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Investing in Community Driven Native American Social and Economic Development Initiatives

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Despite decades of progress on community and economic development for Native Americans, many American Indian, Alaska Native, Native Hawaiian and Native Pacific Islanders continue to trail behind the U.S. population as a whole, as well as most other racial and ethnic subgroups, on various socioeconomic indicators. These include homelessness, unemployment, educational attainment, poverty, and rates of home ownership. For example, in Alaska, huge disparities exist between Alaska Natives and the rest of the state. The Alaska Native household median income is about two-thirds that of all Alaska households, and roughly 20 percent below the U.S. median of \$50,046. The poverty

rate among Alaska Natives is nearly twice as high as the overall state average of 9.5 percent. In terms of education, Alaska Natives have double the state high school dropout rate, and have a bachelor's degree attainment rate of 10 percent, compared to 32 percent among white Alaskans.

To help address these long standing disparities and support Native American community development, the Administration for Native Americans (ANA) was established as a program office in the Department of Health and Human Services. ANA was created through the passage of the Native American Programs Act (NAPA) in 1975, which provided funding directly to Tribes and other American Indian community organizations.¹



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ANA's mission is to support Native communities to be self-determining, healthy, culturally and linguistically vibrant, and economically self-sufficient. This philosophy of self-sufficiency is based on the following core beliefs:

- A Native community is self-sufficient when it can generate and control the resources necessary to meet its social and economic goals and the needs of its members;
- The responsibility for achieving self-sufficiency resides with native governing bodies and local leadership;
- And Progress towards self-sufficiency is based on efforts to plan and direct resources in a comprehensive manner consistent with long range goals.

ANA supports self-determination through three discretionary grant programs, a revolving loan fund to Native Hawaiians, and technical assistance and training. The three grant areas are Native American languages, environmental regulatory enhancement, and social and economic development strategies (SEDS).

Community economic development is primarily addressed through the SEDS grants, which are based on the idea that Tribal governments should decide how to allocate resources. The underlying rationale is that to increase social and economic development, there needs to be a foundation of self-governance to determine how to organize resources for self-sufficiency. Self-sufficiency increases with a holistic, community driven approach. Economic development will not succeed unless governance, organizational issues, and social conditions are addressed in concert. Key elements of this approach are: community involvement in the development of projects; accounting for community priorities, needs, and capacity from the beginning; and, keeping the community involved and informed throughout implementation.

Funding Process

Each year ANA receives four to five times the number of applicants it can fund. In our most recently completed funding competition, ANA received 78 SEDS applications that dealt primarily with economic development out of 256 total applications in this category. Of those applications, 16 were funded from nine states and the District of Columbia. Applicants requested over \$18 million in Year One funding, and ANA was able to award \$3.6 million.

Although ANA's funding cannot meet all of the need, grants are awarded on a competitive basis in order to fund community-designed and community-driven projects that have the best hope of reaching people and affecting sustainable change. ANA determines funding through a peer panel review process and federal review of applications.

Review panelists are experienced professionals who possess subject matter expertise and qualifications rel-

evant to the program areas, and have direct experience working with the native communities and populations that ANA serves. Successful applicants attend post-award training to learn about managing an ANA grant and tips for project management. ANA program specialists then monitor the grant, suggesting technical assistance if grantees are not meeting their stated objectives, or if grantees request it.

Project Impact

ANA's Division of Policy Planning and Evaluation (DPPE) conducts impact evaluation visits with one-third of its current grantees each year, amounting to approximately 70 percent of all ending grants. Since 2009, the 71 economic development projects DPPE visited led to the creation of over 1,000 full-time employment (FTE) opportunities – an average of 15 FTE per project – and 343 new businesses. The projects generated \$6.5 million in revenue, leveraged an additional \$23.8 million in resources, and led to the formation of just over 1,500 new partnerships.

Assessing the projects in action and returning with stories from the field is a major component of the visits, enabling the public to learn about important the work of the grantees. The following project provides an example of ANA funding in action in Alaska.

The Alaska Native Tribal Health Consortium (ANTHC)

With a grant funding from ANA, ANTHC, the nation's largest tribal health organization, partnered with the Yukon-Kuskokwim Health Corporation (YKHC) and nine Yukon-Kuskokwim Delta area Yupik villages to pilot the Alaska Rural Utility Cooperative (ARUC). ARUC works to bring modern water and sewer systems to many of the 60-plus Alaska Native villages that have difficulty providing safe drinking water and properly treating and discharging sewage waste due to a variety of issues, including limited cash economies and lack of infrastructure.

The purpose of the project was to develop cooperatives capable of facilitating the day-to-day operations of a state-wide network of local water and sewer utilities. Operating with community buy-in, billing programs were implemented in member villages, and local operators became full-time ANTHC employees with benefits. Twenty-three villages were recruited, signed memoranda of agreement with ANTHC and joined the ARUC. Each village was required to join the ARUC billing assistance program which enabled ANTHC managers to determine if a village was financially ready to participate fully in the program.

In each of the 23 villages, the ANTHC team oriented, trained, and hired village residents as water and sewer operators, creating 104 new jobs in these communities.

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Utilizing these new staff members, ARUC took over day-to-day operation of the village's water system and sewer systems, providing reliable water and sanitation services to 7,461 people in 1,988 households. Following the installation and community-based operation of the improved water and sanitation system, community leaders have noticed improvements in public health.

Over the long term they expect to see lower infant mortality rates, fewer illnesses and deaths related to infectious diseases, and higher life expectancies in their villages. Several village councils are planning for new economic development opportunities, including hunting and fishing lodges, fish hatcheries, cultural and ecotourism, oil contracts and construction. The project has had both an economic and emotional impact on people. They are confident they will get clean, potable water and reliable services, and that any problems with their systems can be fixed.

Funding Factors that Assist or Hinder Economic Development

ANA supports community-driven development, and knows that an economic development model that succeeds in one community may not necessarily fit another community's conditions. In light of this, rather than focusing on a specific sector (such as agriculture or the arts) or a single approach (job development or entrepreneurship) ANA funding is flexible and projects are locally designed. In a typical SEDS project, the grantee determines the outcomes they hope to achieve and defines how they will measure these outcomes.

ANA also completes a parallel analysis of the trends and outcomes of the various projects throughout the year. DPPE looks at challenges, best practices, participants and beneficiaries assisted, and realized impacts, among other factors. Analyzing the data collected on these economic development projects provides ANA with key information on factors that assist or hinder grantees.

While each project is unique, common challenges include late project starts; hiring delays; lack of expertise in the local community; geographic isolation and travel issues; staff turnover; infrastructure; and political turmoil

and tribal elections. Factors that assist in project success include strong and productive partnerships; substantial levels of leveraged resources; well-planned and deliberate objective work plans; and community involvement in developing, planning, and implementing the project.

Sustainable Employment and Economic Development Strategies

Data collected on ANA grantees' economic development projects between 2006 and 2011 show that organizations with the most successful projects typically make a long-term commitment to sustainable economic development programs through microenterprise, skill-development, and local capacity-building projects. These projects often stress job creation, business development, and business expansion that help to support the long-term economic and social well-being of Native Americans in their communities.

In 2013, ANA created a new funding opportunity, Sustainable Employment and Economic Development Strategies (SEEDS), dedicating \$4.5 million in funding per year to new economic development grants. These grants have a specific focus on job creation and training, business development and incubation, and retaining capital within the community or reservation.

Each project has a ceiling of \$500,000 and a maximum project length of five years. SEEDS projects must measure at least one of the following outcomes:

1. **Full-time equivalent positions created.** Grantees will provide information on the type of positions being created, the duration of each position, and the extent to which each position will be sustained beyond the project period. Grantees can include FTEs gained with partnering organizations or external entities if the increased staffing capacity is a direct result of the ANA project.
2. **Native Americans employed.** ANA will track the number and percentage of FTEs that are filled by Native Americans both during and beyond the project period.

3. **Businesses developed.** ANA will collect data regarding businesses that are created during the project period, as well as any businesses that are substantively expanded as a result of project activities.
4. **Revenues generated.** For projects anticipating revenues (for example, through the creation of a tribally owned business), an ongoing tally of revenues will be tracked.
5. **Percentage of revenues retained within the community being served.** The mechanism for tracking this outcome will be project-specific, but all revenues generated from the completion of project activities should be monitored with regard to the percentage that gets reinvested in the community being served.

By collecting the same data across the funded SEEDS projects, ANA will be able to track the results of these projects as a group. In addition to tracking common outcome elements, ANA will be assisting these grantees with enhanced technical assistance opportunities, peer learning, and guidance and support in obtaining resources and support from other federal agencies. ANA plans to compare the success of SEEDS grantees with economic development projects that are funded under SEDS to determine if the changes to the funding make a difference in community outcomes. Where possible, ANA will also look at past projects that were similar in design or in the same community to determine whether the enhanced supports will generate better outcomes. ANA plans to share its findings with other federal agencies and Native communities.

ANA is a key federal supporter of Native control over the development of Native communities, a goal it serves through grant funding, capacity building, training, and technical assistance. The success of Native communities depends on the preservation of Native language and culture and a community-driven approach to economic development. By supporting the wide range of creative energies in Indian Country to bring about sustainable economic development, ANA is working toward achieving its vision of thriving Native communities. **CI**