

## **Questions & Answers on Proposed Regulation Changes to 3 AAC 180.010-900** **– Community Assistance Payment Program**

### **QUESTIONS RECEIVED REGARDING PROPOSED REGULATION CHANGES TO COMMUNITY ASSISTANCE PAYMENT PROGRAM, FORMER COMMUNITY REVENUE SHARING PROGRAM, WITH ANSWERS**

#### **What methods does the Alaska Department of Labor and Workforce Development, Research and Analysis Section, use to prepare annual population estimates?**

The Alaska Department of Labor and Workforce Development, Research and Analysis Section (DOL) prepares annual, July 1, post-census population estimates for all boroughs, census areas, cities, census designated places, census tracts, and special areas in the state. The population estimates are released by the State Demographer in January. According to the January 2017 DOL *Methods for the Alaska Population Estimates (Vintage 2016)* report, the annual population estimates adjustments begin with data from Census 2010. For each year following the last 2010 census, DOL makes annual adjustments for known errors in the census and post-census data. DOL uses indicator data which includes Permanent Fund Dividend applications, data from military and group quarters survey and research, and a state total household population estimate from the US Census Bureau to calculate annual population estimates.

Since the US Census Bureau's decennial population counts are the basis for the estimates in the inter-decennial years, municipalities, reserves and communities should use the opportunity and engage with the US Census Bureau employees to get an accurate count of the local population. Visit <http://live.laborstats.alaska.gov/cen/Alaska2020Census.cfm> to learn more about the upcoming 2020 US Census operations in Alaska and how your community could get involved and work with Census employees in the upcoming population count.

#### **What DOL population estimates are used to determine annual community assistance payments, former community revenue sharing payments?**

Every year in January, the State Demographer releases the annual population estimates. The Commissioner of the Department of Commerce, Community and Economic Development (DCCED) certifies the annual population estimates of each municipality, community, and reserve as released by the State Demographer in March. The population figures from the previous year are used for the current year state programs. For example, for the fiscal year 2018, which starts on July 1, 2017, the population estimates from 2016 are used.

#### **How much will municipalities, communities and reserves receive in community assistance payments in the fiscal year 2018?**

Under AS 29.60.855, \$300,000 is the basic amount used for determining the basic community assistance payments for a fiscal year. For FY2018, the following are the basic community assistance payments for each

1. unified municipalities, the basic amount is \$300,000 plus \$75,000 for each city within the unified municipality;

2. boroughs, the basic payment is \$300,000;
3. cities in organized and unorganized borough, the basic payment is \$75,000;
4. unincorporated communities outside boroughs, the basic payment is \$25,000; and
5. unincorporated communities inside boroughs, the basic payment is \$15,789

Under AS 29.60.860, if the balance in the community assistance fund available for distribution under AS 29.60.850(c) exceeds the amount needed to fully fund all the basic community assistance payments, the remaining balance for that year shall be distributed on a per capita basis to municipalities, reserves, and to communities located only in the unorganized borough. No per capita payments are made to communities in the organized boroughs.

The per capita payment increases vary annually depending on how much money there is in the community assistance fund, total number of entities receiving community assistance payments, and total population estimates. For example, let's assume that on June 30, 2017 the balance in the community assistance fund is \$30,000,000. Based on the total number of eligible entities to receive community assistance payments in the fiscal year 2018, boroughs and cities will receive approximately \$17,025,000 in basic distributions, unincorporated communities outside boroughs will receive approximately \$1,089,441, and unincorporated communities inside organized boroughs will receive approximately \$1,247,331 in basic payments in 2017. The total amount to be distributed as a basic amount comes to \$19,361,772, which is 64.5% of \$30,000,000. The remaining 35.5% of \$30,000,000, which equals \$10,638,228, will be distributed as a per capita payment increases to all municipalities and reserves, and all communities in the unorganized borough. The total population for the fiscal year 2018 per capita payments was 751,263. Dividing the total amount for the per capita payments to the total population determines the per capita distribution, which is \$14.16 per Alaskan resident for FY2018.

**What do the new proposed changes mean to a city that finds its population considerably more than the estimates?**

For the purpose of community revenue sharing and now community assistance per capita payment increases required under AS 29.60.860, DCCED has always used annual population estimates released by DOL. DOL's annual population estimates are the most accurate estimates to date. In calculating those estimates, DOL uses, among other data indicators, the annual Permanent Fund Dividend applications filed with the state. State law, under AS 29.60.860(c), requires that the numbers of permanent fund dividend recipients or other data that DCCED determines reliable be used to determine the population of a municipality, reserve, or community for per capita payment increases purposes. Many factors affect the annual population estimates released by DOL.

**Will DCCED provide assistance to municipalities, reserves and communities when there is a conflict between or among population estimates?**

No. Under the proposed regulation changes, DCCED will no longer accept a head count census or housing unit method population estimates conducted by a municipality, reserve or community in order to calculate the per capita payments increases.

**Will repeal of request for adjustment of population determination and appeal of population determination to the commissioner put an extra burden on organized boroughs?**

No. DCCED does not anticipate organized boroughs to perform any additional work as a result of the proposed regulation changes. Only DCCED certified population estimates will be used to determine and distribute community assistance payments. Even under the current laws and regulations, organized boroughs aren't required to assist cities or communities inside the borough with population determination issues. Likewise, they won't be required under the proposed regulations.