



THE STATE
of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

DIVISION OF ADMINISTRATIVE SERVICES

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May 7, 2020

The Honorable Neal Foster
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol Room 505
Juneau, AK 99801

The Honorable Jennifer Johnston
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol Room 511
Juneau, AK 99801

Dear Representatives Foster and Johnston,

Thank you for the opportunity to present to the House Finance Committee on May 1, 2020. During the hearing, the Department of Commerce, Community, and Economic Development presented on the Revised Program Legislative (RPL) requests submitted April 21, 2020 for community relief and small business relief.

Revisions and replacements were made to those RPLs on May 1, 2020. As a result of those revisions, RPL 08-2020-0250 now corresponds with RPLs 08-2020-0250 and 08-2020-0260-0382. The Community Assistance Program (CAP) formula was used to calculate the distribution for RPL 08-2020-0250. The statutory framework for that formula is found in AS 29.60.855:

Sec. 29.60.855. Basic community assistance payments.

(a) The basic amount used for determining the basic community assistance payment for a fiscal year is \$300,000. However, if the amount available for payments for that fiscal year under AS 29.60.850(c) is less than the amount necessary to make the payments under (b) of this section, the department shall reduce the basic amount pro rata.

(b) Except as provided in (c) of this section, the basic community assistance payment for a fiscal year equals, for each

(1) unified municipality, the sum of the amounts calculated under (2) and (3) of this subsection, rounded to the nearest dollar;

(2) borough, the basic amount, rounded to the nearest dollar;

(3) city and eligible reserve, one-fourth of the basic amount, rounded to the nearest dollar;

(4) eligible community in the unorganized borough, one-twelfth of the basic amount, rounded to the nearest dollar;

(5) eligible community in a unified municipality or borough, one-nineteenth of the basic amount, rounded to the nearest dollar.

(c) The basic community assistance payment amount for a succeeding municipality formed when two or more municipalities merge, consolidate, or unify after January 1, 2002, equals the sum of the amounts each of the former municipalities would receive under (b) of this section calculated as if the merger, consolidation, or unification had not occurred.

Under this formula, the borough base is \$300,000.00, the city base is \$75,000.00, the unincorporated community outside a borough base is \$25,000.00, and the unincorporated community inside a borough base is \$15,789.00. The

remainder of the allocation was distributed on a per capita basis in accordance with AS 29.60.860(a). The per capita payment was adjusted in accordance with AS 29.60.860(b) to \$326.49. AS 29.60.860(b) places a cap on CAP payments to unincorporated communities of \$75,000.00.

RPLs 08-2020-0260 through 08-2020-0382 are based on a combination of quantified economic activity metrics including retail, hospitality and tourism, regional commercial fishing, and other measures of commerce activity. The consolidated source data for these distributions can be found in the attachment to this letter.

Commissioner Anderson and I remain committed to an open dialogue, sharing available information, and working with the Legislature as we develop and implement recovery tools for Alaska's economy. Thank you for the invitation to present last week, and please feel free to contact me if there is further information I can provide.

Best,



Micaela Fowler

Administrative Services Director

Attachment