

HB

292

STATE OF ALASKA

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

OFFICE OF THE COMMISSIONER

Sean Parnell, GOVERNOR

P. O. BOX 5800

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February 5, 2010

Rep. Bob Lynn:

I respectfully request that you hold a hearing and move forward House Bill 292 regarding Disaster Assistance Grants. After the devastating year of 2009, where we had two separate Presidential Disaster Declarations, it has been made painfully obvious that Alaska's Individual and Family Grant program is out of date and must be made relevant.

The critical piece of this legislation is the connection to the Federal Individual Assistance Grant Award and the Consumer Price Index. Alaska's Individual and Family Grant program was first put on the books in 1977 at the current maximum level of payment, which is \$5000.00. By connecting the grant maximum to half of the Federal Individual Assistance maximum grant amount identified in 42 U.S.C. 5174(h) which fluxuates based upon the Consumer Price Index, we will ensure that the original intent of the legislation will remain relevant to the economy and not require future statutory change.

I appreciate your willingness to hear this piece of legislation and I will be available to testify at your request. Thank you for your support.

Sincerely,



Brigadier General Thomas H. Katkus
Commissioner

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January 26, 2010

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Governor Sean Parnell
STATE OF ALASKA

January 8, 2010

The Honorable Mike Chenault
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Chenault,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill that increases the existing limit on State grants for major disaster victims in the State of Alaska.

This bill would change an existing limitation on the Governor's authority to issue assistance grants to victims of a major disaster in this state, which has not been updated for nearly 20 years. Under current law, when the Governor declares a disaster emergency, a grant can only be provided to a victim of the disaster in this state in an amount not to exceed \$5,000. After witnessing the widespread disaster of the 2009 spring floods, it has become obvious that the maximum amount of \$5,000 per household is not enough to cover incurred costs from damages in today's economy. It is clearly time to revise the limit and give the State the ability to provide improved relief to victims of major disasters in this state.

This proposed legislation increases the maximum amount that can be granted to a household in 2010 to \$14,950 for a State-declared disaster. This is calculated by setting it at half of the amount of a federally declared disaster. The amount will be adjusted each year based upon the consumer price index.

I urge your prompt and favorable action on this bill.

Sincerely,

A handwritten signature in black ink that reads "Sean Parnell".

Sean Parnell
Governor

Enclosure

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 292
(H) Publish Date: 1/19/10

Identifier (file name): LL0854 Disaster Relief Dept. Affected: DMVA
Title: An Act relating to grants to victims of a disaster in this state; RDU Fund Transfers (52)
and providing for an effective date Component: Disaster Relief Fund
Sponsor: Rules Committee
Requester: Governor Component Number: 2497

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | | |
|-------------------------------|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | FY 2011 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
| OPERATING EXPENDITURES | | | | | | | | |
| Personal Services | | | | | | | | |
| Travel | | | | | | | | |
| Contractual | | | | | | | | |
| Supplies | | | | | | | | |
| Equipment | | | | | | | | |
| Land & Structures | | | | | | | | |
| Grants & Claims | | 595.5 | 300.0 | 895.5 | 895.5 | 895.5 | 895.5 | 895.5 |
| Miscellaneous | | | | | | | | |
| TOTAL OPERATING | | 595.5 | 300.0 | 895.5 | 895.5 | 895.5 | 895.5 | 895.5 |

| | | | | | | | | |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| CAPITAL EXPENDITURES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|

| | | | | | | | | |
|-------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| CHANGE IN REVENUES () | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|-------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|

FUND SOURCE (Thousands of Dollars)

| | | | | | | | | |
|----------------------------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 1002 Federal Receipts | | | | | | | | |
| 1003 GF Match | | | | | | | | |
| 1004 GF | | 595.5 | 300.0 | 895.5 | 895.5 | 895.5 | 895.5 | 895.5 |
| 1005 GF/Program Receipts | | | | | | | | |
| 1037 GF/Mental Health | | | | | | | | |
| Other Interagency Receipts | | | | | | | | |
| TOTAL | | 595.5 | 300.0 | 895.5 | 895.5 | 895.5 | 895.5 | 895.5 |

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

| | | | | | | | | |
|-----------|-----|-----|-----|-----|-----|-----|-----|-----|
| Full-time | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Part-time | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Temporary | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

ANALYSIS: *(Attach a separate page if necessary)*

Please see attached

Prepared by: McHugh Pierre, Deputy Commissioner/Legislative Liaison
Division: Commissioner's Office
Approved by: Thomas Katkus, Commissioner
Department of Military and Veterans Affairs

Phone 907-428-6003
Date/Time 12/11/09 @ 11:00 am
Date 12/11/2009

ANALYSIS CONTINUATION

Funding for this legislation is authorized under the Alaska Disaster Act 26.23 and provided through fund transfers to the Disaster Relief Fund (DRF). In recent years, the Legislature has provided an annual appropriation to the DRF ensuring funds are quickly available once a disaster declaration is made and legislative concurrence is obtained, when required. Therefore, determining an annual amount for a fiscal note is dependent upon the number of disasters we incur that affect individuals and families. This cannot be predicted but historical references are provided for analysis and we made the assumption that there may be 2 events per year that qualify for this benefit.

2009 Spring Flood Disaster is used as an example - a large portion of this disaster was approved for a Presidential Disaster Declaration and there the State Individual Assistance Program was only enacted for a total of 30 eligible applicants. If all applicants had major damages, they would be eligible for the maximum current grant of \$5,000 for a total of \$150,000. Under proposed legislative language change, each applicant would be eligible for \$14,950 (one half of the maximum grant amount established under Section 1 of the bill) if their damages equaled this amount under the State Individual Assistance Plan. The total maximum grant funds for the 30 applicants would have totaled \$448,500, an increase in State Disaster Relief Funding requirements of \$298,500 for this disaster.

In order to provide an average, we have the following statistics. Since 2002, we have had 10 disasters where we implemented the State Individual Assistance Program with an average of 133 applicants. Under our current legislation, the maximum total grant funds per disaster would have been an average of \$665,000. With the implementation of new legislation, the increase would have been an average of over \$1.3 million per event. These are only estimates and would depend on levels of damages incurred by each individual applicant.

STATE INDIVIDUAL and FAMILY GRANT PROGRAM (IFG)

History of State IFG Program:

Authority: Alaska Statute 26.23.090

Enacted in: 1977

Amended in 1990

\$5,000 limit dates back to original date statute was enacted (1977)

Regulations: 06 Alaska Administrative Codes (AAC) 94.200 – 94.280

Adopted in: 2000

Individual Assistance Task Force:

- The Individual Assistance Task Force convened January 2008 to examine Individual Assistance programs and current program capacity to provide prompt and effective relief to individuals and families affected by disasters.
- Agencies involved in review of IFG program:
 - Division of Homeland Security and Emergency Management, Department of Commerce, Community, and Economic Development, Department of Health and Social Services, Alaska Housing Finance Corporation, Alaska VOAD, American Red Cross of Alaska, and USDA Rural Development
- Agencies met 10 times over a six month period
- Task Force recommended that maximum awards increase and that funding levels be tied to an annual figure such as the FEMA Individual and Households Program award or the Consumer Price Index.

IFG Program Requirements:

- AS 26.23.090
 - Governor authorized to make grants to individuals and families to meet disaster related expenses or serious needs that cannot be met from other means of assistance.
 - Current funding limits:
 - State Disaster Limit - \$5,000
 - Legislative Recommendation – One-Half of Federal IA Program (based on CPI)
- 06 AAC 94.200 – 94.280
 - Must incur a necessary expense or serious need in the declared disaster area as a result of the disaster, and be unable to meet that expense or need
 - Grants may be given to meet necessary expenses or serious needs by providing essential items or services in the following categories: housing; housing repair; personal property, transportation; medical or dental expenses; expenses related to funerals, burials, and cremations.

- Disaster victims' needs will be identified on the Disaster Assistance Application and confirmed by verifications. Verifications can be accomplished by on-site visits, photographs, Loss Verification Statement forms, and other documentation deemed appropriate by the IA Officer.
- Applicants will be denied eligibility for a current disaster claims if they have not complied with requirements on previous disasters. Therefore, applicants will be cross-referenced for any past disaster non-compliance.
- If the grantee is in a Special Flood Hazard Area, as determined by the National Flood Insurance Program (NFIP), and the grantee is a homeowner, flood insurance coverage must be maintained on the residence at the flood-damaged property address for as long as the grantee owns the structure, in order for the grantee to be eligible for a future grant for acquisition and construction purposes. If the grantee is a renter, flood insurance required under this section must be maintained on the contents of the rental unit for as long as the grantee resides at the flood-damaged property address.