

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON MILITARY AND VETERANS' AFFAIRS

February 4, 2010

1:01 p.m.

MEMBERS PRESENT

Representative Carl Gatto, Chair
Representative John Harris
Representative Bob Lynn
Representative Tammie Wilson
Representative Robert L. "Bob" Buch
Representative Scott Kawasaki

MEMBERS ABSENT

Representative Jay Ramras

COMMITTEE CALENDAR

HOUSE BILL NO. 291

"An Act relating to the issuance of state-guaranteed revenue bonds by the Alaska Housing Finance Corporation to finance mortgages for qualifying veterans; and providing for an effective date."

- MOVED HB 291 OUT OF COMMITTEE

HOUSE BILL NO. 292

"An Act relating to grants to victims of a disaster in this state; and providing for an effective date."

- MOVED HB 292 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 291

SHORT TITLE: GUARANTEED REVENUE BONDS FOR VETERANS

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

| | | |
|----------|-----|---------------------------------|
| 01/19/10 | (H) | READ THE FIRST TIME - REFERRALS |
| 01/19/10 | (H) | MLV, STA, FIN |
| 02/02/10 | (H) | MLV AT 1:00 PM BARNES 124 |
| 02/02/10 | (H) | Heard & Held |
| 02/02/10 | (H) | MINUTE(MLV) |
| 02/04/10 | (H) | MLV AT 1:00 PM BARNES 124 |

BILL: HB 292

SHORT TITLE: GRANTS TO DISASTER VICTIMS

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

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|----------|-----|---------------------------------|
| 01/19/10 | (H) | READ THE FIRST TIME - REFERRALS |
| 01/19/10 | (H) | MLV, STA, FIN |
| 02/02/10 | (H) | MLV AT 1:00 PM BARNES 124 |
| 02/02/10 | (H) | Heard & Held |
| 02/02/10 | (H) | MINUTE(MLV) |
| 02/04/10 | (H) | MLV AT 1:00 PM BARNES 124 |

WITNESS REGISTER

DAN FAUSKE, CEO/Executive Director
Alaska Housing Finance Corporation (AHFC)
Department of Revenue (DOR)
Anchorage, Alaska

POSITION STATEMENT: Re-visited HB 291 on behalf of the Alaska Housing Finance Corporation and the governor.

MICHAEL O'HARE, Deputy Director
Division of Homeland Security and Emergency Management (DHS&EM)
Department of Military & Veterans' Affairs (DMVA)
Fort Richardson, Alaska

POSITION STATEMENT: Re-visited HB 292 on behalf of the Department of Military & Veterans' Affairs and the governor.

ACTION NARRATIVE

[1:01:58 PM](#)

CHAIR CARL GATTO called the House Special Committee on Military and Veterans' Affairs meeting to order at 1:01 p.m. Present at the call to order were Representatives Buch, Kawasaki, Tammie Wilson, and Gatto. Representatives Harris and Lynn arrived as the meeting was in progress.

HB 291-GUARANTEED REVENUE BONDS FOR VETERANS

[1:02:30 PM](#)

CHAIR GATTO announced that the first order of business would be HOUSE BILL NO. 291, "An Act relating to the issuance of state-guaranteed revenue bonds by the Alaska Housing Finance Corporation to finance mortgages for qualifying veterans; and providing for an effective date."

[1:02:44 PM](#)

DAN FAUSKE, CEO/Executive Director, Alaska Housing Finance Corporation (AHFC), Department of Revenue (DOR), informed the committee that he met with Representatives Kawasaki and Petersen to answer their questions.

[1:04:23 PM](#)

REPRESENTATIVE TAMMIE WILSON moved to report HB 291 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 291 was reported out of the House Special Committee on Military and Veterans' Affairs as written.

HB 292-GRANTS TO DISASTER VICTIMS

[1:04:47 PM](#)

CHAIR GATTO announced that the second order of business would be HOUSE BILL NO. 292, "An Act relating to grants to victims of a disaster in this state; and providing for an effective date."

[1:06:50 PM](#)

MICHAEL O'HARE, Deputy Director, Division of Homeland Security and Emergency Management (DHS&EM), Department of Military & Veterans' Affairs (DMVA), summarized HB 292. The concept of the bill proposes an increase in the maximum assistance grant that the governor can provide to individual victims of a state declared disaster. A \$5,000 maximum amount has been in effect for over 20 years and the intent of the bill is to modernize the amount and make the assistance more appropriate to today's economy. A multi-agency task force studied the grant amount and recommended an increase to one-half of the federal individual assistance amount that is based on the consumer price index. Mr. O'Hare explained that one-half of the federal individual assistance amount is currently approximately \$15,000. He reminded the committee that his office requires an extensive victim's application process including interviews and verifications [in order to qualify for a grant]. In addition, applicants must verify that they cannot recover from the loss and do not have insurance, and they must provide receipts for grant expenditures.

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CHAIR GATTO said the fiscal note indicates that the grant appropriations for 2012 to 2016 would total \$900,000 per year. He asked for the anticipated number of events and the number of grant recipients.

MR. O'HARE explained that the amounts on the fiscal note are speculative because no one knows how many disasters will happen; however, the average is about two per year. In addition, state disasters are the ones that do not warrant a federal disaster declaration, thus are smaller in scope. The proposal in the bill would also help those who are not located in a federally declared disaster area, as was the case in the 2009 spring floods where some victims were devastated, but their community did not qualify for federal aid and state aid was limited to up to \$5,000 per individual.

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REPRESENTATIVE BUCH advised that the concerns he expressed at the previous hearing were resolved.

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REPRESENTATIVE KAWASAKI requested a further explanation on the use of the grant funds. He said, "I just want to ensure that if we're, in fact, saying that this is going to go to victims of disasters, that it gets directly to them ... rather than being circulated around to another agency."

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MR. O'HARE clarified that when a disaster is declared, a disaster relief fund provides for the two elements of a disaster: response and recovery. Teams of disaster assistance staff go out to the affected communities to assess the damages and determine the approximate amount of money that will be needed for individuals and for safety-of-life response costs, which can include reimbursing the Department of Environmental Conservation (DEC) for hazardous materials mitigation or the Department of Health and Social Services (DHSS) for community work. The subject today is on the other aspect which is the amount the state can provide to individuals "to help them recover." He assured the committee, "every dollar that we estimate to go to those individuals, goes to those individuals."

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REPRESENTATIVE KAWASAKI surmised that there is one fund from which to draw the requested increments.

[1:15:10 PM](#)

MR. O'HARE re-stated that the fiscal note is purely speculative regarding the amount and the number of people that could be affected. As a disaster happens, his department would request through the legislature disaster relief funds to help with the specific disaster. The department is asking to increase the cap for the recovery aspect, up to \$15,000 for qualified applicants.

[1:16:09 PM](#)

CHAIR GATTO asked whether unspent money from one fiscal year rolls over into the next fiscal year.

MR. O'HARE said yes. In further response to Chair Gatto, he pointed out that prior to this past spring's disaster, there was \$10 million in the fund that was utilized for individual disaster assistance and to pay 25 percent of the cost of federal assistance as required by federal statute.

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CHAIR GATTO asked what would happen if there were more applicants than money.

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MR. O'HARE responded that the money would be apportioned or a request would be made to the legislature for more money. In further response to Chair Gatto, he said the department could borrow "if we've under-spent [on] that [disaster] to another one." However, the department does not request funds each year, but it is up to the legislature to forward fund the disaster relief fund. During each disaster, if the costs exceed \$1 million, the department is required to come to the legislative leadership and estimate the expenditures for response, recovery, and if applicable, the 25 percent portion due the federal government. In further response, he stated that the fund could not go "in debt" because the department is required to have those funds available, especially in a federally declared disaster when the state is responsible for 25 percent.

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REPRESENTATIVE BUCH observed that when a disaster occurs during a legislative session, the fund is approved by a supplemental budget; however, during the interim, the request goes to the president of the Senate and the speaker of the House. Historically, the House Special Committee on Military and Veterans' Affairs has been asked to acknowledge the request.

1:20:00 PM

REPRESENTATIVE HARRIS moved to report HB 292 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 292 was reported from the House Special Committee on Military and Veterans' Affairs as written.

1:20:18 PM

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Military and Veterans' Affairs meeting was adjourned at 1:21 p.m.