

Fiscal Note

State of Alaska
2024 Legislative Session

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

Identifier: SB236-MVA-DHSEM-04-18-24
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	***	0.0	***	***	***	***	***	***

Fund Source (Operating Only)

None								
Total	***	0.0	***	***	***	***	***	***

Positions

Full-time	***		***	***	***	***	***	***
Part-time	***		***	***	***	***	***	***
Temporary	***		***	***	***	***	***	***

Change in Revenues

None	***		***	***	***	***	***	***
Total	***	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If yes, by what date are the regulations to be adopted, amended or repealed?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:	04/18/2024
Approved By:	Bob Ernisse	Date:	04/18/24
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 may 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 to individuals and families up to a maximum total amount of \$50,000 for both grant payments. We would interpret this amount to be distributed equally between the two existing grant payments for a current payment amount of up to \$25,000 for housing repair or replacement and up to \$25,000 for other needs assistance for a total maximum benefit amount of \$50,000.

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 \$5,000,000 in total assistance using State funds (100 applicants times \$25,000 for housing assistance + \$25,000 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, a 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 legislation creates increased complex decision points, making it difficult to calculate the exact impact it would have on disaster victims. Decisions are based on a disaster being of sufficient severity to be declared a State disaster, and subsequently whether or not the State would request, and the President would grant, a federal disaster. Because it is difficult to predict the amount of assistance needed in a given year, the Department of Military and Veterans Affairs submits this indeterminate fiscal note.

We don't anticipate any increase for additional staff time or personnel to carry out this change within the Department.