

**ALASKA STATE LEGISLATURE**  
**HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE**

May 7, 2024

6:21 p.m.

**MEMBERS PRESENT**

Representative Mike Prax, Chair  
Representative Justin Ruffridge, Vice Chair  
Representative CJ McCormick  
Representative Dan Saddler  
Representative Zack Fields  
Representative Genevieve Mina

**MEMBERS ABSENT**

Representative Jesse Sumner

**COMMITTEE CALENDAR**

CS FOR SENATE BILL NO. 236 (FIN)  
"An Act relating to grants to disaster victims."

- MOVED CSSB 236 (FIN) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SB 236

SHORT TITLE: GRANTS TO DISASTER VICTIMS

SPONSOR(S): SENATOR(S) KIEHL

02/15/24	(S)	READ THE FIRST TIME - REFERRALS
02/15/24	(S)	CRA, FIN
02/22/24	(S)	CRA AT 1:30 PM BELTZ 105 (TSBldg)
02/22/24	(S)	Heard & Held
02/22/24	(S)	MINUTE(CRA)
02/29/24	(S)	CRA AT 1:30 PM BELTZ 105 (TSBldg)
02/29/24	(S)	Moved SB 236 Out of Committee
02/29/24	(S)	MINUTE(CRA)
03/01/24	(S)	CRA RPT 4DP
03/01/24	(S)	DP: DUNBAR, GRAY-JACKSON, GIESSEL, BJORKMAN
03/12/24	(S)	FIN AT 9:00 AM SENATE FINANCE 532
03/12/24	(S)	Heard & Held
03/12/24	(S)	MINUTE(FIN)
04/17/24	(S)	FIN AT 9:00 AM SENATE FINANCE 532
04/17/24	(S)	Moved CSSB 236 (FIN) Out of Committee

04/17/24 (S) MINUTE (FIN)  
04/19/24 (S) FIN RPT CS 3DP 2NR SAME TITLE  
04/19/24 (S) DP: STEDMAN, KIEHL, BISHOP  
04/19/24 (S) NR: WILSON, MERRICK  
04/29/24 (S) TRANSMITTED TO (H)  
04/29/24 (S) VERSION: CSSB 236 (FIN)  
05/01/24 (H) READ THE FIRST TIME - REFERRALS  
05/01/24 (H) HSS, FIN  
05/07/24 (H) HSS AT 3:00 PM DAVIS 106

#### **WITNESS REGISTER**

SENATOR JESSE KIEHL  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, introduced SB 236.

ANGELA LAFLAMME, Legislative Liaison  
Department of Military & Veterans' Affairs  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions regarding disaster relief in Alaska.

#### **ACTION NARRATIVE**

[6:21:20 PM](#)

CHAIR PRAX called the House Health and Social Services Standing Committee meeting to order at 6:21 p.m. Representatives Ruffridge, Saddler, Fields, Mina, and Prax were present at the call to order. Representatives Saddler and McCormick arrived as the meeting was in progress.

#### **SB 236-GRANTS TO DISASTER VICTIMS**

[6:22:18 PM](#)

CHAIR PRAX announced that the only order of business would be CS FOR SENATE BILL NO. 236 (FIN), "An Act relating to grants to disaster victims."

[6:23:03 PM](#)

SENATOR JESSE KIEHL, Alaska State Legislature, as prime sponsor, introduced SB 236 to the committee, explaining that the bill expands and brings parity to Alaska's disaster assistance law. He described natural disasters as a statewide issue in Alaska

and spoke about learning about some deficiencies in the current disaster assistance program. He opined that Alaska is uncommon among the states in that its residents help their fellow Alaskans when "disasters knock them flat, even if Uncle Sam does not." When the governor declares a disaster, Alaska can provide disaster assistance. If the President declares a federal disaster, Federal Emergency Management Agency (FEMA) provides more resources and programs. Senator Kiehl described the skilled and capable team at the Department of Military and Veterans' Affairs (DMVA) in the Homeland Security Emergency Management Division, lauding the work they do to help Alaska disaster victims get on the road to recovery.

SENATOR KIEHL went on to say that the assistance provided to homeowners is not available to all homeowners. If the disaster damages a condo, the way Alaska's statutes are currently written, the program can't help a condo owner who is assessed a share of damage to the common property, for example, if there is damage to the roof, the foundation, or the exterior wall, that is part of the common property, and there is no state disaster assistance available for the individual homeowner. He explained that SB 236 fixes that, bringing straight parity such as the relief provided to a single-family homeowner. Another issue he discussed was the amount of disaster assistance provided. For example, FEMA offers several programs which are capped at \$42,000. Alaska's relief currently provides \$21,000, an amount that has not kept up with inflation. The bill before the committee raises that amount to \$50,000. Senator Keihl spoke of conversations with homeowners who said that 50,000 will not make them whole. It is not the purpose of state level disaster relief to make the homeowner whole; it is to help start the process of getting back on their feet.

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CHAIR PRAX noted the sectional analysis for SB 236 was available in the committee packet.

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CHAIR PRAX opened public testimony on SB 236. After ascertaining there was no one who wished to testify, he closed public testimony on SB 236

[6:29:46 PM](#)

REPRESENTATIVE FIELDS inquired about any type of analysis, retrospectively or looking to Alaska's future, regarding types of disasters, potential costs, and range of projections.

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SENATOR KIEHL responded that he did not have that information at this time. He said there is no question that the number of disasters has been rising, especially wildfires. The DMVA has looked into hypothetical numbers, so he deferred to the department.

REPRESENTATIVE FIELDS requested information about cases where there may be the risk of repeated disaster and what process, if any, and what analysis the department uses to determine whether it is better to rebuild in place or relocate to a safer location.

SENATOR KIEHL explained that the department does not have requirements that he is aware of. Many local governments use their planning authorities, and there are certain federal programs which reward planning that reduces the risk of disaster such as flood mapping to make types of insurance available at attainable costs. He deferred to the department for details about potential counseling for individual Alaskans.

REPRESENTATIVE FIELDS referred to a previous hearing where the committee heard about disincentives of people to, for example, map out a landslide hazard because it might make swathes of homes uninsurable. He spoke of the increased risk of landslides in Southeast and wildfires in Anchorage and in the Interior and wondered if the bill had prompted conversations regarding the role of the state and local governments in these planning activities to balance awareness and prevention versus making huge swathes of homes uninsurable because of an elevated risk.

SENATOR KIEHL responded that it was a large and overarching discussion. The current state law says these are local decisions, although the state requires comprehensive plans from any municipality that has planning powers. That is an appropriate place for communities to work on those difficult questions. Many communities' plans and zoning powers address high hazard areas and prohibit building or reducing the density of building in those high hazard areas. He pointed out that the municipalities have to work on and decide with their citizens the painful issues regarding existing neighborhoods and private

property rights as well as the economic and potential public safety impact.

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REPRESENTATIVE SADDLER called Senator Kiehl's attention to the fiscal note and asked for help in reconciling some numbers.

SENATOR KIEHL responded that it was a rounding error on his part and that, precisely stated, it would be half the maximum amount the federal program pays. The federal program amount is indexed to inflation and uses a Consumer Price Index (CPI) inflator. He stated that the DMVA would have information much closer to the actual dollar amount.

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REPRESENTATIVE FIELDS stated that in the longer term, he hopes the state invests a reasonable amount of money for helping local governments to plan for changing conditions as well simply compensating homeowners after an event has happened.

SENATOR KIEHL said he appreciated the insights concerning the topic and acknowledged that there is no community in Alaska that will not struggle with that question.

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CHAIR PRAX questioned whether this bill was the same concept as insurance and whether federal flood or earthquake insurance would apply to the situation that occurred in Juneau when the Mendenhall River flooded.

SENATOR KIEHL compared insurance and disaster relief funds, pointing out that they are similar in that both occur after the event. However, he reiterated that the disaster relief program is not an attempt to make someone whole. In addition, it is not limited by risks that are calculated whereas insurance does calculate risks. He referred to an earlier conversation with the director of the Division of Insurance that losses Alaskans suffer in natural disasters are things against which a person cannot insure such as landslides or movement of the earth that might undercut a foundation. In the case of a flood where the water does damage and goes away, a person is covered, but if it moves the soil and your house falls, that is not covered. The director of insurance also noted that disaster insurance is not motivation to be underinsured because the amounts available

cannot make a person whole, and many of the harms that might occur are not insurable.

[6:40:04 PM](#)

REPRESENTATIVE FIELDS asked the DMVA legislative liaison whether it would be duplicative to ask the DMVA to provide the legislature with a menu of options to assist local governments for mitigation and response planning including ensuring reconstruction following a disaster and minimizing structure risk where there is a high likelihood of recurring disaster.

ANGELA LAFLAMME, Legislative Liaison, Department of Military & Veterans' Affairs, explained that the department does work with communities that request help on planning for preparedness for disasters and also after disaster response to help prevent things from happening again. All the mitigation funding in these instances comes from the federal mitigation plan; the state has no mitigation planning.

REPRESENTATIVE FIELDS asked for clarification regarding whether the state helps communities plan for damage from recurring events.

MS. LAFLAMME responded that there is not mitigation in disaster response which instead focuses on returning the infrastructure to pre-disaster condition.

REPRESENTATIVE FIELDS presented a hypothetical scenario in which the disaster relief team responded to a landslide in a community and saw a slope with a similar angle and vegetation which would potentially have a high risk of sliding. He asked whether the MLVA team would be able to help a local government mitigate potential future disasters.

MS. LAFLAMME responded that the department can do that when a community asks for it, although it does not proactively go to communities. She noted that there is a preparedness and planning process through [a section] within the department's Division of Homeland Security and Emergency Management (HSEM) that can help the community.

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REPRESENTATIVE SADDLER commented on his understanding that DMVA has disaster relief and response and that it seems to be a passive response. He further noted that the Department of

Natural Resources does have the Seismic Hazard Safety Council which tries to identify areas of seismic activity to recommend places for building to try to mitigate future disasters. In addition, as a response to the landslides in Southeast Alaska, the Division of Geological and Geophysical Surveys has tried to map areas where the soil saturation, the slope, and other factors might contribute to landslides.

[6:43:19 PM](#)

REPRESENTATIVE FIELDS addressed a question to the bill sponsor regarding whether there is value in adding language asking the department to come back to the legislature regarding how it can better support local governments to work on planning mitigation where there is a high likelihood of future disasters.

MS. LAFLAMME restated that the HSEM can work on that type of planning, and she offered to speak with Representative Fields further on the issue.

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CHAIR PRAX explained that he was troubled by possibility that the bill might create what is referred to in the insurance world as a morale hazard as opposed to a moral hazard. He gave several examples and said there is a huge problem to address. He opined that Band-aid approaches do not address the whole picture which includes extreme risks and asked what the estimated average expenditure over time would be for the MLVA to provide disaster response and disaster relief.

MS. LAFLAMME responded that she did not know what the average is over the years, pointing out that each disaster is different and there are many variables such as how many people are affected; how many people qualify under the individual assistance program; and whether or not a federal disaster is also declared.

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SENATOR KIEHL provided budgetary perspective, stating that in recent years the state's disaster fund expenditures have averaged approximately \$30 million per year. He pointed out that this amount increased tremendously year-over-year citing a recent year when the costs were about \$5 million and another when they were over \$50 million. He explained that this funding helped Alaskans start to get back on their feet but did not provide the type of significant relief offered by the federal

government. He emphasized the complexity of the issue and said he could not give the committee a thorough fiscal analysis because of the many variables. He provided specific examples of federal disaster programs. The state can afford to pay a little bit of assistance for actual amounts up to the limits for things like an owner-occupied home. He said the bill before the committee increases the amount a little, and if the home is a condo, the situation is treated equitably to someone in a single-family home. He stated that the bill does not address the hardening of communities and homeowners against potential disasters, citing examples from districts around the state. He agreed with Chair Prax that more preparedness planning is good. He concluded that when a disaster hits, this bill extends help, and a little help goes a long way.

[6:51:57 PM](#)

The committee took an at-ease from 6:51 p.m. to 6:53.

[6:53:08 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report CSSB 236(FIN) out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSSB 236(FIN) was reported out of the House Health and Social Services Standing Committee.

[6:53:39 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 6:53 p.m.