

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version: SB 236
 Fiscal Note Number: _____
 () Publish Date: _____

Identifier: SB236-MVA-DHSEM-03-8-24
 Title: GRANTS TO DISASTER VICTIMS
 Sponsor: KIEHL
 Requester: (S) Finance

Department: Department of Military and Veterans' Affairs
 Appropriation: Military and Veterans' Affairs
 Allocation: Homeland Security and Emergency Management
 OMB Component Number: 2657

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2025	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2025 Request	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
OPERATING EXPENDITURES	FY 2025	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Personal Services	***	***	***	***	***	***	***	***
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	***	***	***	***	***	***	***	***

Fund Source (Operating Only)

None								
Total	***	***	***	***	***	***	***	***

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2024) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2025) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed? n/a

Why this fiscal note differs from previous version/comments:

Amended to include additional information and calculations for consideration.

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Division:	Office of the Commissioner	Date:	03/08/2024 03:34 PM
Approved By:	Bob Ernisse	Date:	03/08/24
Agency:	Department of Military and Veterans Affairs		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION

BILL NO. SB236

Analysis

This legislation changes existing individual assistance program statutes by creating a decision structure with two different payment options dependent on a federal presidential disaster declaration. This change will cause a significant delay in the timeline for State provided disaster relief to victims until a federal decision is made; currently, there is no deadline for when a federal presidential disaster declaration must be proclaimed.

The State Individual Assistance Program mirrors 42 USC 5174(h). The U.S. Code allows for two separate grant payments to be made, one for housing repair or replacement, and one for other needs assistance. Therefore, the State program makes payment under 6 AAC 94.200-900 for two programs, housing repair or replacement and essential personal property loss.

SB 236 would authorize the State program to make payments exceeding what is authorized by federal law and regulation when a federal presidential disaster is not declared. For the current federal fiscal year, FEMA can make two separate grant payments of \$42,500, for a total maximum of \$85,000 per individual/family. SB 236 would provide for two separate grant payments of \$50,000, for a total maximum of \$100,000 per individual/family.

Federal law and regulation specifically prohibits a duplication of disaster benefits. A federal disaster declaration would only occur after a State declaration of disaster emergency, and federal assistance is intended to supplement State assistance. Since SB 236 provides more State funding than is authorized in federal law and regulation, Alaska would likely not receive federal disaster for Individual Assistance, and would bear the entire burden of disaster relief for individuals and families.

The most recent federal disaster that included Individual Assistance was DR-4730-AK, the 2023 Spring Flooding disaster along the Yukon and Kuskokwim rivers. To date, FEMA has provided \$3,423,964.47 to Alaskans. As stated above, if SB 236 becomes law, a federal disaster would not have been warranted, and the \$3.4 million would have been entirely funded through the General Fund/Disaster Relief Fund.

A generic disaster scenario is provided for comparison. For ease of illustration in this scenario, there were 100 individuals or families (20 being unit owners that have common expense liabilities), and all 100 have sufficient damage as to warrant a maximum grant for housing assistance and a maximum grant for other needs assistance.

Under SB 236, assuming a federal disaster is not declared, the State would pay \$10,000,000 in total assistance using State funds (100 applicants times \$50,000 for housing assistance + \$50,000 for other needs assistance)

In comparison, under current statutes and regulations, when a federal disaster is not declared, the State would pay \$4,250,000 in total assistance using State funds (100 applicants times \$21,250 for housing assistance + \$21,250 for other needs assistance)

Once a State declared disaster reaches a certain threshold, an request for a federal disaster declaration is submitted.

Under current statutes and regulations, when a federal disaster is declared, there is a shared cost for assistance, for a total of \$7,435,500 in federal funding and \$1,062,500 in State funding:

100 applicants times \$42,500 for housing assistance = \$4,250,000 (100% federal funding)

100 applicants times \$42,500 for other needs assistance = \$4,250,000 (75% fed 25% State - \$3,187,500 federal and \$1,062,500 State)

The proposed new structure creates additional complex decision points, making it difficult to calculate the exact impact it would have on disaster victims and costs relating to the individual assistance program.

Therefore, the Department of Military and Veterans Affairs submits this indeterminate fiscal note.