

2004 Annual Report



**Rural Alaska
Community Action Program, Inc.**

RurAL CAP Overview

The Rural Alaska Community Action Program, Inc. (RurAL CAP) has been working to improve the quality of life for low-income Alaskans since 1965. RurAL CAP provides resources and services to enhance child and family development, improve housing, save energy, develop leadership, promote environmental conservation, prevent substance abuse, and foster independent living. Governed by a 24-member Board of Directors representing every region of the state, RurAL CAP is one of the largest and most diversified nonprofit organizations in Alaska.

Head Start and Early Head Start programs make up the biggest part of RurAL CAP services with more than 200 employees working in 23 communities across the state. Other services include weatherization projects, AmeriCorps and VISTA community service programs, Homeward Bound, child care, affordable housing, health and wellness activities, and public policy and advocacy. Overall RurAL CAP employed more than 500 Alaskans in 2004.

RurAL CAP uses an applied strategic planning process to continually reinvent itself through innovative services for low-income Alaskans. As it strives to maintain its reputation as a great human service organization, RurAL CAP follows the philosophy that community action is a people process, one which serves to reinforce the intangible values of personal responsibility, community self-reliance, participatory decision-making, and overall well-being.



Healthy People, Sustainable Communities, Vibrant Cultures

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Credits

Design/Layout: Clara Hughes

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RurAL CAP Staff



Mission Statement

Who we are:

RurAL CAP is one of 1,000 "Community Action Agencies" nationally. In Alaska, RurAL CAP is the only CAA. The Agency is a private non-profit corporation whose goal is to promote maximum participation by village people in overcoming all forms of poverty.

What we do:

RurAL CAP encourages the efforts of low-income people attempting to break the cycle of dependency and gain control of the changes affecting their lives. Its mission is to protect and improve the quality of life of low-income Alaskans through education, training, direct services, decent and affordable housing, advocacy, and to strengthen the ability of low-income people to advocate for themselves.

Why we do it:

RurAL CAP recognizes the unique values and way of life of rural Alaskans. It plans its activities with input from and respect for the people it serves. It follows the belief that rural Alaskan communities have the right to maintain their cultural heritage and close relationship to the land while protecting their economic and human potential.

2004 Board of Directors

EXECUTIVE COMMITTEE

President.....	Andrew Ebona
Vice-President.....	Ted Angasan
Secretary/Treasurer.....	Dr. Al Ketzler, Sr.
Committee Member.....	Jeff Jackson
	Taqulik Hepa
	Beverly Wooley

TARGET AREA REPRESENTATIVES

Alaska Native Brotherhood.....	Andrew Ebona
Aleutian/Pribilof Islands Association.....	Mike Zacharof
Assoc. of Village Council Presidents, Inc.....	Wassilie Bavilla
Bristol Bay Native Association.....	Ted Angasan
Child Development Policy Council.....	Jeff Jackson
Chugchmiut.....	Benna Hughey
Copper River Native Association.....	Robert Marshall
Gwitcha, Gwitch'in Ginkhye.....	Jonathon Solomon
Kaverak, Inc.....	Stanton Katchatag
Kodiak Area Native Association.....	Alex Panamaroff
Manilag Association.....	Louie Commack, Jr.
Tanana Chiefs Conference.....	Dr. Al Ketzler, Sr.
Tlingit-Haida Central Council.....	Dewey Skan, Jr.

PRIVATE SECTOR REPRESENTATIVES

Alaska Christian Conference.....	Rev. David Fison
Alaska Inter-Tribal Council.....	Julie Bator
Alaska Village Initiatives.....	Donne Fleagle

PUBLIC SECTOR REPRESENTATIVES

Adiak I.R.A. Council.....	Mike Williams
Akutan Traditional Council.....	Jennie Webster
Alaska Cooperative Extension Service.....	Peter Stortz
Municipality of Anchorage.....	Beverly Wooley
Office of the Governor of Alaska.....	Annette Kreitzer
North Slope Borough.....	Taqulik Hepa
Northwest Arctic Borough.....	Reggie Cleveland
Outsaramiut Native Council.....	Greg Roczicka



Message from the Board President

RurAL CAP is governed by a 24-member volunteer Board of Directors representing every region of Alaska. There are three types of directors on the RurAL CAP board:

- 1) *Target Area Directors* make up at least one-third of the board as representatives of organizations which serve low-income Alaskans in specific geographic areas;
- 2) *Private Sector Directors* are officials or members of other nonprofit organizations whose mission and interests overlap and complement that of RurAL CAP; and
- 3) *Public Directors* make up exactly one-third of the total board as representatives of elected or appointed public officials.

The board meets quarterly to set policy and conduct the business of the corporation. The executive committee meets between regular meetings of the full board to oversee agency business. During the 2004 fiscal year, the board also completed a comprehensive review of agency bylaws through a special bylaws review committee.

RurAL CAP is an important resource to rural communities and a powerful force for positive change in Alaska. RurAL CAP serves to bridge the aspirations of rural and low-income Alaskans with the needs and priorities of funders. Its programs and services are built on a solid administrative foundation. The agency is financially sound and has excellent systems and people who provide accounting, personnel, information technology, purchasing and administrative services.

Serving on the RurAL CAP board has been a labor of love for me, one that provides a valuable perspective on social and economic development, energy conservation, substance abuse prevention, early childhood development, subsistence, tribal government and other issues affecting Alaska Native communities.

As board president, I have come to greatly appreciate the opportunity to meet with other leaders from around the state and to participate in planning and policy decisions. But mostly what I appreciate is that RurAL CAP is making a positive difference in people's lives. As Jonathon Solomon stated so simply and eloquently, "This is an action board. We get things done!"

Sincerely,



Andrew Ebona, President
Board of Directors



"RurAL CAP is an important resource to rural communities and a powerful force for positive change in Alaska. RurAL CAP serves to bridge the aspirations of rural and low-income Alaskans with the needs and priorities of funders."



Message from the Executive Director



“RurAL CAP continues to be a catalyst for community action and retain its place on the cutting edge of human service organizations in Alaska.”

It is my privilege to present to you RurAL CAP's 2004 annual report. The Rural Alaska Community Action Program, Inc. is a private, statewide, nonprofit corporation working to improve the quality of life for low-income Alaskans.

This annual report provides us with an opportunity to share with you an account of our activities and results for the fiscal year period from October 1, 2003 through September 30, 2004. As we pursue our vision of *Healthy People, Sustainable Communities, Vibrant Cultures*, RurAL CAP has continued to innovate and grow in exciting new directions while maintaining core programs which produce measurable results.

A sampling of 2004 accomplishments includes the:

- ◆ Construction of new Head Start facilities in Marshall and Kwethluk;
- ◆ Launching of the public health BIRCH AmeriCorps program;
- ◆ Rehabilitation of houses on Little Diomed Island;
- ◆ Completion of electrical savings services in more than 2,000 rural homes;
- ◆ Development of a partnership agreement with the Denali Commission;
- ◆ Support for the Alaska Native Subsistence Halibut Working Group;
- ◆ Comprehensive early childhood development services provided to 1,352 children;
- ◆ Employment of more than 750 Alaskans in 63 communities; and
- ◆ Sale of more than \$6 million in energy efficient products through 255 dealerships across Alaska by Rural Energy Enterprises.

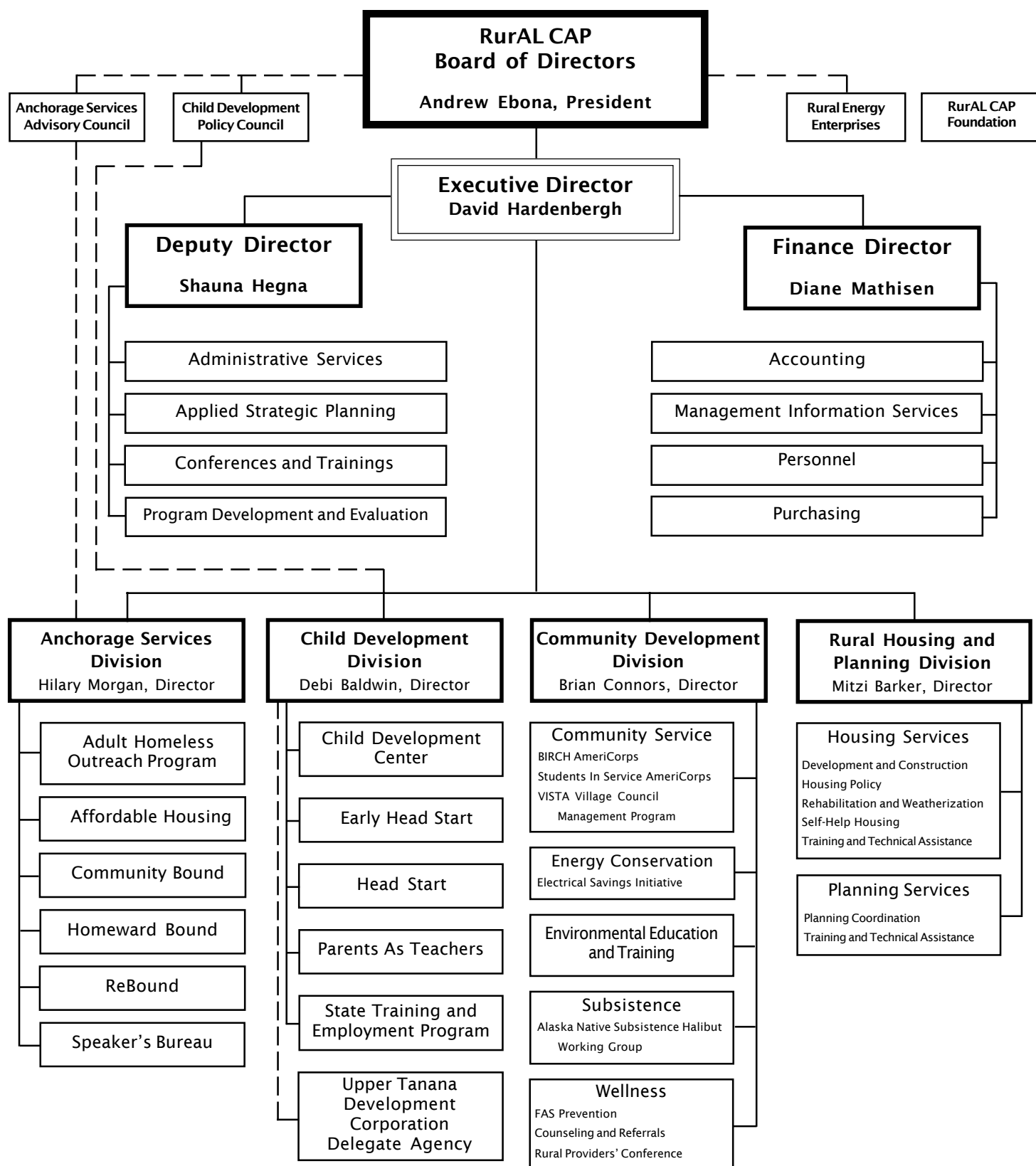
With leadership from a dynamic board and a productive staff, RurAL CAP continues to be a catalyst for community action and retain its place on the cutting edge of human service organizations in Alaska. As we enter our 40th year of providing critical and cost-effective services, we invite you to share in our accomplishments and we thank you for your support.

Sincerely,

David Hardenbergh
Executive Director



Organizational Chart



Anchorage Services Division



The Anchorage Services Division was formed to serve low-income or no-income people in Anchorage. RurAL CAP's efforts to offer hope and opportunity to economically disadvantaged people remain throughout all phases of recovery. The Anchorage Services Division supports programs that cater to homeless persons in need of immediate relief efforts and continues to support them during recovery and post rehabilitation.

Homeward Bound

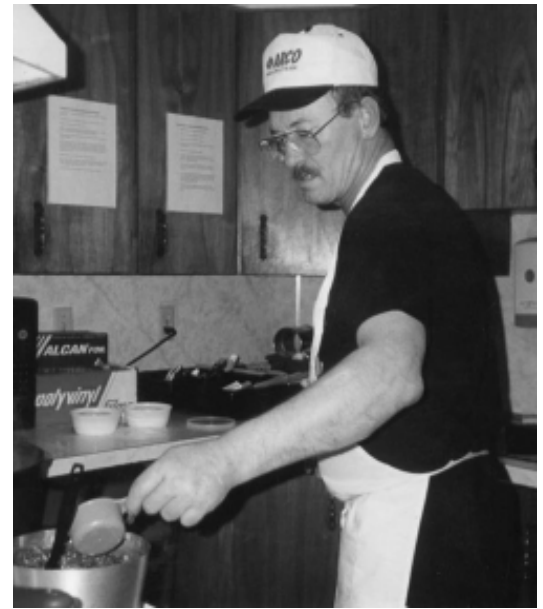
Homeward Bound provides 25 beds of transitional living and supports to a specific population for whom a lifestyle of homelessness and alcoholism has become life-threatening. Although other programs in Anchorage serve a subset of the chronic public inebriate population, no other program solely addresses this target population. Homeward Bound offers solutions to the problems that cause their homelessness. Homeward Bound takes a holistic approach to the individual, providing or facilitating all necessary supports to ensure a successful transition from homelessness to permanent independent living.

In recognition of their equally debilitating effect on an individual's success in living independently, Homeward Bound addresses factors of homelessness and alcoholism concurrently. Using a "self-paced alcohol management" approach, residents make conscious decisions about alcohol intake and drinking patterns—an essential element of a long-term solution to their homelessness. Upon entering the Homeward Bound program, each participant is assessed in terms of health, legal, life skills, social/cultural, education employment and housing needs.

Each participant agrees to work with a Case Manager to develop a detailed Individual Living Plan (ILP) that establishes outcomes in the areas of nutrition, budgeting, communication skills, conflict management, hygiene, stress/life change, family, friends, housing/village and cultural/spiritual. Whatever option is selected by the participant, Homeward Bound case managers provide all necessary assistance to ensure their access to stable permanent housing "of their choice" that will help ensure they do not return to a situation of homelessness.

In the past year, Homeward Bound has added a new requirement to the ILP, which mandates that clients must either have a job or volunteer work (with traceable prior approval) of at least 20 hours per week. As the program approaches clients with the choice between employment and volunteer service, it sees more clients obtaining employment and helping their community.





Homeward Bound Statistics : Cumulative Statistics from 12/17/03 - 12/17/04

	Dec. 2003	Mar. 31, 2004	June 30, 2004	Aug. 2004
Number of Program Participants	197	178	184	192
Participants That Graduated From the Program in 12+ months	84%	81%	84%	81%
Graduates Obtained Community Housing	83%	81%	84%	82%
Graduates Maintained Housing 6 months-6 years	83%	75%	82%	82%
Clients - Repaid Debt	\$319,041	\$323,681	\$329,881	\$330,670
Cash Repaid	\$206,041	\$206,681	\$212, 881	\$213,670
Client Debt Forgiven	\$113,000	\$117,000	\$117,000	\$117,000
Clients Voluntarily Enter Alcohol Treatment Program	44	27	32	37



Anchorage Services Division

Community Bound

Community Bound is an employment and housing project serving homeless chronic public inebriates referred from the Homeward Bound Program and graduates of that program who are transitioning into a permanent housing situation. All program participants receive individualized employment training; individualized money management strategy and plan; return facilitation to their community of choice; rental assistance (only if needed); and up to six months of intensive case management follow-up services.

In 2004, Community Bound claimed many successes:

- ♦ Built a conglomeration of employment and housing contacts to meet our clients' needs
- ♦ Created a partnership with UAA to provide a Consumer Credit Counseling and a Computer workshop (services and training materials included); and
- ♦ Clients volunteered over 5,000 hours of community service in the Anchorage area with organizations such as the YMCA and the Mt. View Clean Up.

Community Bound concentrated a large effort on the volunteerism part of the program. By participating in the volunteer program, the clients receive free training along with a sense of accomplishment. This year Community Bound participants volunteered a total of 5,000 hours. Volunteer activities included projects such as the YMCA bike auction, Mt View clean up, Christmas gifts for kids and cleaning up a local park. Residents averaged 15 hours each of volunteer work during their time in the program in the last year.



Statistics:

Housing

Of the **139** clients referred to Community Bound, **41** clients were accepted into the program. Of those **41**, **nine** have received full services, graduated and are completely self-sufficient from Community Bound services. **Three** of those **nine** clients were accepted into permanent Assisted Living Homes.

Employment

Of the same **41** clients, **32** obtained some form of employment and **13** of the **32** obtained full-time permanent positions in the community; the other **19** worked at some form of day labor. This also includes but is not limited to working for Rural CAP Affordable Housing and other forms of day labor.

2004 Community Bound Case Management Statistics:

- | | |
|------------|--|
| 3 months: | 32 clients completed their assessment and basic intake. The first 3-6 months clients spent doing day labor. |
| 6 months: | 30 clients decided on a work path and started the necessary paperwork for funding and/or training. Clients not working at least 20 hours a week were required to donate the same amount of hours to volunteer work. |
| 12 months: | 33 clients took part time, temporary jobs or full-time jobs. |
| 18 months: | 19 clients trained for jobs or recieved other type of education; many clients working full-time jobs. |
| 24 months: | 25 clients working, budgeting and almost at a complete self-sustaining stage. |



Cumulative Statistics Since Inception of the Community Bound Program:

A total of **139** clients have gone through the community bound program and **47** have graduated and are now living completely self-sustaining in a community living situation. **Seven** clients not included in the above number are living in assisted living home. There are currently **35** graduates who have obtained permanent full-time employment.

ReBound

ReBound is an innovative social program dedicated to providing job-readiness skills, viable employment and potential business opportunities to homeless Alaskans for the purpose of fostering economic independence. Numerous work-related strategies are implemented to assist clients in identifying and overcoming employment barriers that include flexible work schedules for non-traditional workers and considers cultural and historical work issues.

ReBound is a component of its' larger, more comprehensive parent program, Homeward Bound, that helps to move Alaska's chronically homeless population from substance abuse and indigence towards recovery and self-sufficiency through multiple support systems. The ReBound program establishes partnerships with private businesses, government agencies and other non-profit organizations to create opportunities for economic stability, self-determination and fostering pride for the owners/employees of this unique social enterprise.

Affordable Housing

The Affordable Housing program provides decent, safe and affordable housing to graduates of the Homeward Bound program and other low-income Alaskans through rental units in Anchorage. Close attention to property management and building maintenance combined with below-market rental costs help keep these two-bedroom apartments occupied with tenants who pay their rent and take care of their units.

Located in the Mountain View area of Anchorage, each of the 28 two-bedroom apartments currently rents for \$600 per month plus electricity. The apartments are situated at:

- ♦ 741 North Bliss Street (4 units)
- ♦ 725 North Bragaw Street (8 units)
- ♦ 324 North Park Street (4 units)
- ♦ 801 North Bliss Street (4 units)
- ♦ 735 North Bragaw Street (8 units)



Speaker's Bureau

Averaging five speaking engagements per month, the Speakers' Bureau was developed to educate, inform and enlighten the community on issues pertaining to homelessness, cultural identity and human experience. Homeward Bound residents participate to express their desire to share who they are with others. Extensive advocacy and self-empowerment training has resulted in resident-directed marches, public testimonies, media presentations and community interactions and a ceremonial sweat lodge which residents built and use weekly.



Child Development Division



The Child Development Division provided services to children and families in 29 communities across Alaska. The programs administered by the Division include Head Start, Early Head Start, Parents As Teachers, and a Child Development Center. The Child Development Division administered over \$11 million in state, federal and private funds in 2004.

All Division programs are designed to facilitate parent involvement and community collaboration. The programs are augmented by several key grants to assist with training to meet staff educational requirements. The Child Development Division is committed to providing quality services by a well-trained, professional staff.

Head Start / Early Head Start

Head Start and Early Head Start are comprehensive child development programs serving young children and their families. The Head Start program focuses on three and four-year-old children and their families. Early Head Start serves pre-natal to three-year-old children and their families. The programs work to ensure children are healthy, thriving in all aspects of development, and that parents understand the needs of their children and how to assist them in their health and development.

Head Start programs are designed to meet each child's individual needs and to reflect the language and cultural heritage of participating families. Two primary goals of this child development program are to enhance children's social competence and to ensure their readiness for kindergarten.

2004 Head Start/Early Head Start Highlights include:

- ♦ Head Start four year olds increased their language, literacy and mathematics skills by 23 to 49 percent over the course of the Head Start school year;
- ♦ 213 families achieved at least one of their established goals; and
- ♦ Head Start and Early Head Start served 912 children in 23 communities.



Other 2004 Child Development Division Highlights include:

- ◆ The Kwethluk Head Start/Early Head Start facility was completed and opened its doors in December 2003. An open house and dedication was held on March 13, 2004. Steve Hennigson, Regional Administrator, Administration for Children and Families, Andrew Ebona, RurAL CAP President, Jeff Jackson, CDPC Chairperson, David Hardenbergh, RurAL CAP Executive Director, and Shirley Pittz, Child Development Director, attended.
- ◆ Wade Horn, Assistant Secretary of the Administration for Children and Families, and four staff members from Washington D.C. visited RurAL CAP on July 27, 2004. RurAL CAP presentations were made thanking him and Secretary Tommy Thompson for their vision and contribution to the Kwethluk facility.
- ◆ RurAL CAP hosted a breakfast for Special Education Directors at the Special Education Conference.
- ◆ RurAL CAP received a grant from the Rasmuson Foundation to complete construction of a new Head Start facility in Marshall. The program moved into the new facility in January. An open house and dedication was held on March 5th. Bill Ellis, Purchasing Manager, Palassa Beans, Regional Manager, and Shannon Lloyd, Family Service Coordinator, attended the ceremony in Marshall.
- ◆ Three Regional Parent Cluster trainings were held in Bethel, Juneau, and Seward in October and November of 2004. New Child Development Policy Council Representatives were elected and 46 parents and approximately 40 staff members attended.



Child Development Division

Child Development Center

In Anchorage, a Child Development Center provides full-day, year-round child care for families. It has an open enrollment policy with a sliding tuition scale to benefit low-income families. The center has been open since 1995, accredited by the National Association for the Education of Young Children since 1999, and serves as a lab school for the University of Alaska Anchorage's Early Childhood Development program. It is currently licensed to care for 45 children between the ages of 6 weeks and 6 years old.

Child Development Center Highlights for 2004 include:

- ♦ The Child Development Center parent advisory group gained in numbers and excitement this year--many parents attended meetings, discussing the curriculum and taking an active role in the program activities; they now sponsor Friday morning coffee and chat time for parents, and have begun a children's literacy group.
- ♦ Approximately 75 students from the A.A. and B.A. degree programs at UAA utilized the program for major classroom observations and assignments.
- ♦ The program successfully implemented principals from the Reggio Emilia approach as a new curriculum.
- ♦ 13 out of 15 children enrolled in the older preschool classroom entered into kindergarten prepared to learn and function in a group setting; it has been the largest graduating class yet at the Child Development Center.
- ♦ The Child Development Center served 45 children in Anchorage.



"The Child Development Center is one of only a handful of NAEYC accredited programs in Anchorage."



Parents As Teachers

Parents As Teachers (PAT) is an early childhood parent education and family support program designed to empower parents to give their children the best possible start in life. Services are delivered through home visits and group socializations. The Parents As Teachers program served 376 children in 13 communities in 2004.

A PAT Elders and Parents meeting was held in October 2003. Five elders, five parents and nine Family Visitors attended. Participants discussed traditional values and parenting practices, created PAT Community Education plans and developed frameworks for local PAT Elder programs.

Staff Training

The Child Development Division has an ambitious program for educating and training Head Start staff. Head Start Teachers are working toward Associate of Applied Science (AAS) and Baccalaureate (BA) Degrees in Early Childhood Education (ECE). Teacher Aides and Home Visitors work to attain a Child development Associate (CDA) Credential. Home Visitors and Family Advocates attend a nine month Family Empowerment Training. This level of education and training is made possible primarily through two State of Alaska Grants, the State Training and Employment Program (STEP) Grant and the System for Early Education and Development (SEED) Grant.

Staff Training Highlights for 2004:

- ♦ Approximately 65 staff completed 387 college credits over the course of the year.
- ♦ 7 Head Start/Early Head Start staff and 5 PAT family visitors graduated from the Family Development Course.
- ♦ 8 Early Head Start staff and 2 PAT family visitors were certified in the Parents As Teachers curriculum.
- ♦ 9 Bus Drivers received their School Bus Endorsement.
- ♦ Barbara Fitka Duny, Marshall Head Start Director; Sophia Larson, Nunapitchuk On-Site Coordinator; Melody Leipfert, Ketchikan Teacher; Robin Anderson, Ketchikan Lead Teacher; and Audralee Thorpe, Ketchikan Teacher, received their A.A.S. Degrees in Early Childhood Education.



Rural Alaska Community Action



Communities served by Child Development

Akiak	Napaskiak
Alakanuk	Noorvik
Anchorage	Northway
Chevak	Nunapitchuk
Emmonak	Pilot Station
Haines	Saint Mary's
Homer	Savoonga
Hooper Bay	Selawik
Kake	Seward
Ketchikan	Stebbins
Kluti-Kaah	Sterling
Kodiak	Tanacross
Kwethluk	Tetlin
Marshall	Tok
Mentasta Lake	Toksook Bay
Mountain Village	



Communities served by Rural Housing and Planning

Buckland	Little Diomed
Hooper Bay	Point Hope
Juneau	Sterling
Kwethluk	



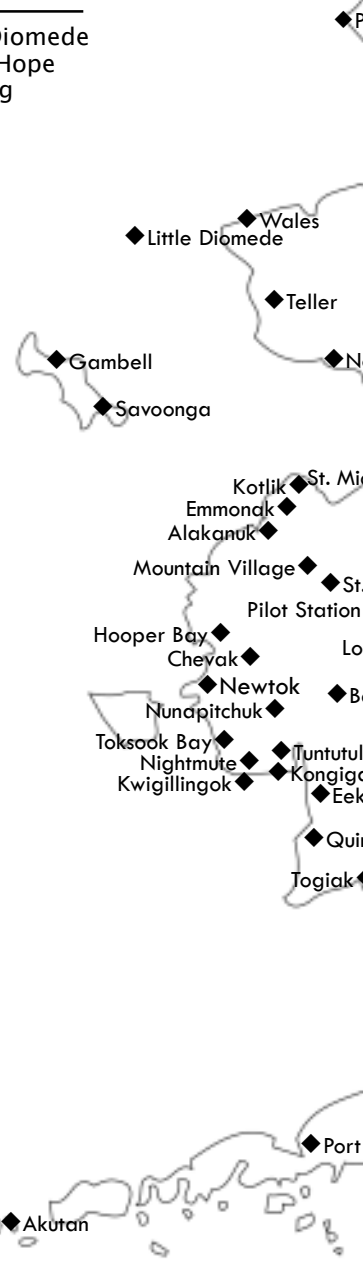
Communities with Regional Board Representation

Akiak	Klawock
Akutan	Larsen Bay
Ambler	McGrath
Anchorage	Palmer
Barrow	Quinhagak
Bethel	Shungnak
Fairbanks	South Naknek
Fort Yukon	St. Paul
Glennallen	Unalakleet
Juneau	Valdez
Kake	



Communities served by Anchorage Services

Anchorage



tion Program, Inc. Site Map



Communities served by Community Development

Ahkiok	Nanwalek
Alatna	Newhalen
Anaktuvak Pass	Newtok
Aniak	Nightmute
Arctic Village	Noatak
Chevak	Nondalton
Chickaloon	Noorvik
Chignik Bay	Ouzinkie
Craig	Pilot Station
Eek	Port Heiden
Ekwok	Selawik
Eyak	Shaktoolik
Gambell	Sitka
Gustavus	Soldotna
Haines	South Naknek
Hooper Bay	St. Mary's
Hydaburg	St. Michael
Kalskag	St. Paul
Ketchikan	Sterling
Klukwan	Tazlina
Kluti Kaah	Tenakee Springs
Kotlik	Togiak
Kwigillingok	Tuntutuliak
Lower Kalskag	Twin Hills
Manakotak	Venetie
Mentasta Lake	Wales



Community Development Division



RurAL CAP's Community Development Division provides resources and support to low-income Alaskans in order to prevent substance abuse, enhance child development, improve housing, save energy, protect the environment and achieve independent living. Rather than focusing on problems, the emphasis is on positive solutions that are culturally appropriate and achieve measurable results.

AmeriCorps and VISTA Programs

In 2004, funding from the Corporation for National and Community Service in part through the Alaska State Community Service Commission, RurAL CAP supported AmeriCorps and VISTA members in more than 40 communities across Alaska in 2004. These members who chose to serve their communities and "get things done" by solving local problems with local solutions. More than 100 full and part-time AmeriCorps and VISTA members realized opportunities to give something back to their communities.

BIRCH AmeriCorps Program

BIRCH members host and support community-wide events for youth and elders of the communities they serve. Members provide education and support in the areas of health education, substance abuse prevention and healthy activities for youth. Many members led or supported subsistence activities and provided environmental education. Through the BIRCH program, all 15 members have reported improving professional and leadership skills from their roles in community subsistence activities.



In 2004 BIRCH members sponsored more than 250 community events, projects and activities. The BIRCH program focuses on wellness and community strengthening in rural populations throughout Alaska. More than 1,800 local volunteers were recruited for more than 15,600 hours of service to community based projects.

RAVEN AmeriCorps Program

Twenty-five RAVEN (Rural Alaska Village Environmental Network) AmeriCorps members worked to improved environmental conditions through youth education, pollution prevention, community clean-up efforts, energy conservation, recycling and other solid waste management projects across rural Alaska.

In 2004, members successfully recruited 2,000 local volunteers who gave 16,000 hours to community projects, conducted 550 home assessments for the Electrical Savings Initiative and worked with more than 700 teachers to provide environmental education to local youth.

Students In Service AmeriCorps Program

Through a partnership between RurAL CAP and the University of Alaska, Anchorage and Fairbanks, up to 80 part-time Students-In-Service AmeriCorps members per year perform national service activities while completing internship with a diverse array of social service and health organizations. The goal is to develop a statewide program that responds both to the educational needs of university students and the needs of people they serve in their social work practical experiences.

Services provided by social work students address a number of social problems, including domestic violence, suicide, alcohol and drug abuse, employment and training, teen pregnancy, corrections and juvenile delinquency, child development and vocational or other rehabilitation programs. Nursing students serve in public health initiatives, clinical practices, child welfare and rural health centers.

VISTA Village Council Management Program

Village Council Management Program (VCMP) VISTA members spend their year of service building the administrative and management capacity of rural city and tribal councils to provide direct services, this program supports full-time, one-year VISTA members who focus their work in the areas of community needs assessment, computer networking and training, proposal writing and grant management. Guided by a VISTA Leader working out of RurAL CAP's central office, VISTA members in 2004 included representatives from more than 18 different communities in rural Alaska.



Community Development Division

Electrical Savings Initiative

The ESI project employs RAVEN AmeriCorps members and local residents as technicians to conduct home visits to rural energy assistance recipients. They replace inefficient lighting, while also providing homeowners with “low cost or no cost” energy conservation education. Homeowners allow their electric bills to be tracked for a period of one year before and after installation of energy saving products to measure how much money they save.

Over 2,000 homes were assessed and served by the ESI program at RurAL CAP over the past three years. The financial benefits far outweigh the costs of operation for the ESI program; for a three-year period, benefits are expected at \$2 million and for a six-year period, benefits may reach \$4 million.

Another benefit of the ESI program is the positive outcomes rural energy assistance recipients experience. ESI helps increase the health and safety of recipients, reduces energy financial burdens on low-income families and provides enhanced interior lighting for better quality of life.



Major 2004 ESI activities included:

- ◆ Installing Compact Fluorescent Lights (CFLs);
- ◆ Replacing inefficient ballasts and fluorescent tube lights;
- ◆ Home energy conservation education;
- ◆ Installing carbon monoxide detectors;
- ◆ Sponsoring rural energy fairs;
- ◆ Testing refrigerators; and
- ◆ Hiring and training more than 200 rural Alaskans for home energy conservation education and intervention.

Future ESI projects include:

- ◆ Community Buildings
- ◆ Broad-based Residential Assessments



Wellness and Prevention

RurAL CAP's Wellness Program seeks to provide support and resources to employees and their families, as well as training and resource materials for rural communities. This program actively supports Alaska's Native Sobriety Movement. Substance abuse prevention workshops and counseling services are provided to all staff, including AmeriCorps, VISTA, Head Start, Early Head Start and child development program staff, their families and program parents.

FAS Early Decisions

RurAL CAP's Early Decisions Project consists of developing, testing, refining and distributing individual prevention tools (posters, a video, a teaching unit, a computer game and website) for use by FAS/FASD service providers, health care providers and schools, and prevention programs across the state.

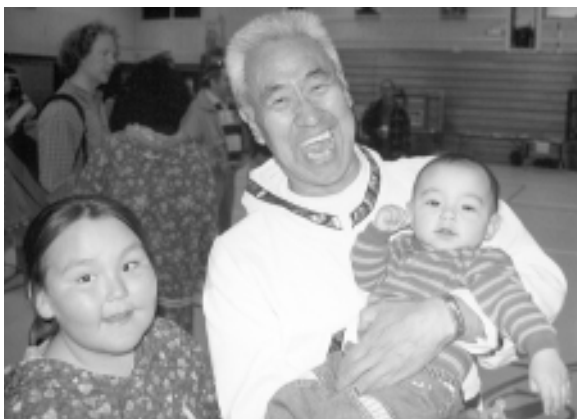


The primary target population is sexually active women and girls of childbearing age who use alcohol. The goal is to educate them about the risks of alcohol to an unborn child any time they are pregnant including the time before they know they are pregnant.

Rural Providers' Conference (RPC)

The Rural Providers' Conference (RPC) is an annual gathering of substance abuse service providers, youth, elders, and family members interested in celebrating and encouraging the continual growth of the Alaska Native Sobriety Movement. The RPC embraces and unites the traditional Alaska Native knowledge and modern treatment methods in the battle against alcohol and drug abuse.

Over 500 participants attended the 2004 RPC Conference, held June 7-11, 2004, in Seward taking part in more than 30 workshops. Qualifying participants were given credit for attending the 2004 conference through the State of Alaska Certification of Social Workers, Licensed Family Counselors and Psychologists.



Rural Housing and Planning Division



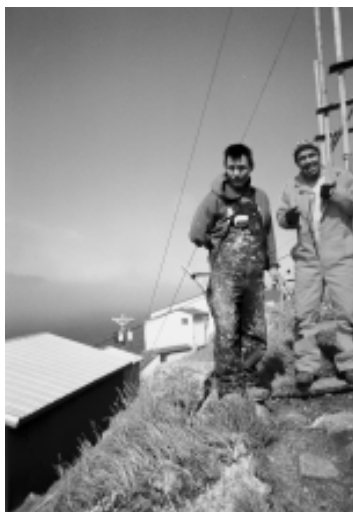
The Rural Housing and Planning Division assists rural communities and low-income people by working to increase affordable housing opportunities, preserving and improving existing housing, facilitating community-based planning, and building the capacity of rural communities to participate effectively in the development of housing and related infrastructure. During 2004, the Rural Housing and Planning Division took on several new projects, while continuing to provide high-quality services through its established programs.

Rehabilitation and Weatherization

RurAL CAP provides weatherization services in Western and Northwestern Alaska as well as the City and Borough of Juneau. Weatherization is the division's longest-standing program and is the backbone of our recent expansion into more comprehensive housing rehabilitation work. The focus of weatherization is limited to increasing the safety, energy-efficiency and comfort of the homes served. The program is funded by the U.S. Department of Energy, the U.S. Department of Agriculture, the U.S. Department of Health & Human Services, and the Alaska Housing Finance Corporation.

Many rural communities, however, experience housing conditions that demand more treatment than can be accomplished through the weatherization program alone. By using the weatherization funding as a toehold, RurAL CAP has been successful in building partnerships and assembling funding to undertake more ambitious projects.

With funding from HUD and AHFC, RurAL CAP partnered with Bering Straits Regional Housing Authority and the Native Village of Diomedes for the second and final phase of a comprehensive housing rehabilitation project on Little Diomedes Island. Nearly \$1 million was used to improve 19 homes on the island in 2004. In addition to typical weatherization measures, the homes received improvements to foundations, electrical systems, flooring and other building components.



RurAL CAP continued its partnership with Kwethluk Tribal Resident Council, Inc. to improve 11 homes in the village of Kwethluk. In addition to typical weatherization measures, the work included arctic entries, flooring, and other components. RurAL CAP obtained Section 504 Elderly Homeowner grants from USDA and AHFC to purchase most of the materials and freight, provide an on-site supervisor and coordinate the project. KTRC, Inc. used HUD Indian Housing Block Grant (NAHASDA) funds to pay the local labor force and to purchase tools and a portion of the materials.

RurAL CAP continued to monitor 10 homes in Hooper Bay that participated in an Indoor Air Quality demonstration project to improve living conditions, control dust, moisture, mold and mildew, and alleviate circumstances that trigger asthma attacks in children. Several of the parents reported that symptoms and visits to the clinic were reduced and in some cases the children no longer needed to use inhalers.

Communities that received weatherization/rehabilitation and/or senior access improvements were:

- ◆ Buckland 8 homes
- ◆ Juneau 49 homes
- ◆ Diomed 19 homes
- ◆ Kwethluk 11 homes
- ◆ Hooper Bay 31 homes
- ◆ Point Hope 11 homes

Development and Construction

Building in rural Alaska is a specialized skill; fortunately, RurAL CAP has some of the most experienced small-scale construction experts on staff. In 2004, the Rural Housing and Planning Division worked closely with the Child Development Division on the pre-development phases that will lead up to the construction of a new Head Start facility in the village of Nunapitchuk.



2004 Weatherization/Rehabilitation/Senior Access Improvement Statistics

Community	Buckland	Diomed	Hooper Bay	Juneau	Juneau Home	Kwethluk	Point Hope	TOTALS
Elderly (60+)	4	7	26	2	1	14	4	60
Disabled	4	4	1	10	3	1	4	27
Children (0-6)	4	12	30	11	0	1	4	62
Native Alaskan	37	63	165	20	0	33	34	352
Total People	37	63	166	101	0	33	35	435
Average Occupants	4.63	3.32	5.35	2.35	0	3	3.18	3.37
Average Income	\$34,528	\$20,219	\$25,145	\$18,038	\$14,452	\$17,532	\$24,325	\$21,416
Material Weight	9,822	139,699	106,785	13,450	7,819	60,966	30,635	369,176



Rural Housing and Planning Division

Weatherization Works!

Energy Savings

- ◆ Saves 31% in average energy costs
- ◆ Cuts heating bills by 50% or more
- ◆ Reduces the need for other public funds
- ◆ Allows working poor families to save money

Housing Improvements

- ◆ Increases insulation
- ◆ Decreases air leakage
- ◆ Adds efficient heaters
- ◆ Extends structure life

Health Benefits

- ◆ Improves indoor air quality
- ◆ Lowers carbon monoxide levels
- ◆ Controls moisture and mold
- ◆ Eliminates drafts and cold spots

Fire Safety

- ◆ Installs smoke detectors
- ◆ Fixes unsafe chimneys
- ◆ Installs proper egress windows
- ◆ Repairs or replaces unsafe furnaces

Environmental Improvements

- ◆ Reduces combustion emissions
- ◆ Decreases heating fuel consumption
- ◆ Reduces electrical consumption

Community Benefits

- ◆ Purchases materials from local vendors
- ◆ Provides local jobs and training
- ◆ Improves supply of safe, affordable housing
- ◆ Increase awareness of energy efficiency

Community Planning and Capacity Building

Sound planning is not only the route to securing funding in today's increasingly competitive funding environment, but is key to community self-determination. RurAL CAP's partnership with the Denali Commission, HUD, USDA, and the State of Alaska has resulted in increased planning capacity at the community level, both through the staging of training and delivery of on-site planning facilitation.

In the fall of 2004, RurAL CAP staff facilitated several community planning workshops in the Copper River Basin, assisting the Copper Valley Economic Development Council in the creation of a regional economic development strategy. The workshops provided opportunity for residents to voice their views and opinions and offer their ideas through a neutral third-party. The resulting plan will help the region attract funding for community facilities and infrastructure to support economic development.



The second statewide Building Our Communities workshop took place in Anchorage in April 2004, attracting over 300 attendees from across the state to participate in three days of intensive training. RurAL CAP coordinated the event, which was jointly sponsored by the Denali Commission, HUD, USDA, Alaska Housing, and the Alaska Department of Community and Economic Development. With over 40 workshop sessions to choose from, participants were able to build technical skills in project scoping and funding, land use and site control, planning tools and economic development.

In addition to Building Our Communities, RurAL CAP staff provided training through the final series of Denali Commission regional funding summits held in Barrow, Soldotna and Juneau. In September 2004, RurAL CAP's partnership with the Denali Commission was formalized with the assignment of a RurAL CAP staff member to the Commission. RurAL CAP is the first independent not-for-profit organization to be invited to participate with the Denali Commission in this way.



Rural Energy Enterprises



Rural Energy Enterprises (R.E.E.), a wholly owned subsidiary of RurAL CAP, is a wholesale distributor of energy-efficient and money-saving products. R.E.E. began in 1987 as a result of receiving a federal grant to evaluate the feasibility of engaging in energy-related for-profit activity.

Energy costs represent a major expense for rural Alaskans. R.E.E. reduces those costs by selling a variety of high-quality, advanced-technology energy products. The Toyostove space heater, one of the most fuel-efficient heating systems in the world, can save rural residents \$300 to \$500 per year in fuel costs, depending on the condition of the house. R.E.E. also offers energy-saving oil and gas water heaters and a variety of other heating and lighting products.

R.E.E. also benefits rural communities by creating economic opportunities in remote villages. R.E.E. maintains business relationships with more than 200 small entrepreneur dealerships in rural Alaska, western Canada, and the northwest United States. During fiscal year 2004, R.E.E. continued to expand its range of useful, energy-saving products. Please visit www.rural-energy.com for more information.

General Information:

- ◆ R.E.E. has sold \$60 million of products since 1987
- ◆ RurAL CAP has more than \$3.2 million in equity in R.E.E.
- ◆ 78% of total sales are from Alaska

2004 Fiscal Year Performance:

Gross Sales - \$ 6,006,049 Net Profit - \$ 339,904

R.E.E. Management Team:

Conrad Zipperian, General Manager & CEO
Mark Callinsky, Sales Manager
Jill Trozelle, Financial Manager

R.E.E. Board of Directors:

Stewart Barnes
Geoff Feiler
Glenn Fredericks
David Hardenbergh
Phil Kaluza
Bob Lohr
Virginia Moore





www.rural-energy.com

Rural Energy Enterprises, Inc. (R.E.E.) distributes Toyostove, NordicStove, Drolet, Godin, Kuma, Rinnai, Nestor Martin, Tirino, EcoTherm, Aquastar and Toyotomi products. Our company specializes in oil and gas fired direct vent or sealed combustion high efficiency heaters as well as water heaters, gas cook stoves, marine heaters, marine cook stoves, tent heaters and tent stoves.

R.E.E. is the exclusive distributor of Toyostove heaters in Alaska, Idaho, North Dakota, Montana, South Dakota, Wyoming, Washington, British Columbia, the Yukon Territories and the Northwest Territories. We also offer selected Toyostove/Toyotomi products in Arizona, Colorado, New Mexico and Utah.

R.E.E. is also the exclusive North American importer/distributor of NordicStove non-electric oil burning heaters for tents, cabins, boats, homes and emergency use.



Rural Energy Enterprise Products

- Boilers
- Air Conditioners
- Cooking Products
 - Boats*
 - Cabins*
 - Camps*
 - Emergencies*
- Outdoor Fireplaces
- Indoor Fireplaces
- Marine and Boat Heating
- Plumbing
 - Assessories*
 - Fixtures*
- Oil Fuel Tanks
 - Tent/Camp Heating*
 - Tent/Camp Cooking*
- Water Heaters
- Oil Heaters & Stoves
- Gas Heaters & Stoves
- Inverters
 - Direct Current
 - Alternate Current
- Non-Electric Oil Heaters/Stoves
- Wood Stoves
- Cooking Products
- Fluorescent Lighting
- Carbon Monoxide Detectors

Rural Energy Enterprises

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www.rural-energy.com
info@rural-energy.com

Serving rural Alaskans for
 17 wonderful years!



Fiscal Year 2004 Financial Summary

SOURCE OF FUNDS	AWARD	EXPENDITURES	SOURCE OF FUNDS	AWARD	EXPENDITURES
US Department of Health & Human Services			Alaska Department of Commerce, Community & Economic Development		
Child Care Programs (Head Start/Early Head Start)	7,930,725	6,137,580	<i>Passed Through From US Department of HHS</i>		
			Community Services Block		
US Environmental Protection Agency			Grant FY 05	2,348,055	1,039,346
RAVEN AmeriCorps	211,241	158,220	Community Services Block		
			Grant FY 04	2,362,022	1,381,797
US Department of Education			Alaska Department of Labor & Workforce Development		
Parents as Teachers	771,307	698,452	S.T.E.P. Program FY 05	150,000	25,526
<i>Passed Through Bethel Community Services</i>			S.T.E.P. Program FY 04	127,396	22,589
Bethel Community					
Services FY 04-06	567,305	90,779			
<i>Passed Through UAA - Anchorage</i>			Alaska Department of Education and Early Development		
Education for Head Start			Child Care Programs		
Teachers FY 03	96,076	36,566	(Head Start) FY 05	2,316,922	528,206
			Child Care Programs		
US Department of the Interior			(Head Start) FY 04	2,311,172	1,870,777
National Marine Fish Service	25,000	6,825	Head Start Safety FY 04	23,000	23,000
NOAA/NMFS	25,000	25,000	Head Start School		
NOAA/NMFS	25,000	1,399	Readiness FY 04	22,380	22,380
US Corporation for National Service			<i>Passed Through from US Department of Education</i>		
Vista In-Service Training FY 04	7,000	4,978	SEED FY 04	107,604	98,431
Vista In-Service Training FY 05	24,000	-982	<i>Passed Through From US Department of Agriculture</i>		
			Food Stamp Program FY 04	3,465	13,465
US Department of Agriculture - Farmer's Home Administration			Child Care Food		
Home Preservation Grant	50,000	7,823	Reimbursement Program	246,908	246,908
Building our Communities	50,685	50,685	<i>Passed Through From US Corporation for National and Community Service</i>		
			AmeriCorps/RAP		
US Department of Housing and Urban Development			Program FY 04	422,011	101,793
Supportive Housing			AmeriCorps/BIRCH		
Homeward Bound FY 04	357,474	189,486	Program FY 05	235,463	167,756
Homeward Bound FY 05	357,474	243,843	AmeriCorps Students		
Community Bound FY 04	141,168	98,231	in Service FY 04	8,000	5,977
Community Bound FY 05	141,168	41,815	AmeriCorps Students		
Building our Communities	15,000	15,000	in Service FY 05	8,000	2,721
Little Diomed Rehab	400,000	245,694			
<i>Passed Through From Cook Inlet Housing Authority</i>			Alaska Department of Health and Social Services		
Homeward Bound Match FY 04	200,000	14,083	ACT Across Ages FY 04	20,267	20,267
Homeward Bound Match FY 05	282,706	194,228	<i>Passed Through From US Department of Health and Human Services</i>		
<i>Passed Through Enterprise Foundation</i>			F.A.S. Prevention FY 05	65,000	17,233
Rural LISC Capacity			F.A.S. Prevention FY 04	65,000	61,354
Building FY 04	25,000	25,000	REACH Energy Conservation		
<i>Passed Through UAA - Anchorage</i>			Initiative FY 04	208,203	223,215
Little Diomed/BSRHA			Rural Providers Conference	25,000	25,000
Housing Rehab	500,000	233,920	ACT Across Ages FY 04	33,067	33,067



SOURCE OF FUNDS

AWARD EXPENDITURES

Alaska Housing Finance Corporation

Low Income WX		
Assistance Program	423,615	145,633
Rural Residential		
Energy Rehab - WX	1,878,394	677,119
Building Our Communities	2,000	2,000
HB Supportive Housing		
Project - Match FY 04	105,150	33,625
HB Supportive Housing		
Project - Match FY 05	149,975	87,863
Community Bound	65,519	3,003
<i>Passed Through From US Department of Energy</i>		
Rural Residential		
Energy Rehab - WX	622,321	444,944
Low Income WX		
Assistance Program	577,492	76,880
<i>Passed Through From US Department of Housing and Urban Development</i>		
Healthy Homes - Hooper Bay	171,167	146,515
Home Owner Occupied		
Rehab Project FY 02-03	476,427	166,008
<i>Passed Through From US Department of Agriculture</i>		
Home Preservation - Match	50,000	112,731

Alaska Energy Authority

Diomed Energy		
Upgrades FY 04	3,400	3,400
<i>Passed Through US Department of Energy</i>		
Diomed Energy		
Upgrades FY 04	16,600	16,600

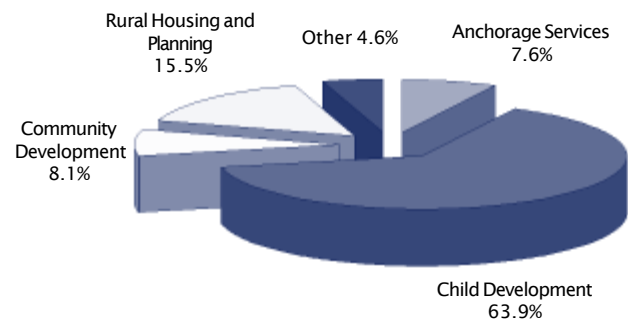
Private Sources

Reading is Fundamental Program		1,403
Kodiak Borough (Head Start)	7,400	4,872
Rasmuson Foundation		
Marshall HS building	346,000	32,119
Various - Tribal Leaders Funding	7,500	97
Building Our Communities		3,500
LISC 10 unit complex		9,080
LISC Cap building		8,370
Point in Time Surveys		2,389
Affordable Housing Improvements		22,210
Child Care Center		
Fees/Contracts	359,686	359,686
Affordable Housing Program		178,728
Building Our Communities Fees		10,653

Sub-Total	17,098,861
Rural Energy Enterprises Expenditures	5,676,423

TOTAL	22,775,284
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Agency Allocations



<u>Division</u>	<u>Expenditures</u>	<u>Percentage</u>
Anchorage Services	1,301,235	7.61%
Child Development	10,940,991	63.99%
Community Development	1,395,728	8.16%
Rural Housing & Planning	2,659,607	15.55%
Other	801,300	4.69%

RurAL CAP's federally approved indirect rate of 11.9% of direct costs covers administrative expenses such as those for the Executive, Personnel, Accounting and Purchasing staff, Corporate Insurance, Annual Audit, and the Board of Directors.



Acknowledgements

Quyana!



**Thank you to our funders
and partners for your
support:**

Alaska Community Share

Alaska Conservation Foundation

Alaska Department of Behavioral Health

Alaska Department of Commerce,
Community and Economic Development

Alaska Department of Education and Early
Development

Alaska Department of Fish and Game

Alaska Department of Labor and
Workforce Development

Alaska Division of Alcoholism and Drug
Abuse

Alaska Federation of Natives

Alaska Housing Finance Corporation

Alaska Mental Health Trust Authority

Alaska State Community Service
Commission

Bering Straits Regional Housing Authority

Cook Inlet Housing Authority

Cook Inlet Tribal Council

Denali Commission

First Alaskans Foundation

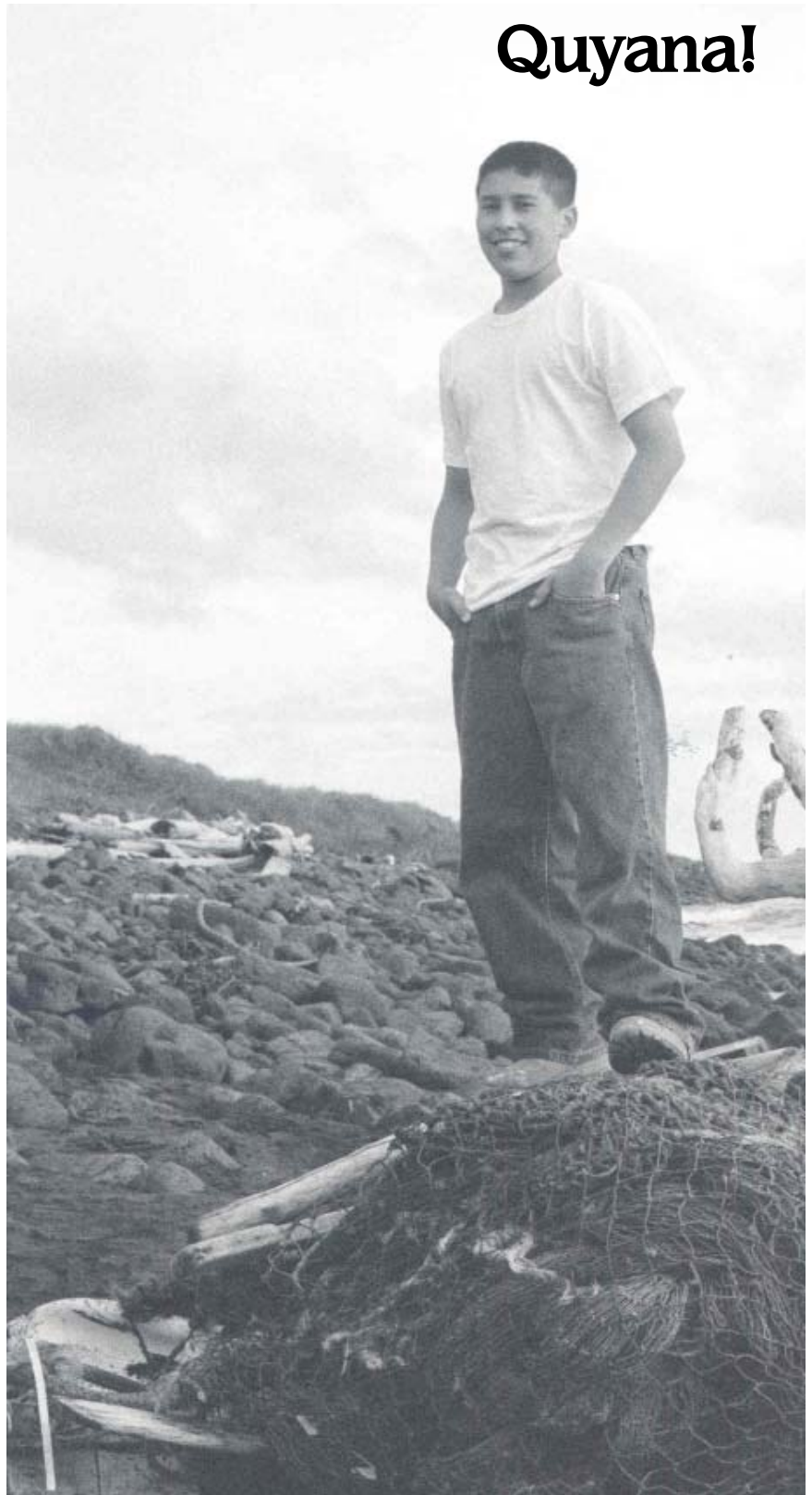
First National Bank of Alaska

Kwethluk Traditional Resident Council



Kodiak Island Borough
National Marine Fisheries Service
Native Village of Diomed
Norton Sound Health Corporation
Organized Village of Kake
Rasmuson Foundation
Rural Community Assistance Corporation
Rural Local Initiatives Support Corporation
State Training and Employment Program
University of Alaska
U.S. Borough of Indian Affairs
U. S. Corporation for National and
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U. S. Department of Agriculture and Rural
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U. S. Department of Commerce
U. S. Department of Education
U. S. Department of Health and Human
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U. S. Department of Housing and Urban
Development
U. S. Department of Housing and Urban
Development – Office of Native American
Programs
U. S. Environmental Protection Agency
U. S. Fish and Wildlife Service
Wells Fargo Bank
Yukon Kuskokwim Health Corporation

Quyana!





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