

DEPARTMENT OF MILITARY & VETERANS' AFFAIRS
FY20 - Summary of Significant Budget Issues

Governor's Budget Items Approved as Requested

Item #	Approp/Allocation	Description	Amount/Fund Source	Comment
1	Military and Veterans' Affairs/ Office of the Commissioner	Reduce Funding for Alaska State Defense Force	(\$210.9)UGF	<p>The Legislature accepted the Governor's proposal to delete this funding from the base budget in FY20.</p> <p><u>Funding History</u> In FY19, the legislature approved \$210.9 to expand rural engagement in the Alaska State Defense Force (ASDF). According to the department, the action would increase rural community emergency capacity and resiliency, and assist in meeting Alaska's needs in a changing Arctic.</p> <p>The goal for the ASDF over the three-to-five years was to expand to include an 81-member headquarters battalion in Bethel and three 77-person companies. Each of the companies would be comprised of 4 or 5-person Scout teams across Western Alaska, but initially concentrated in the Yukon-Kuskokwim Delta region.</p> <p>Funding was to be used to form and equip an initial force composed of the headquarters team and one company of Scouts. State funding was necessary because federal regulations prohibit using federal funding for the ASDF.</p>
2	Military and Veterans' Affairs/ Office of the Commissioner	Reduce Funding for Special Assistant to the Commissioner (09-0436)	(\$161.0) UGF (1) PFT Position	<p>In FY19, the legislature denied the addition of a new Special Assistant position with associated funding. According to the department, this position would have been a part of a coherent engagement strategy with DOD and other key stakeholders (federal military senior officials, Congressional Delegation, local base retention groups, and members of the public) designed to protect and potentially grow DOD investment in Alaska.</p> <p>The department went ahead with creating and filling the position and allocated other funds to cover the associated cost. In FY20, the legislature accepted the Governor's proposal to delete the position and the associated funding allocated for the position by the department.</p>

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Governor's Budget Items Approved as Requested (continued)

Item #	Approp/Allocation	Description	Amount/Fund Source	Comment
3	Military and Veterans' Affairs/ Homeland Security and Emergency Management	Federal Authority for National Oceanic and Atmospheric Association (NOAA) Grant	\$500.0 Fed	The legislature approved additional Federal Receipt authority for the department to accommodate changes to distribution of a National Oceanic and Atmospheric Administration (NOAA) Grant. Previously this was a two-year grant awarded at lower levels for which the department's authority was sufficient. Additional Federal Receipt authority was necessary to accept the FY20 grant. This grant provides tsunami impact funding to rural communities and assists the University of Alaska with tsunami research efforts.
4	Military and Veterans' Affairs/ Homeland Security and Emergency Management	SDPR Authority to Support Emergency Management Assistance Compact (EMAC) Requests	\$300.0 Stat Desig (Other)	The Emergency Management Assistance Compact (EMAC) is an agreement between states that allows them to reimburse each other for emergency response services provided by one state to another. This includes deployment of Alaska National Guard specialists to natural disasters in other states. The department requested additional reimbursement authority so that they could accept repayment for services provided under EMAC. This was due to increased demand for Alaskan emergency assistance to other states in recent years. The legislature accepted the Governor's proposed increment for Statutory Designated Program Receipt (SDPR) authority.
5	Military and Veterans' Affairs/ Homeland Security and Emergency Management	Delete Information Officer I Position (09-0237)	Total: (\$81.7) (\$40.9) Fed (\$20.4) GF/Match (UGF) (\$20.4) CIP (Other) (1) PFT Position	The legislature adopted the Governor's proposed deletion of the Information Officer I position. This was a filled position that was deleted on June 30th.
6	Military and Veterans' Affairs/ Alaska Military Youth Academy	Replace General Fund Authority with Statutory Designated Program Receipts	Net Zero (\$100.0) UGF \$100.0 Stat Desig (Other)	The legislature adopted the Governor's proposal to change fund sources in the Alaska Military Youth Academy (AMYA) for expenditures relating to the Youth ChalleNGe program. AMYA will pursue other funding sources to assist with paying for the program by seeking additional funds through Alaska Native Tribal entities or other private donors. This fund change will increase Statutory Designated Program Receipt authority to allow AMYA to receive those funds.

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Governor's Budget Items Approved as Requested (continued)

Item #	Approp/Allocation	Description	Amount/Fund Source	Comment
7	Military and Veterans' Affairs/ Alaska Military Youth Academy	Interagency Receipt Authority to Allow for Budgeted Reimbursable Service Agreements	\$650.0 I/A (Other)	The legislature adopted the Governor's proposal to increase Interagency Receipt authority at AMYA in order to put an ongoing Reimbursable Service Agreement (RSA) with the Department of Education and Early Development on budget. The RSA has been off budget in the last few fiscal years.
8	Military and Veterans' Affairs/ Veterans Services	Funeral Honor Support for Alaska Veterans	\$50.0 UGF	<p>The legislature agreed to the Governor's proposal to field an additional four to five person detail, consisting of Alaska National Guard and/or Alaska State Defense Force members on State Active Duty, to conduct funeral honors for Alaska Veterans.</p> <p>The department supported an average of approximately 110 funerals annually between 2016 and 2018. The department estimates that the additional detail could support approximately 25 more funerals annually. Alaska's Veteran population is the highest per capita in the United States.</p>

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Denied Governor's Request

Item #	Approp/Allocation	Description	Amount/Fund Source	Comment
9	Military and Veterans' Affairs/ State Active Duty	SDPR Authority to Support Emergency Management Assistance Compact (EMAC) Requests	\$200.0 Stat Desig (Other	<p>The legislature denied the addition of proposed language which would have given the department unlimited authority to receive Statutory Designated Program Receipts. This request was in addition to a \$300.0 request that was approved (see item 4).</p> <p>Legislative Fiscal Analyst Comment: Though the estimated impact of the proposed language was \$200.0 SDPR, the language was open-ended and would have allowed DMVA to circumvent the Budget and Audit Committee's oversight.</p>

Legislative Additions

Item #	Approp/Allocation	Description	Amount/Fund Source	Comment
10	Military and Veterans' Affairs/ Veterans Services	Add General Funds to Maintain Veterans' Services Officers	\$100.0 UGF	<p>In FY19, the Department of Military and Veterans' Affairs received a one-time increase to their federal/State Administrative Agency grant award to pay for a program manager position and its associated costs. In the FY19 budget the legislature removed \$100.0 UGF from the Veterans Services base budget and added it back as an one-time increment (IncOTI) so funding needed to be reviewed during the next legislative session. The department expressed concern that the federal/State Administrative Agency grant may be uncertain in future years. The Governor did not include the funding in his proposed budget. The legislature added it to the base budget. The Governor vetoed it, the legislature subsequently included it in HB 2001, and it was not vetoed a second time.</p>

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Governor's Vetoes

Item #	Approp/Allocation	Description	Amount/Fund Source	Comment
11	Military and Veterans' Affairs/ Office of the Commissioner	Delete Position Vacant Greater Than One Year	(\$98.9) Fed (1) PFT Position	Although the Governor did not originally request a reduction, he vetoed federal funding for a vacant IT position in the initial operating budget HB 39. The legislature included the funding in HB 2001, and the Governor vetoed it again. That veto was not reversed.
12	Military and Veterans' Affairs/ Local Emergency Planning Committee	Delete Funding for Local Emergency Planning Committee	(\$300.0) UGF	The Governors' proposed budget deleted all funding for the Local Emergency Planning Committee (LEPC) grants. The legislature initially accepted a \$75.0 reduction. The Governor vetoed the remaining \$225.0 from the budget in HB 39. The legislature did not include the funding in HB 2001.
13	Alaska Aerospace Corporation/Alaska Aerospace Corporation Facilities Maintenance	Delete Position Vacant Greater Than One Year	Total (\$180.9) (\$126.6) Fed (\$54.3) AAC Fund (Other) (1) PFT Position	The Governor vetoed the vacant position along with associated funding authority in the initial operating bill HB 39. This position deletion was not included in the Governor's proposed budget. The legislature did not include the funding in HB 2001.
14	Multiple Allocations	Executive Branch 50% Travel reduction	Total: (\$217.5) (\$85.8) Fed (\$52.1) UGF (\$79.6) Other	The legislature adopted all of the Governor's proposed travel reductions for the following allocations: <ul style="list-style-type: none"> • Army Guard Facilitates Maintenance (accepted in initial operating budget HB 39) • Air Guard Facilitates Maintenance (accepted in initial operating budget HB 39) • Office of the Commissioner (accepted in initial operating budget HB 39) • Alaska Aerospace Corporation Facilities Maintenance (reduction rejected in initial operating budget HB 39, vetoed, and not included in HB 2001) • Alaska Aerospace Corporation (reduction rejected in initial operating budget HB 39, vetoed, included in HB 2001, and subsequently vetoed again)

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FY19 Supplementals

Item #	Approp/Allocation	Description	Amount/Fund Source	Comment
15	Disaster Relief Fund	Supplemental Deposit to the Disaster Relief Fund	Total: \$58,904.0 \$37,002.3 FED \$21,901.7 UGF	The legislature accepted the Governor's proposed deposit to the State of Alaska Disaster Relief Fund (DRF) to address costs associated with damages from the November 30, 2018, 7.1 magnitude Cook Inlet Earthquake. The total estimated cost for the Cook Inlet Earthquake is in the range of \$108 million. Of that amount, \$60.1 million will be State funding coming from the DRF. This estimate is subject to change and it is not yet clear how much more the fund may need to be capitalized in coming years to meet that need. In addition to this supplemental funding there was a standard deposit into the DRF in the FY20 operating bill for a total of \$11 million: \$9 million was Federal funding, and \$2 million came from the General Fund.
16	Disaster Relief Fund	Supplemental Deposit to the Disaster Relief Fund	<\$20,000.0 UGF	<p>In addition to the appropriation requested by the Governor (item 15 above), the legislature included a deposit to the State of Alaska Disaster Relief Fund program not to exceed \$20 million. Contingency language in HB39 states that if the amount appropriated from the Constitutional Budget Reserve is insufficient to cover this appropriation that it will be reduced by the amount of that shortfall. There was sufficient funding to cover the full \$20 million and it was deposited into the DRF.</p> <p>Legislative Fiscal Analyst Comment: This funding method may become problematic. If, for example, FY19 costs for fire suppression exceed available UGF (approximately \$10 million), the deposit to the DRF should be reduced accordingly. However, the FY19 accounting books will be closed before fire suppression costs are certain. That makes it difficult to reduce the UGF deposit to the DRF, which opens the door to a FY19 deficit that must be filled by drawing from reserves. That action may require a supermajority vote.</p>