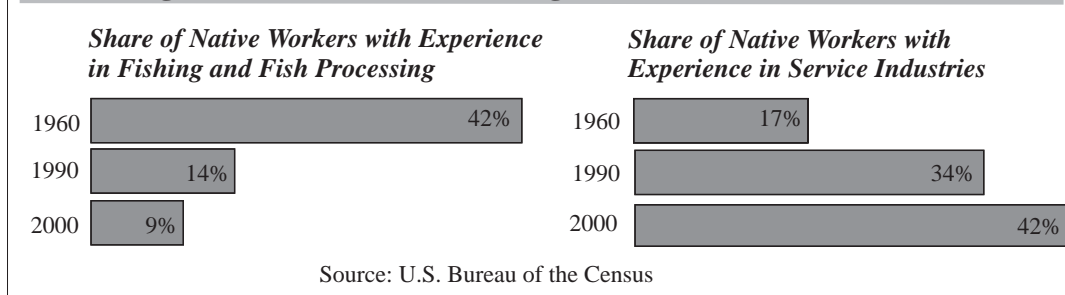
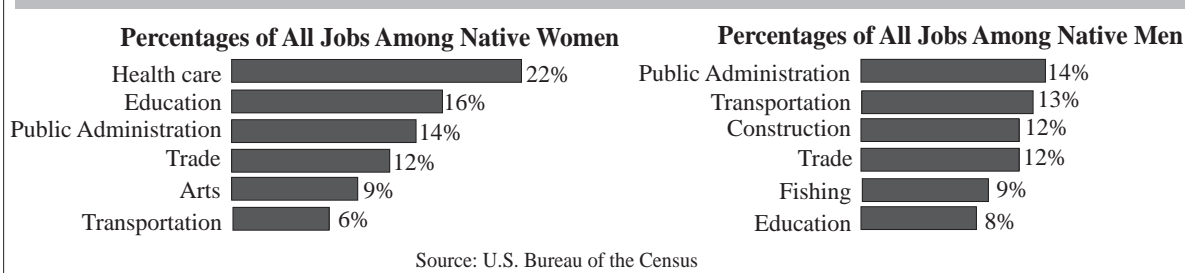


Figure S-21. Most Common Jobs Among Native Men and Women, By Industry, 2000



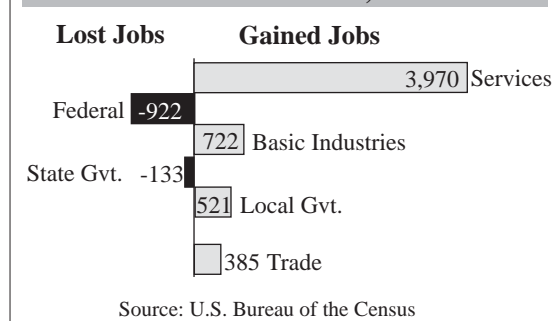
- *Jobs are much harder to come by in remote rural areas, especially outside the regional centers.* Map S-5 shows that just 36 percent of Native jobs are in remote areas and nearly a third of those are concentrated in regional centers. But Map S-1 on page 2 shows that 42 percent of the Native population lives in remote areas. Both urban areas and less remote rural places have bigger shares of jobs than of population.

- *The kinds of jobs Alaska Natives hold have changed over time.* In 1960, more than 40 percent of Native workers reported that their main experience was in commercial fishing or fish processing. Today, more than 40 percent say they've worked primarily in service jobs (Figure S-20).

- *The most common jobs among Native women now are in health care,* followed by education and public administration. Native men most commonly work in public administration, transportation, and construction (Figure S-21).

- *Service jobs are especially common in remote areas,* where Native non-profit organizations manage federal health care and other social service programs. Federal grants for such programs grew sharply in recent years. Figure S-22 shows that three quarters of the new jobs created in remote areas in the 1990s were in service industries. Remote areas gained some basic industry jobs (in mining and petroleum) in the 1990s, but many of these jobs are held by non-residents. The region also gained some jobs in local government (which includes school districts) and in trade, but lost state and federal government jobs.

Figure S-22. Gaining and Losing Jobs in Remote Rural Areas, 1990-2000



INCOME AND POVERTY

• *Native income has increased every decade since the 1960s*, even after it is adjusted for inflation. Figure S-23 shows that real per capita Native income in 2000 was more than four times higher than in 1960. But the gain in the 1990s was much smaller than in earlier times—only about 7 percent.

• *Native incomes remain far below those of non-Natives*. In 2000, Native per capita income was just over half that of non-Natives—a slight improvement from 1990 (Figure S-23).

• *Half of Native families have incomes below \$30,000 a year*, compared with about one quarter of non-Native families (Figure S-24). And since we know that Native families are on average larger, those lower incomes often support more people.

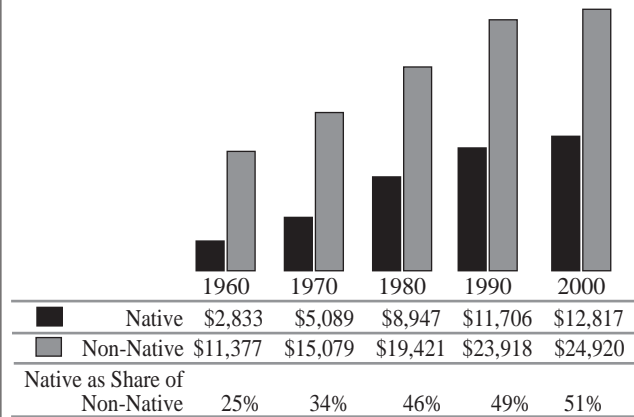
• *Incomes are especially low in remote areas*, due to a combination of fewer jobs and more part-time or seasonal work. Natives in remote rural areas have, on average, incomes about 60 percent those of Natives in other parts of Alaska.

• *The remote areas where incomes are lowest are also the places where costs are highest*. For example, electricity is two to three times as expensive in remote areas as in Anchorage, and food costs are 50 percent or more higher.

• *The entire personal income of the eight most remote areas in 2000 was barely larger than that of just the city of Juneau* (Figure S-25). That's a clear measure of the small size of the economy in remote areas. (See Map S-5 for regional boundaries.)

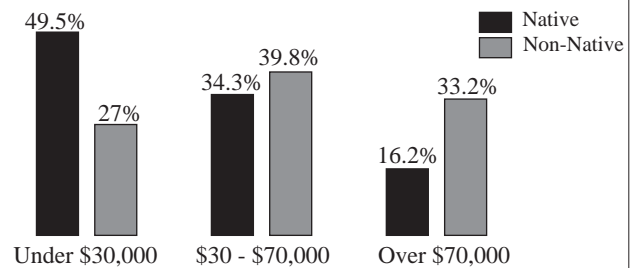
• *Subsistence hunting and fishing are important not only for cultural but also economic reasons* in Native communities, especially in the remote rural areas where incomes are lowest. Figure S-26 shows that wild food harvests in the 1990s averaged hundreds of pounds per person in the northern, interior, and western regions.

Figure S-23. Real Alaska Per Capita Income, 1960- 2000
(In 2000 Dollars)



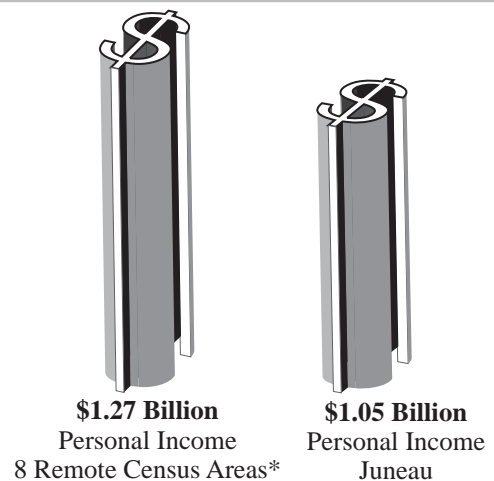
Source: U.S. Bureau of the Census

Figure S-24. Alaska Annual Family Income Distribution, 2000



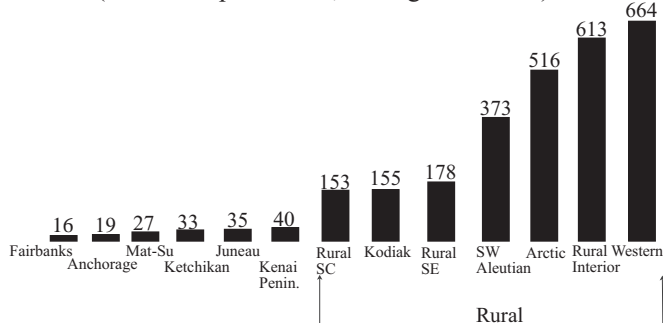
Source: U.S. Bureau of the Census

Figure S-25. Personal Income in Remote Areas and Juneau, 2000



* See Map S-1. Source: U.S. Bureau of Economic Analysis

Figure S-26. Wild Food Harvest
(In Pounds per Person, Average for 1990s)



Source: Alaska Department of Fish and Game, Subsistence in Alaska: A 2000 Update

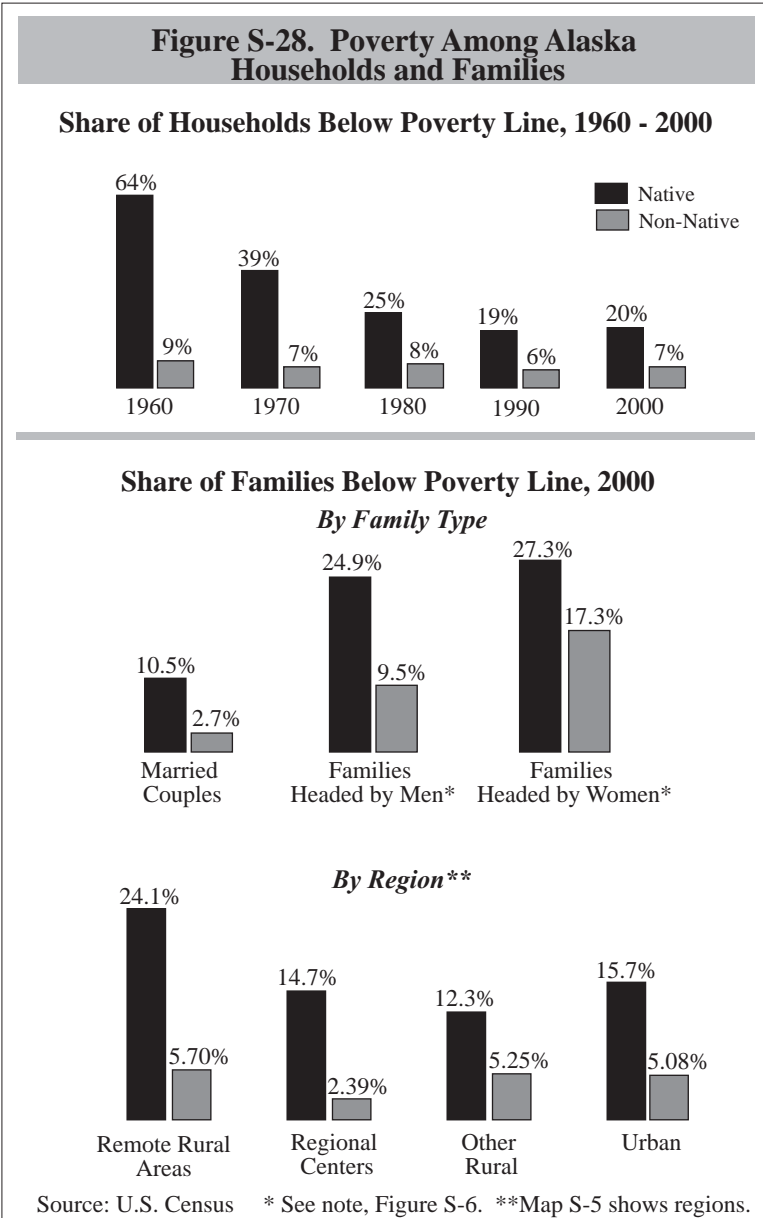
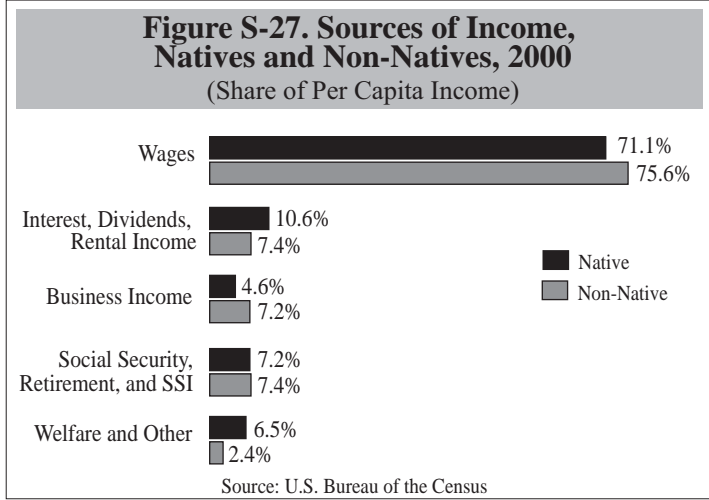
- **Almost all Native and non-Native households get some income from wages.** In 2000, about 85 percent of Native households and 90 percent of non-Native households got at least some income from earnings. But on average, Native household earnings are only about two thirds those of non-Native households.

- **Wages make up most income for all Alaskans, but other sources of income differ.** Alaska Natives get more of their non-wage income from interest and dividends and welfare payments, and non-Natives get a bigger share from business income (Figure S-27). Keep in mind that these are *shares* of income, not *amounts*. In almost every category, non-Natives have larger incomes than Natives.

- **Alaska Natives are three times as likely as other Alaskans to live in poverty.** Figure S-28 shows that 20 percent of Native households were below the federal poverty threshold in 2000, compared with 7 percent of non-Native households. Poverty levels among Natives dropped sharply from 1960 through 1990, but held steady from 1990 through 2000.

- **Families headed by women are the most likely to be poor, among both Natives and non-Natives.** More than one quarter of all Native families headed by women were below the poverty line in 2000, compared with about one in 10 among married couples (Figure S-28).

- **Native families in small remote places are more likely to be poor than families elsewhere in the state.** In 2000, nearly 25 percent of all Native families in remote villages lived below the poverty line—and that figure doesn't take into account the higher costs of living in remote areas. Native families in urban areas have the next highest rate of poverty, with about 15 percent below the poverty line.



EDUCATION SUCCESSES

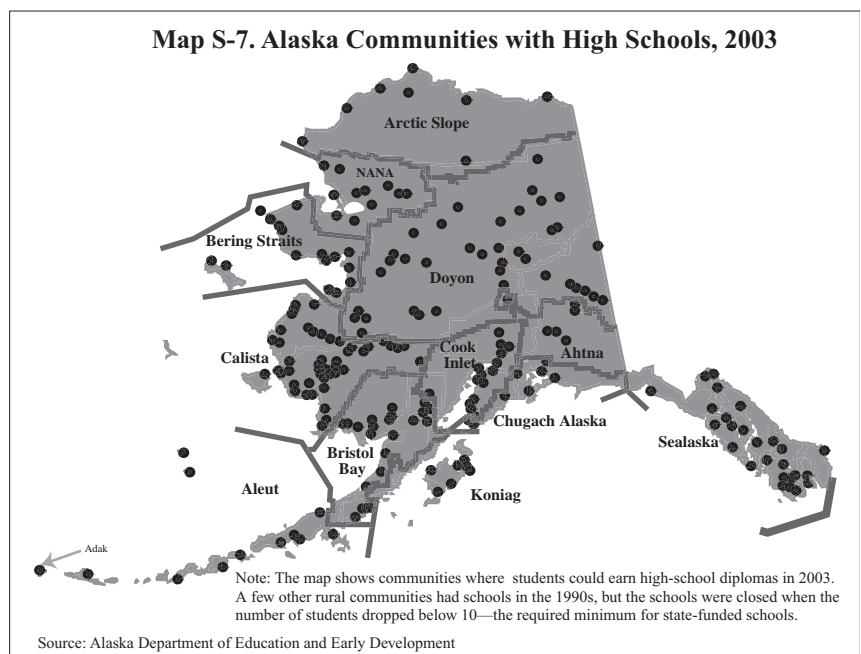
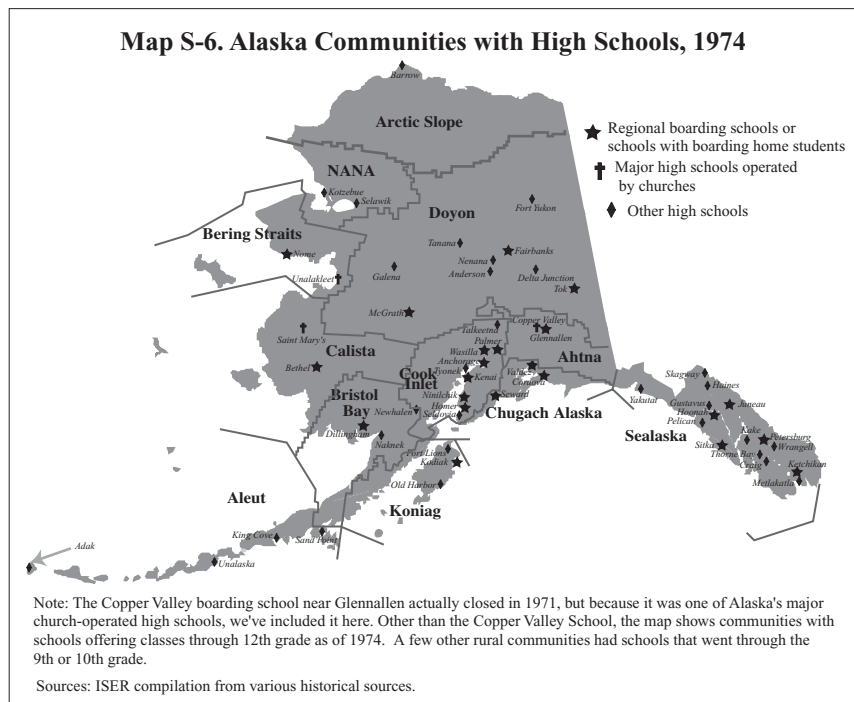
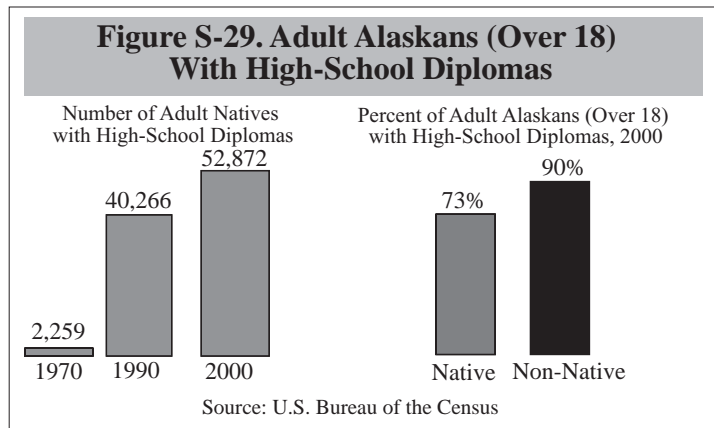
The biggest success in education among Native people in the past 25 years is that tens of thousands have graduated from high school. As recently as the 1970s, only a relative few had finished high school, as Figure S-29 shows.

- *The number of Alaska Natives who have graduated from high school has soared*, up from around 2,400 in 1970 to 40,000 in 1990 and 53,000 by 2000.

- *Nearly 75 percent of Alaska Natives over 18 had high-school diplomas by 2000.* That share still fell short of the 90 percent of other Alaskans with high-school diplomas—but the gap was much narrower than in the recent past.

That surge in high-school graduates is due in large part to the construction of high schools throughout rural Alaska since 1976. Before then, only a handful of the largest rural Native communities had high schools, as Map S-6 shows. Most Native students who wanted to go to high school had to attend boarding schools in Nome or a few other places, or board with families in large communities—like Anchorage—that had high schools. Churches also operated a handful of high schools for Native students.

Then a group of Native students went to court, charging that the state government wasn't providing them equal access to education. In a 1976 settlement of that case (*Tobeluk v. Lind*), the state agreed to build high schools in dozens of small rural communities. Map S-7 shows the result: in 2003, all communities with at least 10 students had local high schools.



Another success since 1970 is Native college attendance, as shown in Figure S-30.

- **Over 26,000 Alaska Natives had some college credit in 2000**, up from about 18,000 in 1990 and fewer than 1,000 in 1970.
- **Native women are considerably more likely than men to have college credit.** In 2000, about 35 percent of adult Native women and 26 percent of men had college credit.
- **Natives living in the Cook Inlet and Sealaska regional corporation areas are the most likely to have college credit.** More than 40 percent in those regions had attended college as of 2000, compared with about 20 percent in the Bering Straits, NANA, and Calista regions (Figure S-31).

Keep in mind that Natives living in specific regional corporation areas aren't necessarily shareholders in those regions. For example, the Cook Inlet region includes Anchorage, where many Natives from other regions have come to work or to attend the University of Alaska. It isn't possible to use the data we have to determine the home regions of Native people who live in other regions.

Figure S-30. Natives With Some College Credit

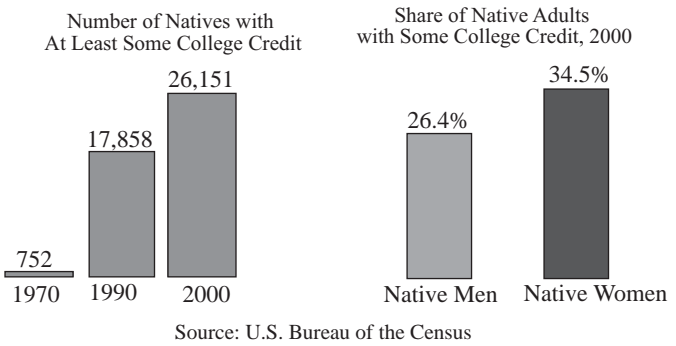
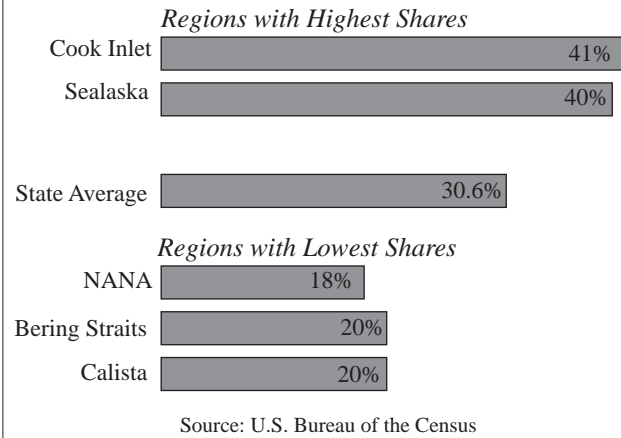


Figure S-31. Share of Native Adults with College Credit, By Region, 2000



CONTINUING EDUCATION CHALLENGES

Despite the growing rates of high-school graduation and college attendance, major challenges in Native education remain.

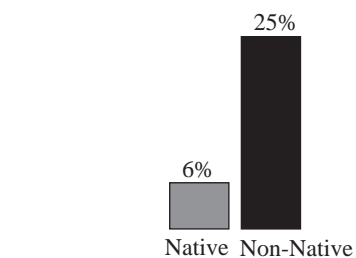
Even though college attendance among Alaska Natives is growing, only about 6 percent have four-year degrees, compared with 25 percent among other Alaskans (Figure S-32). And recent figures from the University of Alaska show that Native college students have been only about half as likely as other students to complete four-year degrees at UA.

- *Native students drop out at higher rates than other students*—and those rates climbed sharply in recent years. As Figure S-33 shows, Native dropout rates held steady or even declined slightly during most of the 1990s. But between 1998 and 2001, Native dropout rates doubled, increasing from 5 percent to nearly 10 percent. That increase was largely in rural schools, which had previously enjoyed very low dropout rates.

- *Dropout rates also increased among non-Native students during the late 1990s*, growing from less than 3 percent to 5 percent. Still, those rates remain only half those among Native students.

- *Large numbers of Native students continue to fail standard tests of reading, writing, and math.* Figures from benchmark tests in elementary and middle school in recent years show on average anywhere from 40 to 60 percent of Native students passing the tests, compared with 70 to 80 percent among non-Native students. Figure S-34 shows the results from the 2003 High-School Graduation Qualifying Exam, which Alaska students have to pass to get diplomas. About half of Native tenth graders passed the reading and math sections and close to 70 percent the writing section. Among other tenth graders, about three quarters passed the reading and math tests and nearly 90 percent the writing test. (Students who fail the test in tenth grade can re-take it in their junior and senior years.)

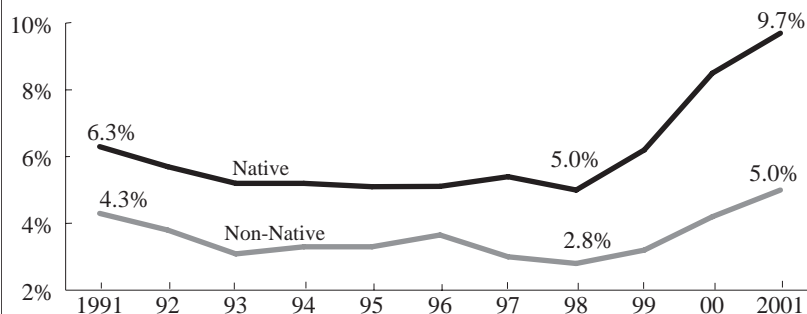
Figure S-32. Percent of Adult Alaskans* with Four-Year College Degrees, 2000



* Over age 25.

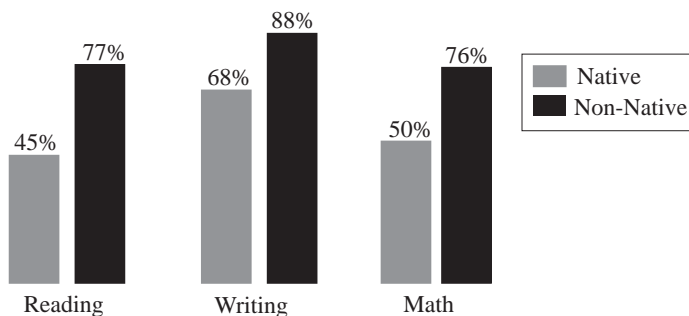
Source: U.S. Bureau of the Census

Figure S-33. Dropout Rates, Alaska Native and Non-Native Students, 1991 to 2001



Source: Alaska Department of Education and Early Development

Figure S-34. Share of Native and Non-Native Tenth Graders Passing the High-School Graduation Qualifying Exam, 2003



Source: Alaska Department of Education and Early Development

- *Few teachers in Alaska are Alaska Native.* Some analysts believe that having Native teachers—who share a common cultural heritage—would help Native students do better in school. In 2001, about 400 teachers statewide were Native. That's about 5 percent of Alaska teachers, with the share varying from none in some districts to nearly a third in a couple of rural districts. (However, in some districts with small numbers of teachers, a third might be only a handful of teachers.) At the University of Alaska, only 3 percent of those teaching are Native, and many of those are instructors rather than professors.

SUMMARY OF CURRENT CONDITIONS

The story since 1990 for Alaska Natives is a mixed one. They gained thousands of new jobs and improved their incomes, as they have every decade since 1960. Native women in particular continued to move into the work force. But the gains in the 1990s were smaller, and thousands of Natives who wanted jobs couldn't find them. The modest income gains were not in wages but mostly in transfer payments, including the state Permanent Fund dividend.

Native incomes on average remain just over half those of other Alaskans, and Natives are still about a third less likely to have jobs. Native households are three times more likely to be poor; poverty is especially high among households headed by women. These economic problems are all worse for Natives in remote rural villages. Subsistence hunting and fishing continue to be crucial not only for cultural but also for economic reasons.

Basic housing, sanitation, and health care in Native villages also continued to improve in the past decade. With better living conditions and improved access to health care, more Native babies are surviving and Native people are living longer. Hepatitis and other illnesses linked to poor sanitation have dwindled.

But the effects of the modern American diet and way of living are becoming more apparent among Native people, who now die from heart disease and cancer at higher rates than other Alaskans. Climbing rates of diabetes are a growing worry for doctors and the Native community. Natives are also more likely to smoke, although rates among Native teenagers are dropping.

Natives continue to die by accident, suicide, or homicide much more often than other Alaskans. But rates of accidental death are down significantly.

Widespread alcohol abuse continues to fuel high rates of Fetal Alcohol Spectrum Disorder, child abuse, domestic violence, and other crimes. But Native communities are fighting back, with two thirds imposing some local controls on alcohol. More Natives also entered alcohol-treatment programs in the 1990s.

More Alaska Natives are graduating from high school and going on to college, especially women. But Native students are also more apt to drop out of school, and many fail standard tests. Native students' knowledge of their own cultures and languages is also an important gauge of education, but we currently have no way to measure such knowledge.

FUTURE IMPLICATIONS

The social and economic challenges of the future for Native people are in many ways different from those of the past.

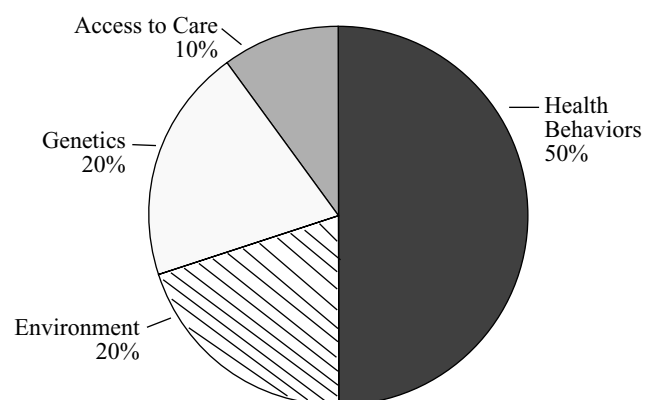
Improving village living conditions has been a long process that isn't finished yet—but the federal and state governments have made major progress. Today, the health problems among Alaska Natives are—like those of other Americans—related more to behavior than to living conditions.

Figure S-35 shows the factors that affect life expectancy. Genetics, living conditions, and medical care together account for about half of life expectancy. The other half—as much as all the other factors combined—is behavior. And as all of us know, changing behavior isn't easy.

Eating too much of the wrong kinds of foods, smoking, and not getting enough exercise have helped spread diabetes, heart disease, and other problems among Americans for decades. Such health problems are now also widespread among Alaska Natives.

We've also reported the high rates of child abuse, domestic violence, and other crimes among Alaska Natives—as well as high rates of violent death. Experts link about 80 percent of violence and crime to alcohol. The Native community and public health officials are trying to curb alcohol abuse. But finding ways of dealing with these problems is not as straightforward as—for instance—building better houses or improving water supplies.

Figure S-35. What Determines How Long You Live?



Source: U.S. Centers for Disease Control

And in economic conditions there are also looming challenges. For much of the 1970s and 1980s, Alaska enjoyed fast economic growth that helped create jobs and income for all Alaskans, including Alaska Natives. State spending of billion-dollar oil revenues in particular fueled economic growth in the first half of the 1980s.

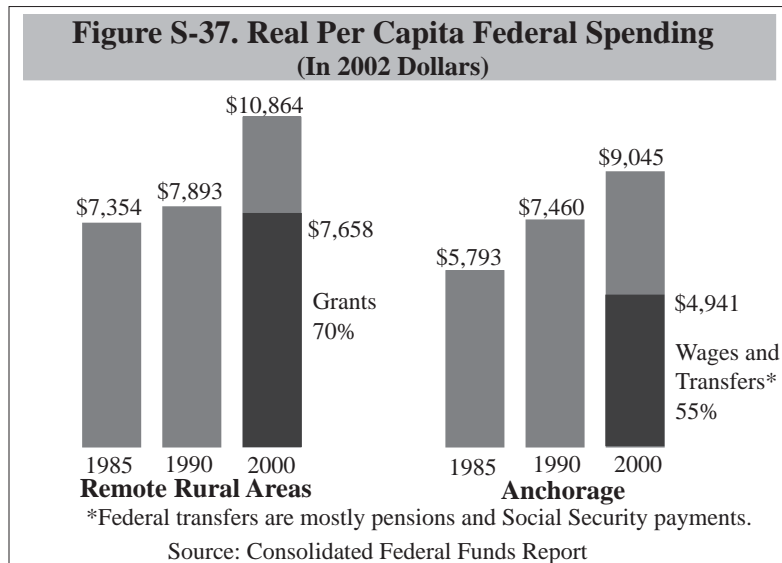
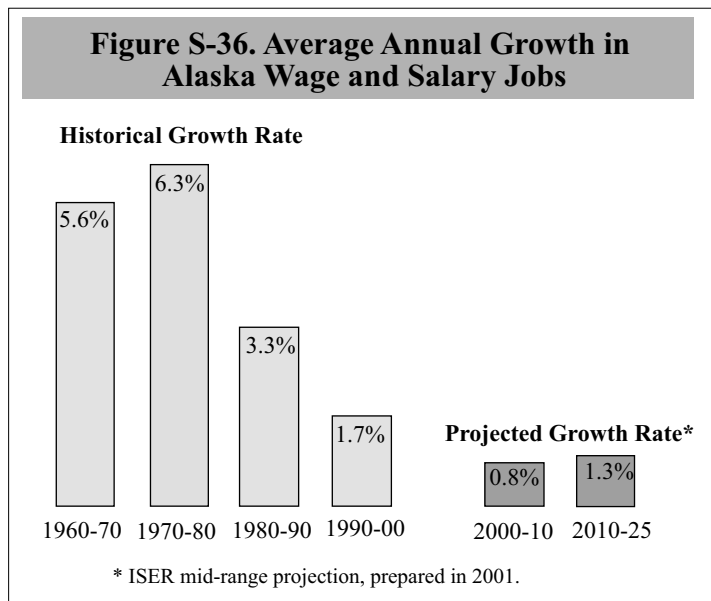
In the 1990s economic growth was slower, as Figure S-36 shows. The state oil revenues responsible for so much economic growth dropped as North Slope oil production declined, and the state faced budget deficits during much of the decade. The Community Development Quota (CDQ) system for fisheries and the Red Dog zinc mine provided some economic gains in the remote rural areas.

But the biggest source of new money in the 1990s was the federal government. All of Alaska—but especially the remote rural areas—came to depend more on federal spending. As Figure S-37 shows, per capita spending in remote rural areas increased about 35 percent between 1990 and 2000. Per capita spending in urban areas was also up more than 20 percent during the same period. (Map S-5 shows regional boundaries.)

Grants make up most of the federal spending in remote areas, and grants in particular increased in the 1990s as Native non-profit organizations took over management of federal health care and other social services for Alaska Natives. In Anchorage, by contrast, wages and transfers make up the bulk of federal spending.

Future levels of federal spending in Alaska are not predictable. But given the federal government's own budget problems and other factors, it seems unlikely that spending in the coming decade will increase as it did in the 1990s.

Unless there is some big surprise—and the state's history is full of surprises—economic growth in the state will likely be slower in the coming decade than it has been most of the time since statehood (Figure S-36). And at the same time, the Native population and labor force are expected to grow sharply.



**PROJECTED POPULATION
AND LABOR FORCE GROWTH**

At current rates, the Native population will increase from 120,000 in 2000 to 140,000 by 2010 and 165,000 by 2020. Unless there is a big influx of non-Natives (which happens when there are big economic developments), Natives could make up 22 percent of Alaskans by 2020, up from about 19 percent today.

And if current patterns continue, much of the Native population growth will occur—as it has since 1970—in urban areas. So by 2010 the share of the Native population in urban areas could be 48 percent, compared with about 43 percent in 2000. By 2020, the urban share could grow to 53 percent (Figure S-38).

The number of Natives in remote rural areas will also continue to grow, but more slowly. So the share living in remote places could drop from the current 41 percent to 38 percent by 2010 and 35 percent by 2020. The share in other, less remote rural places could drop from 16 percent to 14 percent by 2010 and 12 percent by 2020.

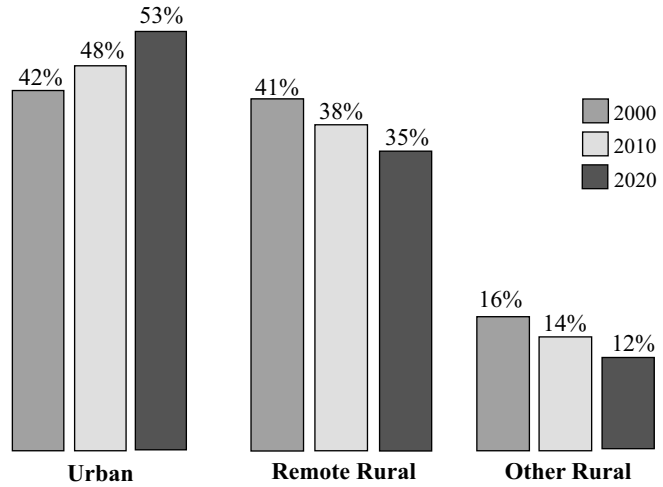
The age composition of Alaska Natives in 2000 offers some other demographic clues about trends for the coming decade (Figure S-39).

Because of the large numbers of Natives who were 10 to 14 in 2000, young adults will be the fastest growing part of the Native population in the coming years.

Also, the relatively large numbers of Natives who were mature adults in 2000 will be approaching retirement age in 2010. And the young adult population will begin having children of their own, so the number of school-age children will begin growing rapidly after 2010.

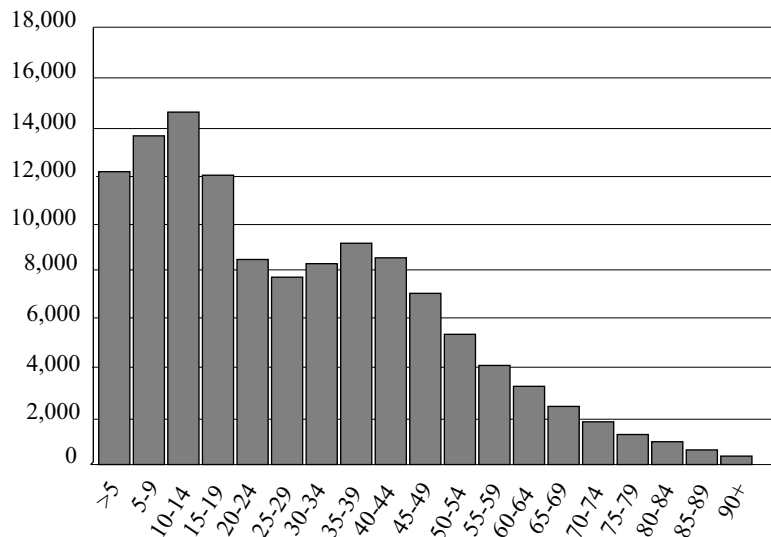
About 11,700 Natives are expected to move into the labor force between 2000 and 2010, and another 6,700 between 2010 and 2020. Those numbers translate into a 26 percent increase in the Native labor force by 2010 and another 11 percent between 2010 and 2020 (Figure S-40).

Figure S-38. Actual and Projected Distribution of Alaska Native Population, by Region, 2000, 2010, and 2020



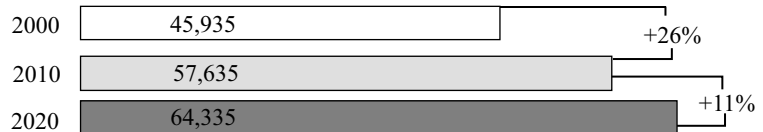
Sources: U.S. census and ISER projections, based on current migration trends

Figure S-39. Age Distribution of Alaska Native Population, 2000



Source: U.S. census

Figure S-40. Growth in Native Labor Force, 2000-2020



Source: ISER projections

WHAT WE DON'T KNOW

This report paints a broad picture of social and economic conditions among Alaska Natives today, based on the best sources of information we could find. But it isn't perfect and raises questions it can't answer.

To begin with, existing information doesn't tell us everything we'd like to know. One of our major findings is that rural Natives by the tens of thousands have moved to urban areas since 1970: they are moving where the jobs are. But we don't know how that movement from rural to urban areas is affecting Native health and well-being. Does better access to health care make urban Natives healthier? Is the widespread problem of alcohol abuse worse in urban or in rural areas? And so on: we don't know those answers.

Another problem is that we don't have any good way of measuring some things. For instance, as we pointed out in the section on education, we can't assess how much Native students know about their own histories and cultures—which is an important measure of education.

And we can't analyze all the issues implicit in some of the changes we describe. For instance, we report that most villages now have modern sanitation systems, with more being built every year. Those systems are making village life healthier—but we also know that many small places have trouble paying for and maintaining them. How the costs of sanitation and other utility systems will affect communities over time is a major economic issue.

Finally, keep in mind that this report comes at a time of major changes in the way information is collected and reported. We've talked about the change in the 2000 U.S. census that allowed people to choose more than one primary race. That change made our analysis much more complicated. Beyond this analysis, the change means that recent data are more detailed—which is an improvement—but at the same time, it opens the question of how information by race will be reported in the future, since so many people describe themselves as multi-racial.

Also, the federal government in 2000 adopted a new "standard population" for computing rates of death and other measures. Statisticians use this standard population, with specific percentages of people in each age group, to compare across populations that have different age breakdowns. This may not seem an important change—but it is, because rates calculated with the new standard aren't comparable to those calculated under the old standard. So, for example, if you see that rates of heart disease jumped between 1995 and 2000, the change may be due to the use of the new standard population rather than to a sudden increase in heart disease.

Still, despite all that, the report has a wealth of information. We hope Native people will find it useful as they make decisions for themselves and their communities.

ABOUT THE AUTHORS

Scott Goldsmith was the principal investigator for the project and also did the analysis of economic conditions. Dr. Goldsmith is ISER's director and a professor of economics. He has nearly 30 years' experience analyzing Alaska's economy. He is widely recognized for his projections of population and job growth and his analyses of state fiscal policy issues.

Lance Howe did the demographic analysis for the report. Dr. Howe is an assistant professor of economics who joined ISER in 2002. Much of his work has been in analyzing rural economic issues and changes in rural settlement patterns.

UAA's Institute for Circumpolar Health Studies (ICHS); Jane Angvik, an Anchorage consultant; and **Linda Leask**, ISER's editor, all contributed to the description of Native health and well-being. The Alaska Legislature created ICHS in 1988 to help find solutions for health problems in Alaska and the rest of the circumpolar north. Ms. Angvik has more than 30 years' experience in Alaska public policy development and in working with Native communities and organizations. She was formerly the president of the Alaska Native Foundation and vice-president of the Alaska Native Heritage Foundation.

Alexandra Hill, a research associate at ISER, did the assessment of education issues. She has been with ISER for 15 years, analyzing a wide range of education and other public policy issues.

The full report, *Status of Alaska Natives 2004*, is in three volumes—the main body of the report, which is about 400 pages, and two volumes of detailed tables from the 2000 U.S. census. It is available at cost from ISER (907-786-7710) or the Alaska Federation of Natives. The report is also at: www.iser.uaa.alaska.edu

The study was prepared for the Alaska Federation of Natives, with funds from the Alaska Native Sobriety and Alcohol Control Program and the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration. Additional funding was contributed by ISER's *Understanding Alaska* program, a special series of research studies examining Alaska economic development issues. The studies are funded by the University of Alaska Foundation. See more about the program at: www.alaskaneconomy.uaa.alaska.edu



Special thanks to the First Alaskans Institute for help throughout the study; FAI also provided photos.