

CONFERENCE CS FOR HOUSE BILL NO. 75

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE CONFERENCE COMMITTEE

Offered: 5/9/97

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act making appropriations for the operating and loan program expenses of
2 state government, for certain programs, and to capitalize funds; making
3 appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from
4 the constitutional budget reserve fund; and providing for an effective date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1. ALASKA CLEAN WATER FUND.** The sum of \$8,815,400 is appropriated
7 to the Alaska clean water fund (AS 46.03.032) for the Alaska clean water loan program from
8 the following sources:

9	General fund	\$1,469,200
10	Federal receipts	7,346,200

11 * **Sec. 2. ALASKA HOUSING FINANCE CORPORATION.** (a) The sum of \$77,600,000
12 from the available unrestricted cash in the general account of the Alaska housing finance
13 revolving fund (AS 18.56.082) is anticipated to be transferred to the general fund during the
14 fiscal year 1998 by the direction of the board of directors of the Alaska Housing Finance

1 Corporation.

2 (b) All unrestricted mortgage loan interest payments, mortgage loan commitment fees,
 3 and all other unrestricted receipts received by or accrued to the Alaska Housing Finance
 4 Corporation during fiscal year 1998 and all income earned on assets of the corporation during
 5 that period are appropriated to the Alaska Housing Finance Corporation to hold as corporate
 6 receipts for the purposes described in AS 18.56. The corporation shall allocate its corporate
 7 receipts among the Alaska housing finance revolving fund (AS 18.56.082), housing assistance
 8 loan fund (AS 18.56.420), and senior housing revolving fund (AS 18.56.710) in accordance
 9 with procedures adopted by the board of directors.

10 (c) The following amounts are appropriated to the Alaska Housing Finance
 11 Corporation (AHFC) from the sources indicated and for the following purposes:

12	PURPOSE	AMOUNT	SOURCE
13	Housing loan programs not subsidized by the Alaska Housing Finance Corporation	\$350,000,000	AHFC corporate receipts
16	Housing loan programs and projects subsidized by the Alaska Housing Finance Corporation	50,000,000	AHFC corporate receipts derived from arbitrage earnings

20 * **Sec. 3. ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY.** The
 21 sum of \$16,000,000 from the available unrestricted cash in the Alaska Industrial Development
 22 and Export Authority revolving fund (AS 44.88.060) is anticipated to be transferred to the
 23 general fund as directed by the Alaska Industrial Development and Export Authority. The
 24 transferred money shall be deposited in the general fund when received during fiscal year
 25 1998.

26 * **Sec. 4. ALASKA PERMANENT FUND CORPORATION.** (a) The amount authorized
 27 for transfer by the Alaska Permanent Fund Corporation under AS 37.13.145(b) is appropriated
 28 from the earnings reserve account (AS 37.13.145) to the dividend fund (AS 43.23.045(a)) for
 29 the payment of permanent fund dividends and administrative and associated costs.

30 (b) After money is transferred to the dividend fund under (a) of this section, the
 31 amount calculated under AS 37.13.145 to offset the effect of inflation on the principal of the

1 Alaska permanent fund is appropriated from the earnings reserve account (AS 37.13.145) to
2 the principal of the Alaska permanent fund.

3 (c) The amount required to be deposited under AS 37.13.010(a)(1) and (2) during
4 fiscal year 1998 is appropriated to the principal of the Alaska permanent fund in satisfaction
5 of that requirement.

6 (d) The interest earned during fiscal year 1998 on revenue from the sources set out
7 in AS 37.13.010 while the revenue is held in trust, escrow, or otherwise before receipt by the
8 state is appropriated to the principal of the Alaska permanent fund.

9 * **Sec. 5. ALASKA PUBLIC UTILITIES COMMISSION.** The unexpended and
10 unobligated balance on June 30, 1997, of the Alaska Public Utilities Commission receipts
11 account for regulatory cost charges under AS 42.05.254 and AS 42.06.286 for fiscal year 1997
12 is appropriated to the Alaska Public Utilities Commission for fiscal year 1998 expenditures.

13 * **Sec. 6. ALASKA SEAFOOD MARKETING INSTITUTE.** Contingent on the Alaska
14 Seafood Marketing Institute having no employees who are located outside Alaska whose
15 positions are classified at more than Range 21 on the state salary schedule under
16 AS 39.27.011, an amount equal to the unexpended and unobligated balance on June 30, 1997,
17 of the fiscal year 1997 general fund receipts from the salmon marketing tax (AS 43.76.110),
18 from the seafood marketing assessment (AS 16.51.120), and from the fishery resource landing
19 tax (AS 43.77.010) is appropriated from the general fund to the Alaska Seafood Marketing
20 Institute for marketing Alaska seafood products during fiscal year 1998.

21 * **Sec. 7. DISASTER RELIEF AND FIRE SUPPRESSION.** (a) Federal receipts received
22 for disaster relief are appropriated to the disaster relief fund (AS 26.23.300).

23 (b) It is the intent of the legislature that funding necessary to meet the disaster relief
24 responsibilities of the Department of Military and Veterans' Affairs and the fire suppression
25 responsibilities of the Department of Natural Resources will continue to be made available
26 through the disaster declaration process. If fiscal year 1998 disaster relief and fire suppression
27 costs are not adequately funded by this Act, the Department of Military and Veterans' Affairs
28 or the Department of Natural Resources, respectively, shall submit a supplemental
29 appropriation request during the 1998 legislative session.

30 * **Sec. 8. FEDERAL AND OTHER PROGRAM RECEIPTS.** (a) Federal receipts and
31 receipts of or from the trust established by AS 37.14.400 - 37.14.450 (Exxon Valdez oil spill

1 trust) that exceed the amounts appropriated by this Act are appropriated conditioned on
2 compliance with the program review provisions of AS 37.07.080(h).

3 (b) Contingent on the passage by the First Regular Session of the Twentieth Alaska
4 State Legislature and enactment into law of a bill defining "designated program receipts,"
5 designated program receipts as defined by law that exceed the amounts appropriated by this
6 Act are appropriated conditioned on compliance with the program review provisions of
7 AS 37.07.080(h).

8 (c) It is the intent of the legislature that requests for approval of revised programs may
9 be submitted to the Legislative Budget and Audit Committee through the program review
10 process established under AS 37.07.080(h), and that the revised programs be limited to only
11 those items of an emergency nature, such as the loss of funds if action is not taken until the
12 next session of the legislature. Unless the legislature has expressly provided through
13 legislative intent that a revised program be submitted to the Legislative Budget and Audit
14 Committee for a particular agency or program, the Legislative Budget and Audit Committee
15 program review process should not be used to restore funding for budget reductions made by
16 the Twentieth Alaska State Legislature or for program enhancements that must be considered
17 by the full legislature at the next session of the legislature. Requests for capital budget items
18 should be limited to requests for review of emergency items, such as flood damage repair
19 from new federal funds. The Legislative Budget and Audit Committee program review
20 process should not be used to establish new capital projects or to change funding sources for
21 existing capital projects; such requests should be held for consideration by the full legislature
22 during the regular capital appropriation process.

23 (d) If federal or other program receipts as defined in AS 37.05.146 exceed the
24 estimates appropriated by this Act, the appropriations from state funds for the affected
25 program may be reduced by the excess if the reductions are consistent with applicable federal
26 statutes.

27 (e) If federal or other program receipts as defined in AS 37.05.146 fall short of the
28 estimates appropriated by this Act, the affected appropriation is reduced by the amount of the
29 shortfall in receipts.

30 * **Sec. 9. FISH AND GAME ENFORCEMENT.** (a) To increase enforcement of the fish
31 and game laws of the state, the amount deposited in the general fund during the fiscal year

1 ending June 30, 1997, from criminal fines, penalties, and forfeitures imposed for violation of
2 AS 16 and its implementing regulations and from the sale of forfeited property or alternative
3 damages collected under AS 16.05.195 is appropriated to the fish and game fund
4 (AS 16.05.100).

11 * **Sec. 10. FOUR DAM POOL TRANSFER FUND.** The amount available in the four dam
12 pool transfer fund (AS 42.45.050) during fiscal year 1998 is appropriated to the following
13 funds in the following percentages for the purposes set out in AS 42.45.050:

14	Power cost equalization and rural electric	40 percent
15	capitalization fund (AS 42.45.100)	
16	Southeast energy fund (AS 42.45.040)	40 percent
17	Power project fund (AS 42.45.010)	20 percent

18 * **Sec. 11. INFORMATION SERVICES FUND.** (a) The sum of \$55,000 is appropriated
19 to the information services fund (AS 44.21.045) for the Department of Administration,
20 division of information services programs, from designated program receipts.

21 (b) It is the intent of the legislature that charges billed by the division of information
22 services to each agency for data processing and telecommunications services shall be based
23 on the actual costs of the services used by the agency.

24 * **Sec. 12. INSURANCE AND BOND CLAIMS.** (a) The amount necessary to fund the
25 uses of the state insurance catastrophe reserve account described in AS 37.05.289(a) is
26 appropriated from that account to the Department of Administration for those uses.

27 (b) Amounts received in settlement of insurance claims for losses and recovery for
28 losses are appropriated from the general fund to the state insurance catastrophe reserve account
29 (AS 37.05.289).

30 (c) Amounts received in settlement of claims against bonds guaranteeing the
31 reclamation of state land are appropriated from the general fund to the agency secured by the

1 bond for the purpose covered by the bond.

2 (d) The appropriations made by (b) and (c) of this section are contingent upon
3 compliance with the program review provisions of AS 37.07.080(h).

4 * **Sec. 13.** MARINE HIGHWAY SYSTEM FUND. The sum of \$26,937,200 is
5 appropriated from the general fund to the Alaska marine highway system fund (AS 19.65.060).

6 * **Sec. 14.** MOTOR FUEL TAX. The following estimated amounts from the unreserved
7 special accounts in the general fund are included within the general fund amounts appropriated
8 by this Act:

9	Highway fuel tax account (AS 43.40.010(g))	\$21,300,000
10	Aviation fuel tax account (AS 43.40.010(e))	8,200,000

11 * **Sec. 15.** OCCUPATIONAL LICENSING. The unexpended and unobligated balance on
12 June 30, 1997, of the Department of Commerce and Economic Development, division of
13 occupational licensing, designated program receipts from occupational licensing fees under
14 AS 08.01.065 is appropriated to the division of occupational licensing for operating costs for
15 the fiscal year ending June 30, 1998.

16 * **Sec. 16.** OIL AND HAZARDOUS SUBSTANCE RELEASE PREVENTION
17 ACCOUNT. The following amounts are appropriated to the oil and hazardous substance
18 release prevention account (AS 46.08.010(a)(1)) in the oil and hazardous substance release
19 prevention and response fund (AS 46.08.010) from the sources indicated:

20 (1) the balance of the oil and hazardous substance release prevention mitigation
21 account (AS 46.08.020(b)) in the general fund on July 1, 1997, not otherwise appropriated by
22 this Act;

23 (2) the amount collected for the fiscal year ending June 30, 1997, estimated
24 to be \$13,300,000, from the surcharge levied under AS 43.55.300.

25 * **Sec. 17.** OIL AND HAZARDOUS SUBSTANCE RELEASE RESPONSE ACCOUNT.
26 The following amounts are appropriated to the oil and hazardous substance release response
27 account (AS 46.08.010(a)(2)) in the oil and hazardous substance release prevention and
28 response fund (AS 46.08.010) from the following sources:

29 (1) the balance of the oil and hazardous substance release response mitigation
30 account (AS 46.08.025(b)) in the general fund on July 1, 1997, not otherwise appropriated by
31 this Act;

3 * Sec. 18. RETAINED FEES. The amount retained to compensate the collector or trustee
4 of fees, licenses, taxes, or other money belonging to the state during the fiscal year ending
5 June 30, 1998, is appropriated for that purpose to the agency authorized by law to generate
6 the revenue.

7 * **Sec. 19. SAFETY ADVISORY COUNCIL.** The amount appropriated for the 1997
8 annual governor's safety conference (sec. 21, ch. 117, SLA 1996), plus the fiscal year 1997
9 program receipts of the Alaska Safety Advisory Council (AS 18.60.830), less the amount
10 expended or obligated for the 1997 annual governor's safety conference, is appropriated from
11 the designated program receipts to the Alaska Safety Advisory Council for costs of the 1998
12 annual governor's safety conference.

13 * **Sec. 20. SALMON ENHANCEMENT TAX.** The salmon enhancement tax collected
14 under AS 43.76.010 - 43.76.030 in calendar year 1996 and deposited in the general fund under
15 AS 43.76.025(c) is appropriated from the general fund to the Department of Commerce and
16 Economic Development for payment in fiscal year 1998 to qualified regional associations
17 operating within a region designated under AS 16.10.375.

18 * **Sec. 21. SHARED TAXES AND FEES.** The amount necessary to refund to local
19 governments their share of taxes and fees collected in the listed fiscal years under the
20 following programs is appropriated to the Department of Revenue from the general fund for
21 payment in fiscal year 1998:

22	REVENUE SOURCE	FISCAL YEAR COLLECTED
23	fisheries taxes (AS 43.75)	1997
24	fishery resource landing tax (AS 43.77)	1997
25	amusement and gaming taxes (AS 43.35)	1998
26	aviation fuel tax (AS 43.40.010)	1998
27	electric and telephone cooperative tax (AS 10.25.570)	1998
28	liquor license fee (AS 04.11)	1998

29 * **Sec. 22. STATE DEBT AND OTHER OBLIGATIONS.** (a) The amount required to pay
30 interest on revenue anticipation notes issued by the commissioner of revenue under AS 43.08
31 is appropriated from the general fund to the Department of Revenue for payment of the

1 interest on those notes.

2 (b) The amount required to be paid by the state for principal and interest on all issued
3 and outstanding state-guaranteed bonds is appropriated from the general fund to the state bond
4 committee for payment of principal and interest on those bonds.

5 (c) The sum of \$72,270,700 is appropriated from the general fund to the Alaska debt
6 retirement fund (AS 37.15.011).

7 (d) The sum of \$10,342,390 is appropriated from the Alaska debt retirement fund
8 (AS 37.15.011) to the state bond committee for trustee fees and lease payments to the City
9 of Seward, the City of Kenai, the City of Palmer, the Department of Natural Resources, and
10 the Alaska Court System.

11 (e) The sum of \$14,251,658 is appropriated from the Alaska debt retirement fund
12 (AS 37.15.011) to the state bond committee for payment of debt service and trustee fees on
13 state general obligation bonds.

14 (f) The sum of \$5,837,534 is appropriated from the International Airports Revenue
15 Fund (AS 37.15.430) to the state bond committee for payment of debt service and trustee fees
16 on outstanding international airports revenue bonds.

17 (g) The sum of \$62,288,400 is appropriated from the Alaska debt retirement fund
18 (AS 37.15.011) to the Department of Education for state aid for costs of school construction
19 under AS 14.11.100.

20 * **Sec. 23. STATE TRAINING AND EMPLOYMENT PROGRAM.** The lapsing balance
21 of the employment assistance and training program account (AS 23.15.625) on June 30, 1997,
22 is appropriated to the unemployment compensation fund (AS 23.20.130).

23 * **Sec. 24. STATUTORY BUDGET RESERVE FUND.** If the unrestricted state revenue
24 available for appropriation in fiscal year 1998 is insufficient to cover the general fund
25 appropriations made for fiscal year 1998, the amount necessary to balance revenue and general
26 fund appropriations is appropriated to the general fund from the budget reserve fund
27 (AS 37.05.540).

28 * **Sec. 25. STORAGE TANK ASSISTANCE FUND.** (a) The fiscal year 1998 general
29 fund receipts of the tank registration fee program under AS 46.03.385 are appropriated to the
30 storage tank assistance fund (AS 46.03.410).

31 (b) The sum of \$2,910,600 is appropriated from the oil and hazardous substance

1 release prevention account (AS 46.08.010(a)(1)) to the storage tank assistance fund
2 (AS 46.03.410) for the fiscal year ending June 30, 1998.

3 * **Sec. 26.** STUDENT LOAN PROGRAM. The amount from student loan borrowers of
4 the Alaska Commission on Postsecondary Education that is assessed for loan origination fees
5 for the fiscal year ending June 30, 1998, is appropriated to the origination fee account
6 (AS 14.43.120(u)) within the student loan fund of the Alaska Student Loan Corporation for
7 the purposes specified in AS 14.43.120(u).

8 * **Sec. 27.** DIVISION OF INSURANCE. The unexpended and unobligated balance on
9 June 30, 1997, of the Department of Commerce and Economic Development, division of
10 insurance, designated program receipts from insurance fees under AS 21.06.250 is appropriated
11 to the Department of Commerce and Economic Development, division of insurance, for
12 operating costs for the fiscal year ending June 30, 1998.

13 * **Sec. 28.** ALASKA SCIENCE AND TECHNOLOGY FOUNDATION. The unexpended
14 and unobligated balance in the Alaska science and technology endowment earnings reserve
15 on June 30, 1997, is appropriated to the Alaska Science and Technology Foundation to award
16 as grants under AS 37.17.030(d) for the fiscal year ending June 30, 1998.

17 * **Sec. 29.** (a) Subject to (b) of this section, the sum of \$30,000,000 is appropriated from
18 the general fund to the Department of Health and Social Services for medical assistance and
19 allocated equally for Medicaid non-facility and Medicaid facilities components, and the
20 appropriation from federal receipts made by sec. 39 of this Act to the Department of Health
21 and Social Services for medical assistance and allocated for the Medicaid non-facility and
22 Medicaid facilities components is reduced by a total of \$30,000,000.

23 (b) The appropriation made by (a) of this section takes effect only if the federal
24 medical assistance percentage under the Medicaid program in effect on January 31, 1998, is
25 the same as the percentage in effect on March 15, 1997.

26 * **Sec. 30.** Revenues generated or retained by the Alaska Railroad Corporation before or
27 during the fiscal year ending June 30, 1998, and income earned on revenues generated or
28 retained by the Alaska Railroad Corporation before or during the fiscal year ending
29 June 30, 1998, are appropriated to the Alaska Railroad Corporation for railroad and related
30 purposes for the fiscal year ending June 30, 1998. This appropriation does not authorize the
31 expenditure of funds appropriated by sec. 145, ch. 208, SLA 1990 (Locomotives, rolling stock

1 - \$9,000,000) or the expenditure of interest earned on those funds.

2 * **Sec. 31.** (a) Federal funds received by the Alaska Railroad Corporation before or during
3 the fiscal year ending June 30, 1997, are appropriated to the Alaska Railroad Corporation for
4 the purposes for which the funds were received by the corporation.

5 (b) Federal funds received by the Alaska Railroad Corporation during the fiscal year
6 ending June 30, 1998, are appropriated to the Alaska Railroad Corporation for the purposes
7 for which the funds are received by the corporation, subject to the program review provisions
8 of AS 37.07.080(h).

9 * **Sec. 32.** The sum of \$433,000 is appropriated from the general fund to the Department
10 of Administration for purchase of information technologies and distributed environment for
11 state executive branch agencies, including the University of Alaska, for the fiscal year ending
12 June 30, 1998. It is the intent of the legislature that the commissioner of administration shall
13 follow the advice and recommendations of the Telecommunications Information Council in
14 expending the funds authorized by this appropriation and that the commissioner (1) direct cost-
15 effective expenditure of the funds authorized by this appropriation to those agencies that
16 cannot meet the minimum information technology standards adopted by the
17 Telecommunications Information Council; and (2) expend funds authorized by this
18 appropriation for information technology for an agency when technology is nonexistent and
19 necessary or where full use of existing information technology has been achieved in accord
20 with the recommendations of Compass America, Inc.

21 * **Sec. 33. INTERNATIONAL TRADE AND BUSINESS ENDOWMENT.** (a) The
22 unexpended and unobligated balance of the appropriation made by sec. 25, ch. 95, SLA 1987,
23 page 129, lines 21 - 22 (SB 219 - Alaska Center for International Business - \$2,500,000) is
24 reappropriated to the international trade and business endowment (AS 37.17.440).

25 (b) Notwithstanding sec. 101(a)(13), ch. 103, SLA 1995, the unexpended and
26 unobligated balance of the appropriation made by sec. 141(b), ch. 173, SLA 1988 (Alaska
27 Center for International Business endowment - \$2,450,000) is reappropriated to the
28 international trade and business endowment (AS 37.17.440).

29 (c) The appropriations made by this section are contingent upon the passage by the
30 First Regular Session of the Twentieth Alaska State Legislature and the enactment into law
31 of a bill that creates the international trade and business endowment.

1 * **Sec. 34. DESIGNATED PROGRAM RECEIPTS.** (a) If legislation defining "designated
 2 program receipts" is passed by the First Regular Session of the Twentieth Alaska State
 3 Legislature and enacted into law, the funds described as designated program receipts in this
 4 Act that are not consistent with the definition of "designated program receipts" established by
 5 law are general fund program receipts. The legislative fiscal analyst shall revise the funding
 6 source information for the appropriations made by this Act in accordance with this subsection
 7 and provide the revised funding information to the office of management and budget.

8 (b) If legislation defining "designated program receipts" is not passed by the First
 9 Regular Session of the Twentieth Alaska State Legislature, the funds appropriated by this Act
 10 that are described in this Act as "designated program receipts" are general fund program
 11 receipts. The legislative fiscal analyst shall revise the funding source information for the
 12 appropriations made by this Act in accordance with this subsection and provide the revised
 13 funding information to the office of management and budget.

14 * **Sec. 35. CONSTITUTIONAL BUDGET RESERVE FUND.** (a) Amounts equal to the
 15 deposits in the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for
 16 fiscal year 1997 that were made by operation of art. IX, sec. 17(d) to repay appropriations
 17 from the budget reserve fund are appropriated from the budget reserve fund to the funds and
 18 accounts from which they were transferred.

19 (b) If the unrestricted state revenue available for appropriation in fiscal year 1998 is
 20 insufficient to cover the general fund appropriations made for fiscal year 1998, the amount
 21 necessary to balance revenue and general fund appropriations is appropriated to the general
 22 fund from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).

23 (c) The appropriations in (a) and (b) of this section are made under art. IX, sec. 17(c),
 24 Constitution of the State of Alaska.

25 * **Sec. 36. NONLAPSE OF APPROPRIATIONS.** The appropriations made by secs. 1, 2,
 26 7, 9, 10, 11, 12(b), 13, 16, 17, 23, 25(a), 26, and 33 of this Act are for the capitalization of
 27 funds and do not lapse under AS 37.25.010.

28 * **Sec. 37. CAPITAL LAPSE.** The appropriation made by sec. 32 of this Act is for a
 29 capital project and lapses under AS 37.25.020.

30 * **Sec. 38. EFFECTIVE DATES FOR SECTIONS 29(a) AND 33.** (a) If sec. 29(a) of this
 31 Act takes effect under sec. 29(b) of this Act, it takes effect on February 1, 1998.

1 (b) Section 33 of this Act takes effect immediately under AS 01.10.070(c).

2 (SECTION 39 OF THIS ACT BEGINS ON PAGE 16)