

HOUSE FINANCE COMMITTEE
February 1, 2011
1:36 p.m.

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CALL TO ORDER

Co-Chair Thomas called the House Finance Committee meeting to order at 1:36 p.m.

MEMBERS PRESENT

Representative Bill Stoltze, Co-Chair
Representative Bill Thomas Jr., Co-Chair
Representative Anna Fairclough, Vice-Chair
Representative Mia Costello
Representative Mike Doogan
Representative Bryce Edgmon
Representative Les Gara
Representative David Guttenberg
Representative Reggie Joule
Representative Mark Neuman
Representative Tammie Wilson

MEMBERS ABSENT

None.

ALSO PRESENT

Representative Dan Saddler; Major General Thomas H. Katkus, Adjutant General, Commissioner, Department of Military and Veterans Affairs; Mike O'Hare, Deputy Director, Division of Homeland Security/Emergency Management, Department of Military and Veterans Affairs; Susan Colligan, Director, Division of Administrative Services, Military and Veterans Affairs

PRESENT VIA TELECONFERENCE

SUMMARY

^FY12 BUDGET OVERVIEW: DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

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MAJOR GENERAL THOMAS H. KATKUS, ADJUTANT GENERAL, COMMISSIONER, DEPARTMENT OF MILITARY AND VETERANS AFFAIRS introduced the Power Point presentation titled, "Alaska Department of Military and Veterans Affairs: FY2012 Overview; February 1 2011, Office of the Commissioner". Commissioner Katkus referred to Slide 2, "Securing the State, Defending the Nation". He shared that throughout the nation, every state has a National Guard or military component that is commanded by the governor. Alaska provides direct aid to national defense through inter-continental ballistic missile protection. Slide 3 detailed the departmental mission: "to provide military forces to accomplish military missions in the state or around the world; provide homeland security and defense; emergency response; veterans services; and youth military style training and education.

Commissioner Katkus continued to Slide 4 titled, "What We Do":

- Defend and Protect Alaska and the United States

Commissioner Katkus stated the protection was provided by two services: the Army and Air National Guard. Both services had approximately 2000 members trained and ready to serve. Roughly 1800 full-time Alaska National Guardsmen were engaged in missile defense out of Fort Greely, and space surveillance out of Clear Air Force Station. The Air Control Squadron was currently responsible for responding to threats from Soviet Incursions into U.S. airspace. He stated that pararescue assets were "at ready" to provide rescue and recovery for flight problems; military or otherwise. A new fleet of military police vehicles would be available in 2012 to assist in responding to civilian assistance or natural disaster assistance within the state.

- Disaster Preparedness, Response and Initial Recovery

Commissioner Katkus stated that a robust staff of coordinated state employees was available to respond to both small and large emergencies in the state. The staff is privy to the correct policies and processes for addressing the Disaster Policy Cabinet in order to secure funding and make recommendations to the governor.

- Youth Intervention

Commissioner Katkus informed the committee that the Alaska Military Youth Academy produced roughly 300 graduates per year. He relayed that under a new director the academy had been reenergized to raise standards of excellence in achievement, and to maintain graduation numbers.

- Outreach to Veterans and Military Families

Commissioner Katkus pointed out to the committee that due to servicemen returning from current wars, the average age of veterans was getting younger. He cited his own son, who is just 21 years old, was undergoing his second tour of duty. He believed that the department would need to adjust to reflect the change in the veteran age average.

Representative Guttenberg referred to House Bill 44, passed in 2008, which allowed veterans to indicate on their permanent fund applications their veteran status. He stated that veteran's organizations were responsible for informing veterans of the services available to them that they would otherwise not be aware of. He wondered if the department could share any results concerning veteran outreach activities.

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Commissioner Katkus said he would provide more details on the issue.

Co-Chair Thomas asked if the ceremonial guard traveled throughout the state to funeral services.

Commissioner Katkus replied that the ceremonial guard, or "funeral honors teams", traveled extensively throughout the state. The department had received an abundance of positive feedback regarding the program.

Representative Gara stated that a veteran's advocate in Anchorage had been attempting to battle the high rates of homelessness and alcoholism faced by veterans. One proposal was to provide safe housing for veterans with alcohol issues. He felt that the problem was significant and wondered why it had not been listed as a major priority.

Commissioner Katkus responded that ensuring better access to programs and facilities could help. He thought a study of the issue could reveal the full scope of the problem.

Representative Gara asked if the department intended on taking a more active role in the alcoholism and homelessness problem faced by many Alaskan veterans.

Commissioner Katkus said yes. He stated that the department would also be examining the issue of suicide as well. He added that the Army National Guard was currently facing a historically high suicide rate. He assured the committee that the issues of suicide, sexual abuse, homelessness, and alcoholism among veterans were of high priority to the department.

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Commissioner Katkus continued to Slide 5 titled, "Results: Defend and protect Alaska and the United States". He pointed out that approximately 1800 Alaska National Guardsmen were serving full-time around the state, and not 2,400. The department had 237 Army Guard facilities maintained across Alaska, including new Air Guard facilities. The department would move 1400 national guardsmen from Kulis Air Force Base to Elmendorf on the 12th of February, 2011; this would increase capacity and capability for the unit. Additionally, approximately 190 Alaska National Guardsmen had been deployed to operations worldwide.

Co-Chair Stoltze relayed the history of the creation of the Veteran's Advisory Council. He opined the dysfunction and lack of communication between the council and the Legislature.

Commissioner Katkus replied that he understood Co-Chair Stoltze's concerns.

MIKE O'HARE, DEPUTY DIRECTOR, DIVISION OF HOMELAND SECURITY/EMERGENCY MANAGEMENT, DEPARTMENT OF MILITARY AND VETERANS AFFAIRS discussed Slide 6, "Results: Disaster Preparedness":

- Approximately \$10 Million in grants to local jurisdictions for emergency preparedness equipment, training, planning, and exercises

Mr. O'Hare stated that the focus of the division would be to provide statewide catastrophic planning training and exercise. The training would require incorporating and planning with local communities, state and federal agencies, non-governmental and voluntary organizations, as well as the private sector in order to be better prepared for a catastrophic disaster.

- 4,500 Participants in the 2010 Alaska Shield/Arctic Edge emergency response exercise, one of 51 training events conducted.
- 256 individual assistance grants for disaster repair of homes, personal belongings, and transportation totaling over \$171,000.

Mr. O'Hare said that the department's disaster preparedness focus would be on statewide disaster emergency communications, large training and exercises, and a statewide preparedness campaign.

Commissioner Katkus added that he received a daily 5 PM report from the Department of Homeland Emergency Management. The report was forwarded to the governor and the governor's chief of staff in order to coordinate any necessary resolution.

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Commissioner Katkus continued to Slide 7 titled "Results: Youth Intervention":

- Ranked #1 in the nation, per capita, for contacting and recruiting high school dropouts into the Challenge program

Commissioner Katkus stated that the department viewed misguided youth as a threat to national security. He testified that through the youth corps program, kids were subject to a strict, military style education; curtailed to at-risk youth.

- 194 students in residential phase, October 2010
- 292 students in post-residential phase, October 2010

- Over 3,218 total graduates
- 96 percent of eligible cadets earned and received GED or high school diploma by graduation

Commissioner Katkus relayed that the department intended to see all accepted applicants through to graduation in 2011. He continued to Slide 8, "Results: Outreach to Veterans":

- \$35.6 Million in benefits received by veterans in 2010 (there are 77,000 veterans and approximately 150,000 veteran family members across Alaska)

Commissioner Katkus offered that the amount of money brought into the state through veteran's benefits was an economic boon to the state. Slide 9 detailed the general, federal, and other funds coming into the state.

- Certified over 800 programs of study in educational facilities statewide
- Yellow Ribbon Program provided outreach to 165 Alaskan communities and directly assisted 1,000 veterans and 400 families to attain federal benefits

Commissioner Katkus shared that the department offered numerous family programs that support veterans, serving service members, and their families.

Commissioner Katkus continued to Slide 9, "Current Capacity (FY2011)", which illustrated the federal, general, and other funds available for the four addressed areas; totaling \$50.1 Million.

Co-Chair Stoltze highlighted that the department had been successful in extending benefits to military families in times of need.

SUSAN COLLIGAN, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, MILITARY AND VETERANS AFFAIRS, explained that a person working directly with a veteran's service officer would be assured all earned benefits.

Commissioner Katkus likened the relationship to a civilian working with a tax accountant, as opposed to filing their own income taxes.

Commissioner Katkus directed attention to the chart on Slide 10, "FY2012 Budget". The 298 position control numbers (PCN) reflected in the chart represented the state employees working in the department. However, when examining the combined services of the military personnel within the department, an additional 4000 members should be added. Ultimately, the department had 4500 people involved in departmental work.

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Commissioner Katkus continued to Slide 11, "Priorities for FY2012":

- Increase recruitment and retention of Alaska National Guard members

Commissioner Katkus specified that efforts, not funding, between air and army recruitment would be combined.

- Alaska Aerospace Corporation

Commissioner Katkus revealed that the project's affiliation with the military would be beneficial in securing federal funding.

Co-Chair Stoltze asked what the department's anticipated capital and operating investment was for the project.

Commissioner Katkus replied that the financial input from the department was expected to be zero. The department did expect to incur operating costs. He said that the base cost of the program would be between four and ten million dollars.

- Increase number of graduates from ChalleNGe program.
- Meet demand for post 9-11 GI Bill and increased benefits

Representative Gara questioned the funding between state and federal dollars for the aerospace corporation. He pointed out to the committee that the department had focused on mostly private launches which had lost money. He asked if the intention was to get the federal government to use the facility more and fund the launches with federal dollars.

Commissioner Katkus replied that the facility was a private business and that state monies would cover base operating costs. The expected economic impact on the state would be measured in employment opportunities, educational incentives, and other economic drivers. He stressed that the program would not be a financial loss, but an investment.

Representative Gara asked if the department expected federal launches that would result in more money to the state.

Commissioner Katkus replied that it was possible; provided the project maintained military affiliation.

Co-Chair Thomas asked about the relationship between state school districts and the army with regard to allowing recruitment on campus.

Commissioner Katkus said the relationship was improving. He added that the military had access to campuses and had received considerable support.

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Representative Costello felt that the Alaska Youth Academy was a phenomenal program. She also expressed appreciation for the management of veteran's cemeteries. She queried whether the commissioner could provide the leadership necessary to lead a task force that would be responsible for working on the issue of homelessness among Alaska's veterans.

Commissioner Katkus responded that he was not fully enlightened of the problem. He assured the committee that the issue be discussed amongst his staff with the hope of reaching a greater understanding of the problem.

Representative Doogan wondered how long the aerospace program would have to prove its financial viability to the state.

Commissioner Katkus replied that he did not know.

Representative Gara asked if the commissioner would be willing to discuss the problem of homeless veterans with Ric Davidge, Chairman of the National Committee on Economic

Opportunities, Vietnam Veterans of America, and an advocate for a Housing First project, in order to become better acquainted with the details surrounding the issue.

Commissioner Katkus replied yes.

Co-Chair Thomas added that the homelessness and alcohol problem among veterans was compounded by the pride that kept veterans from seeking, or accepting, help.

#

ADJOURNMENT

The meeting was adjourned at 2:15 PM.