



THE STATE
of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Office of the Governor

OFFICE OF MANAGEMENT AND BUDGET
Donna Arduin, Director

Court Plaza Building
240 Main Street, Suite 801
Juneau, Alaska 99811-0020
Main: 907.465.4660
Fax: 907.465.2090

March 21, 2019

Representative Neal Foster, Co-Chair
House Finance Committee
State Capitol, Rm 505
Juneau, AK 99801

Representative Tammie Wilson, Co-Chair
House Finance Committee
State Capitol, Room 511
Juneau, AK 99801

Dear Co-Chairs Foster and Wilson,

Below, please see the responses to questions asked during the Office of Management and Budget's presentation to the House Finance Committee on March 13, 2019.

1. *Representative Wilson: What will the impacts be to the Alaska State Defense Force with the FY20 budget reduction? Does it change expectations of their role in responding to disasters? Will they now have to buy their own equipment?*

This change will not change expectations of the Alaska State Defense Force's role in responding to disasters. In the example of the 2018 Cook Inlet Earthquake, members of the Alaska State Defense Force were activated to State Active Duty to assist with the public assistance hotline in the State Emergency Operations Center. The Alaska State Defense Force can continue to be organized through voluntary enlistments under regulations as to discipline and training that may be prescribed by the Governor (AS 26.05.100).

2. *Representative Foster: Is the State funding for the Local Emergency Planning Committee (LEPC) used as a match for other funds?*

No, State funds are not used as a match for other funds.

3. *Representative Carpenter: Please provide examples of how LEPC funding has been spent by local communities.*

Eligible expenditures include costs associated with management, outreach, and preparedness. Examples of expenditures include personnel and contractual services, promotional materials, travel to Local Emergency Planning Committee Association meetings, language interpretation

services for promotional materials, planning materials, printing and advertising, office supplies, postal services, and booth fees for community outreach.

4. *Representative Sullivan-Leonard: Please provide historical graduation rates from the Alaska Military Youth Academy.*

AMYA Graduates by Fiscal Year	
Fiscal Year	Number of Graduates
FY18	331
FY17	344
FY16	283
FY15	278
FY14	281
FY13	309
FY12	291

2003-2018 historical data, by graduating class can be found here:

<https://www.omb.alaska.gov/html/performance/program-indicators.html?p=89&r=1>

5. *Representative Foster: Can donations to the Alaska Military Youth Academy qualify for a state education tax credit against a corporation's tax liability?*

Corporations that pay an annual tax to the state have the authority to make contributions to an educational institution and directly deduct that from their tax liability up to \$250,000. Any contribution over \$250,000 is deductible at a 50% rate.

Any money paid directly to the Alaska Military Academy is considered income and must be allocated against the National Guard Bureau (NGB) funding split, which would require DMVA to pay 75% of the received revenue back to NGB.

6. *Representative Merrick: What follow-up is done to ensure LEPCs follow the grant rules and does the State pull back funding if they do not comply?*

The contract between State of Alaska Division of Homeland Security and Emergency Management (DHS&EM) and the grantee outlines eligible expenditures and the responsibilities for reporting. The State Emergency Response Commission (SERC) periodically examines all Local Emergency Management Planning Committee (LEPC) expenditures throughout the fiscal year. An LEPC which fails to submit reports in a timely manner, fully execute its budget, attend the biannual LEPC Association meeting, or otherwise comply with the award agreement, risks losing part of or all of the award. The SERC may reallocate funds from underspent LEPC awards or non-compliant LEPCs to meet other non-funded LEPC/SERC program requests. DHS&EM requires a Procurement Method Report with every expense (with the exception of local advertising, legal notices, and travel arrangements) submitted for reimbursement. DHS&EM must pre-approve all service contracts and non-competitive/sole source purchases.

Co-Chairs Foster and Wilson

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Please let me know if you have additional questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Arduin", with a stylized, flowing script.

Donna Arduin, Director
Office of Management and Budget

cc: Ms. Suzanne Cunningham, Director, Governor's Legislative Office
Mr. David Teal, Director, Legislative Finance Division