

**SB**

**329**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 2/14/94

FURTHER:

Date of 5-Day Notice: 2-17-94  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2-23-94

Finance Committee considered SB 329

"An Act establishing a grant program relating to veterans' services."

and recommends:

- replace with \_\_\_\_\_ CS \_\_\_\_\_ (FINANCE)
- or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

**NEW FISCAL NOTES**

Department	Date	Zero	Fiscal
DMUA	2-17-94	<del>0</del>	

**PREVIOUS FISCAL NOTES**

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

**DO PASS:**

\_\_\_\_\_

*Greg Astor*

\_\_\_\_\_

**OTHER RECOMMENDATIONS:**

\_\_\_\_\_

*Tim Kelly - No Rec*

*Steve King - No Recommendation*

\_\_\_\_\_

1. *Do Pass*

Co-Chair: Signature/Recommendation

2. *No Rec*

Co-Chair: Signature/Recommendation

# FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. S8329

Revision Date: \_\_\_\_\_ Dept. Affected: Military and Veterans Affairs  
 Title: An act establishing a grant program relating BRU: Veterans Affairs  
to veterans services Component: Veterans Services  
 Sponsor: Senator Jacko  
 Requestor: Senat: Jacko COMPONENT SERIAL NO. 421

(Thousands of Dollars)

Expenditures/Revenues	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
<b>OPERATING EXPENDITURES</b>						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0					
<b>CAPITAL EXPENDITURES</b>	0.0					
<b>CHANGE IN REVENUES ( )</b>	0.0					

(Thousands of Dollars)

FUND SOURCE	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0					

Estimate of any current year (FY94) cost: \$ zero fiscal impact

POSITIONS	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Zero fiscal impact

Prepared by: Jeff Morrison, Director Phone: 465-4730  
 Division: Administrative Support Services Division Date: February 17, 1994  
 Approved by Commissioner: *J. Morrison* for Hugh L. Cox III Date: February 17, 1994  
 Agency: Military and Veterans Affairs

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## **SB 329 – Grant Program for Veterans Services**

This legislation affirms that the welfare of Alaska's veterans is important to the State of Alaska. It permits more efficient operation of the existing Veteran Service Officer (VSO) program. It improves legislative oversight of program accomplishments. It emphasizes the needs of veterans who live in remote communities with small populations.

The Department of Military and Veteran's Affairs (DMVA) currently operates a VSO program under AS 26.10.040, which authorizes reimbursement for services. SB 329 establishes a grant program in statute. This is similar to legislation passed last year, SLA Chapter 48, for the Village Public Safety Officers (VPSO) program. SB 329 will permit DMVA to revise existing regulations, 10 AAC 10.050, and simplify grantee selection procedures. There is a zero fiscal note attached.

Section 1, paragraph (a) establishes a grant program to (1) train staff in veterans' rehabilitation and service work; and (2) perform rehabilitation work for veterans. Operating as a grant program will allow DMVA to advance program funds at the beginning of the fiscal year. In the case of VPSO grants, administered by the Department of Public Safety, 20 percent of the total is dispersed in advance. Additional funds are provided as proof of expenditures is received. The resulting reimbursement payments are made at less than 100 percent. By the end of the fiscal year, the entire amount of the advance payment is recovered.

Paragraph (b) puts into statute a quarterly report defined in Legislative Intent, and passed last year, which originated in the Senate Finance Committee. The department did require the data defined in subparagraph (1) to be produced, as an annual report, for FY 94. That information is due from the veterans joint venture organization by August 15, 1994.

Subparagraph (2) is an additional requirement designed to ensure that VSO services are made available to all veterans. Present efforts emphasize larger communities. The cost-benefit ratio for activities in small communities may be lower than efforts in more populated locations. However, the Veteran Service Officer program is an extremely effective operation. During 1993, a \$286,500 Veterans Service Office Grant returned \$15,867,866 in federal benefits -- services and cash payments -- to Alaska residents. Given such incredible leverage, a meaningful portion of the total effort can safely be invested in rural areas without significantly reducing the cost-benefit ratio.

To reduce program overhead, the Eighteenth Legislature eliminated funding for the Director of Veterans Affairs position. The department then transferred administrative responsibility for VSO program activities to the Office of the Commissioner. This measure is consistent with that organizational change.

I believe this legislation demonstrates Alaska's commitment to veterans. It maximizes the amount of money available for veterans services by reducing unnecessary overhead. It also ensures a more equitable distribution of activity.

FY94 INTENT

Department of Military and Veterans Affairs

Veterans' Affairs

Veterans' Services

Number 1

Senate intent

It is the intent of the legislature that all contracts awarded for this grant program require the submission of a monthly report detailed by community indicating the number of individuals served and the dollar amount of monetary benefits recovered.

Number 2

Senate intent

It is the intent of the legislature that at least 25 percent of grant funds be used to deliver services to veterans in communities of less than 400 people.



George P. Sterbenz  
March 9, 1994  
Page Two

3) It is not clear which of the two reporting requirements addressed by legislative intent and restated in SB 329 you are referencing. The more important provision addresses monetary benefits received by veterans. The intent is to communicate information to the Legislature by providing a more detailed version of the existing quarterly report. Assuming the existing report is an accurate summary of actual results, collecting additional information should not be required. Expenditure reporting, per se, is not necessary. The intent of the second requirement is to confirm overall expenditure allocations on an annual basis. In any case, I'm glad to learn some information will be available in March since the Department of Military and Veterans Affairs had previously indicated the data we desire would not be released until August, 1994.

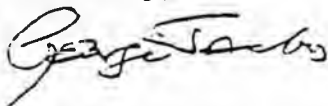
As I testified before the Senate Finance Committee, travel is not the only way to serve veterans in small communities. On the other hand, the procedure for obtaining toll free access to veteran service officer assistance is a well-guarded secret. Even your grant proposal does not include this information. Every City office and Native corporation should have enough information to refer inquiries. I encourage you to find creative ways to aggressively/continuously meet this need.

I restored \$100,000 to VSO Grants in FY 94 (a 30 percent increase from \$329,600 to \$429,600 ). I also drafted intent language to improve legislative oversight and benefit a segment of rural Alaska routinely being ignored. The Governor vetoed the intent language; the additional \$100,000 is being spent to serve veterans who live in communities of more than 400 people, primarily on the road system.

It is your option to ignore the legislative intent and oppose my legislation. It is my option to introduce legislation and recommend alternative budget figures. We can both testify when SB 329 reaches the House. It would be more useful to join forces and solve the problem so all of Alaska's veterans obtain maximum benefits.

I would be happy to negotiate with anyone truly willing to change the status quo.

Sincerely,



Senator George Jacko

Enclosures (4)

cc: All Alaska Senators  
All Alaska Representatives  
Governor Walter Hickel  
Lt. Governor Jack Coghill

Department of Military & Veterans Affairs  
Veterans of Foreign Wars  
Disabled American Veterans  
Terri Lauterbach, Division of Legal Services

## DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

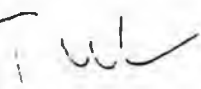
130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

### MEMORANDUM

March 8, 1994

**SUBJECT:** Grant Program for Veterans' Services (SB 329)

**TO:** Senator George Jacko

**FROM:** Terri Lauterbach  
Legislative Counsel 

You have provided me with a copy of a letter written to you by George Sterbenz regarding SB 329 and have asked me to respond to any legal points raised by him.

Mr. Sterbenz, in paragraphs (1) and (3) of his letter, raises policy issues. Therefore, this memorandum will address only paragraph (2) of his letter.

I believe Mr. Sterbenz' objection in paragraph (2) arises from a lack of clarity in the bill, not from a legal problem involving potential liability or prohibitions under federal law. Mr. Sterbenz has apparently interpreted the word "persons" on page 1, line 8, of SB 329 as referring to veterans. When I drafted the bill, I intended that the training provided under this grant program be no different than the training accomplished through the reimbursement process already being used under AS 26.10.050. That is, I intended that the training relate to the organizations' services officers, not to veterans in general. I would welcome a suggestion of corrective language to achieve that intention in a manner that satisfies Mr. Sterbenz' concern.

Please let me know if I can be of other assistance.

TML:gc:mi  
94-182.glc



Official Business

# Alaska State Legislature

SENATE

P.O. Box V  
State Capitol  
Juneau, Alaska 99811

AMENDMENT #

BY JACKO

## INTENT LANGUAGE

Department of Military & Veterans Affairs  
Veterans Services Component

Veterans Service Officer Grant Program

It is the intent of the Legislature that all contracts awarded for this grant program require the submission of a monthly report detailed by community indicating the number of individuals served and the dollar amount of monetary benefits recovered.

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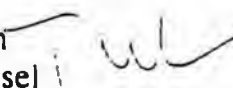
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TML:gc:mi  
94-182.glc



Official Business

# Alaska State Legislature

## SENATE

State Capitol  
Juneau, AK 99801-1182

Offered by Senator Jacko

Amendment to the Department of Military and Veterans Affairs

Veterans Affairs - Veterans Services

Delete 329.6 (Senate) and Insert 429.6 (Senate)



Official Business

# Alaska State Legislature

SENATE

P.O. Box V  
State Capitol  
Juneau, Alaska 99811

AMENDMENT #

BY JACKO

## INTENT LANGUAGE

Department of Military & Veterans Affairs  
Veterans Services Component

Veterans Service Officer Grant Program

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Official Business

# Alaska State Legislature

SENATE

P.O. Box V  
State Capitol  
Juneau, Alaska 99811

AMENDMENT #

BY JACKO

## INTENT LANGUAGE

Department of Military & Veterans Affairs  
Veterans Services Component

Veterans Service Officer Grant Program

It is the intent of the Legislature that at least 25 percent of grant funds shall be used to deliver services to veterans in communities of less than 400 people.



## THE AMERICAN LEGION

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519 WEST 8TH AVENUE, SUITE 208  
ANCHORAGE, ALASKA 99501  
(907) 278-8598 Headquarters  
(907) 278-0041 Fax Number

MAR 07 1994

**George Sterbenz**  
Department Commander  
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National Executive Committeeman  
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Alternate NEC  
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**Dean C. Hill**  
Department Adjutant  
519 West 8th Avenue, Suite 208  
Anchorage, Alaska 99501

March 4, 1994

The Honorable George Jacko  
Alaska State Capitol  
Capitol Building, Room 125  
Juneau, Alaska 99801-1182

RE: SB-329

Dear Senator Jacko:

The American Legion, Department of Alaska opposes SB-329 introduced by you. The bill requires that 25 percent of grant money be allocated to villages with a population of 400 or less, mandates training of veterans by Service Officers and addresses certain data collection issues already provided in the current operating budget.

SB-329 should be defeated for the following reasons:

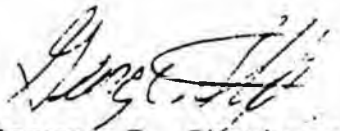
- 1) Currently, there are 73,000 veterans in Alaska, of which 2,500 reside in villages of 400 or less. Grant monies are allocated at a rate of \$6.15 per veteran. Under SB-329, 25 percent of the grant would be spent on 4 percent of Alaska's veterans. This would increase allocations to \$45.00 for village veterans, and reduce the allocation for all other veterans to \$4.78. Clearly, this would be an unlawful preference and prevent adequate servicing for the majority of Alaska's veterans.
- 2) SB-329 may unnecessarily expose The American Legion, Department of Alaska to legal action if Service Officers are required to train veterans for rehabilitation and service work. As proposed, the amendment is in violation of the certifications laws contained in Title 38 USC and contrary to current practices relating to the Department of Veterans Affairs.
- 3) SB-329 duplicates existing provisions contained in our current operating budget. This provision mandates the collection of data, giving a breakdown of spending and veterans served by areas within the State. The provision requires accumulating data in a new way. A procedural plan for implementation is being prepared for submittal in March of this year as part of the normal quarterly reporting procedures.

In a time of scarce resources and spartan budgets, sensible allocation of available funding is imperative. We recognize that rural veterans need equal access to our system. A variety of measures have been implemented including a toll-free service to insure maximum access to those communities.

Notwithstanding these outreach efforts, we have found that many rural veterans use our services less than in other areas because of the wide range of programs available to them from other State and Federal programs. In particular, native veterans routinely take advantage of the native hospitals and home loan programs. If additional funding is available, we would certainly welcome the opportunity to provide a higher degree of service to all of Alaska's veterans.

I request that you give serious consideration to opposing this Bill. Please schedule a hearing on this matter and give us adequate opportunity to appear and testify as to the relevant facts. I am sure that you would not like to see the majority of our veterans suffer a loss of service as a result of an ill-advised Bill that provides unneeded preferential treatment to only a select few.

For God and Country,



George P. Sterbenz  
Department Commander

cc: All Alaska Representatives  
All Alaska Senators  
Gov. Walter Hickel  
Lt. Gov. Jack Coghill