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Kane  
4/2/09

**CS FOR HOUSE BILL NO. 199(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-SIXTH LEGISLATURE - FIRST SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:  
Referred:**

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

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act making supplemental appropriations and capital appropriations; making an**  
2 **appropriation to capitalize a fund; amending appropriations; and providing for an**  
3 **effective date."**

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

5 (SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

\* **Section 1.** The following appropriation items are for operating expenditures associated with the American Recovery and Reinvestment Act of 2009 from the general fund or other funds as set out in section 2 of this Act to the agencies named for the fiscal year beginning July 1, 2009 and ending June 30, 2010, unless otherwise indicated.

	Appropriation	General	Other
	Allocations	Funds	Funds
	*****	*****	
	***** <b>Department of Administration</b> *****		
	*****	*****	
<b>Centralized Administrative Services</b>	<b>1,489,000</b>		<b>1,489,000</b>
Finance	1,489,000		
<b>Violent Crimes Compensation Board</b>	<b>149,400</b>		<b>149,400</b>
Violent Crimes Compensation Board	149,400		
	*****	*****	
	***** <b>Department of Commerce, Community and Economic Development</b> *****		
	*****	*****	
<b>Serve Alaska</b>	<b>1,500,000</b>		<b>1,500,000</b>
Serve Alaska	1,500,000		
	*****	*****	
	***** <b>Department of Education and Early Development</b> *****		
	*****	*****	
<b>Teaching and Learning Support</b>	<b>171,267,200</b>		<b>171,267,200</b>
Student and School Achievement	170,881,200		
Child Nutrition	386,000		
<b>Commissions and Boards</b>	<b>300,000</b>		<b>300,000</b>
Alaska State Council on the Arts	300,000		

		Appropriation	General	Other
		Allocations	Funds	Funds
	*****		*****	
	***** Department of Health and Social Services *****			
	*****		*****	
6	<b>Children's Services</b>			<b>2,139,800</b>
7	Infant Learning Program	2,139,800		
8	Grants			
9	<b>Health Care Services</b>		<b>40,000</b>	<b>2,000,000</b>
10	Medical Assistance	2,040,000		
11	Administration			
12	<b>Public Assistance</b>			<b>5,275,700</b>
13	Child Care Benefits	4,036,000		
14	Public Assistance	462,000		
15	Administration			
16	Women, Infants and	777,700		
17	Children			
18	<b>Public Health</b>		<b>2,000,000</b>	<b>2,000,000</b>
19	Chronic Disease Prevention	2,000,000		
20	and Health Promotion			
21	<b>Senior and Disabilities</b>		<b>485,000</b>	<b>485,000</b>
22	<b>Services</b>			
23	Senior Community Based	485,000		
24	Grants			
25	*****		*****	
26	***** Department of Labor and Workforce Development *****			
27	*****		*****	
28	<b>Workforce Development</b>		<b>15,439,600</b>	<b>15,439,600</b>
29	Employment and Training	5,162,000		
30	Services			
31	Unemployment Insurance	1,115,700		
32	Business Services	9,161,900		
33	<b>Vocational Rehabilitation</b>		<b>2,046,200</b>	<b>2,046,200</b>

1			<b>Appropriation</b>	<b>General</b>	<b>Other</b>
2		<b>Allocations</b>	<b>Items</b>	<b>Funds</b>	<b>Funds</b>
3	Client Services	1,800,000			
4	Independent Living	246,200			
5	Rehabilitation				
6		*****	*****		
7		*****	<b>Department of Public Safety</b>	*****	
8		*****	*****		
9	<b>Alaska State Troopers</b>		<b>5,871,000</b>		<b>5,871,000</b>
10	Special Projects	50,000			
11	Narcotics Task Force	5,821,000			
12	<b>Council on Domestic Violence</b>		<b>1,348,600</b>		<b>1,348,600</b>
13	<b>and Sexual Assault</b>				
14	Council on Domestic	1,348,600			
15	Violence and Sexual Assault				
16	(SECTION 2 OF THIS ACT BEGINS ON PAGE 5)				

\* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
<b>Department of Administration</b>	
1212 Federal Stimulus: ARRA 2009	1,638,400
*** Total Agency Funding ***	\$1,638,400
<b>Department of Commerce, Community and Economic Development</b>	
1212 Federal Stimulus: ARRA 2009	1,500,000
*** Total Agency Funding ***	\$1,500,000
<b>Department of Education and Early Development</b>	
1212 Federal Stimulus: ARRA 2009	171,567,200
*** Total Agency Funding ***	\$171,567,200
<b>Department of Health and Social Services</b>	
1003 General Fund Match	40,000
1212 Federal Stimulus: ARRA 2009	11,900,500
*** Total Agency Funding ***	\$11,940,500
<b>Department of Labor and Workforce Development</b>	
1212 Federal Stimulus: ARRA 2009	17,485,800
*** Total Agency Funding ***	\$17,485,800
<b>Department of Public Safety</b>	
1212 Federal Stimulus: ARRA 2009	7,219,600
*** Total Agency Funding ***	\$7,219,600
* * * * * Total Budget * * * * *	\$211,351,500

(SECTION 3 OF THIS ACT BEGINS ON PAGE 6)

\* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
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**General Funds**

1003 General Fund Match	40,000
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***Total General Funds***	\$40,000
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**Federal Funds**

1212 Federal Stimulus: ARRA 2009	211,311,500
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***Total Federal Funds***	\$211,311,500
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**Other Non-Duplicated Funds**

***Total Other Non-Duplicated Funds***	\$0
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**Duplicated Funds**

***Total Duplicated Funds***	\$0
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(SECTION 4 OF THIS ACT BEGINS ON PAGE 7)

\* **Sec. 4.** The following appropriation items are for capital projects and grants associated with the American Recovery and Reinvestment Act of 2009 from the general fund or other funds as set out in section 5 of this Act by funding source to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other
	Allocations	Funds	Funds
* * * * *		* * * * *	
* * * * * <b>Department of Environmental Conservation</b> * * * * *			
* * * * *		* * * * *	
<b>American Recovery and</b>	<b>68,637,000</b>		<b>68,637,000</b>
<b>Reinvestment Act of 2009</b>			
Alaska Clean Water	23,637,000		
Stimulus (HD 1-40)			
Alaska Drinking Water	19,500,000		
Stimulus (HD 1-40)			
Leaking Underground Storage	1,000,000		
Tank Stimulus (HD 1-40)			
Village Safe Water	24,260,000		
Stimulus (HD 1-40)			
Water Quality Planning	240,000		
Stimulus (HD 1-40)			
* * * * *		* * * * *	
* * * * * <b>Office of the Governor</b> * * * * *			
* * * * *		* * * * *	
American Recovery and	1,000,000		1,000,000
Reinvestment Act of 2009			
Statewide Competitive,			
Discretionary, and			
Incentive Grants (HD 1-40)			

	Appropriation	General	Other
	Allocations	Funds	Funds
	*****	*****	
	***** Department of Labor and Workforce Development *****		
	*****	*****	
6	Economic Stimulus -	3,000,000	3,000,000
7	Additional Funding for		
8	AVTEC Culinary Building		
9	Replacement and Cafeteria		
10	Upgrade (HD 33-35)		
11	*****	*****	
12	***** Department of Natural Resources *****		
13	*****	*****	
14	Forestry and Fire Economic	2,500,000	2,500,000
15	Stimulus - Fire Fuels and		
16	Forest Management (HD		
17	1-40)		
18	*****	*****	
19	***** Department of Revenue *****		
20	*****	*****	
21	<b>Alaska Housing Finance</b>		
22	<b>Corporation</b>		
23	AHFC Capital Fund	1,200,500	1,200,500
24	Program (CFP) -		
25	Competitive (HD 1-40)		
26	AHFC Capital Fund	3,307,000	3,307,000
27	Program (CFP) - Formula		
28	(HD 1-40)		
29	AHFC Emergency Shelter	1,144,000	1,144,000
30	Grants (ESG) (HD 1-40)		
31	AHFC Home Investment	5,490,700	5,490,700
32	Partnerships (HD 1-40)		
33	AHFC Low-Income Housing	28,500,000	28,500,000



		<b>Appropriation</b>	<b>General</b>	<b>Other</b>
		<b>Allocations</b>	<b>Items</b>	<b>Funds</b>
1				
2				
3	Grants in Lieu of Tax			
4	Credits (HD 1-40)			
5		*****	*****	
6		***** <b>University of Alaska</b> *****		
7		*****	*****	
8	UAF Alaska Region	116,000,000		116,000,000
9	Research Vessel Additional			
10	Receipt Authority (HD			
11	1-40)			
12	UA Economic Stimulus	1,000,000		1,000,000
13	Federal Receipt Authority			
14	Competitive, Discretionary,			
15	and Incentive Grants (HD			
16	1-40)			
17	(SECTION 5 OF THIS ACT BEGINS ON PAGE 10)			

\* **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
<b>Department of Environmental Conservation</b>	
1212 Federal Stimulus: ARRA 2009	68,637,000
*** Total Agency Funding ***	\$68,637,000
<b>Office of the Governor</b>	
1212 Federal Stimulus: ARRA 2009	1,000,000
*** Total Agency Funding ***	\$1,000,000
<b>Department of Labor and Workforce Development</b>	
1212 Federal Stimulus: ARRA 2009	3,000,000
*** Total Agency Funding ***	\$3,000,000
<b>Department of Natural Resources</b>	
1108 Statutory Designated Program Receipts	1,000,000
1212 Federal Stimulus: ARRA 2009	1,500,000
*** Total Agency Funding ***	\$2,500,000
<b>Department of Revenue</b>	
1212 Federal Stimulus: ARRA 2009	39,642,200
*** Total Agency Funding ***	\$39,642,200
<b>University of Alaska</b>	
1212 Federal Stimulus: ARRA 2009	117,000,000
*** Total Agency Funding ***	\$117,000,000
* * * * * Total Budget * * * * *	\$231,779,200

(SECTION 6 OF THIS ACT BEGINS ON PAGE 11)

\* **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
<b>General Funds</b>	
***Total General Funds***	\$0
<b>Federal Funds</b>	
1212 Federal Stimulus: ARRA 2009	230,779,200
***Total Federal Funds***	\$230,779,200
<b>Other Non-Duplicated Funds</b>	
1108 Statutory Designated Program Receipts	1,000,000
***Total Other Non-Duplicated Funds***	\$1,000,000
<b>Duplicated Funds</b>	
***Total Duplicated Funds***	\$0

(SECTION 7 OF THIS ACT BEGINS ON PAGE 12)

\* **Sec. 7.** The following appropriation items are for capital projects and grants associated with the American Recovery and Reinvestment Act of 2009 from the general fund or other funds as set out in section 8 of this Act by funding source to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other
	Allocations	Funds	Funds
*****		*****	
***** <b>Department of Commerce, Community and Economic Development</b> *****			
*****		*****	
Community Development	679,900		679,900
Block Grant Program (HD			
1-40)			
Community Services Block	3,960,000		3,960,000
Grant Program (HD 1-40)			
*****		*****	
***** <b>Department of Environmental Conservation</b> *****			
*****		*****	
Air Non-Point Mobile	2,000,000		2,000,000
Source Stimulus (HD 1-40)			
*****		*****	
***** <b>Department of Revenue</b> *****			
*****		*****	
<b>Alaska Housing Finance</b>			
<b>Corporation</b>			
AHFC Energy Efficiency	9,593,500		9,593,500
and Conservation Block			
Grants (HD 1-40)			
AHFC State Energy	28,563,000		28,563,000
Program (HD 1-40)			
AHFC Weatherization	18,466,200		18,466,200
Program (HD 1-40)			

1		<b>Appropriation</b>	<b>General</b>	<b>Other</b>
2		<b>Allocations</b>	<b>Items</b>	<b>Funds</b>
3			<b>Funds</b>	<b>Funds</b>

(SECTION 8 OF THIS ACT BEGINS ON PAGE 14)

\* **Sec. 8.** The following sets out the funding by agency for the appropriations made in sec. 7 of this Act.

Funding Source	Amount
<b>Department of Commerce, Community and Economic Development</b>	
1212 Federal Stimulus: ARRA 2009	4,639,900
*** Total Agency Funding ***	\$4,639,900
<b>Department of Environmental Conservation</b>	
1212 Federal Stimulus: ARRA 2009	2,000,000
*** Total Agency Funding ***	\$2,000,000
<b>Department of Revenue</b>	
1212 Federal Stimulus: ARRA 2009	56,622,700
*** Total Agency Funding ***	\$56,622,700
* * * * * Total Budget * * * * *	\$63,262,600

(SECTION 9 OF THIS ACT BEGINS ON PAGE 15)

\* **Sec. 9.** The following sets out the statewide funding for the appropriations made in sec. 7 of this Act.

Funding Source	Amount
<b>General Funds</b>	
***Total General Funds***	\$0
<b>Federal Funds</b>	
1212 Federal Stimulus: ARRA 2009	63,262,600
***Total Federal Funds***	\$63,262,600
<b>Other Non-Duplicated Funds</b>	
***Total Other Non-Duplicated Funds***	\$0
<b>Duplicated Funds</b>	
***Total Duplicated Funds***	\$0

(SECTION 10 OF THIS ACT BEGINS ON PAGE 16)

1     \* **Sec. 10.** LEGISLATIVE INTENT. (a) It is the intent of the legislature regarding P.L. 111-  
2     5 (American Recovery and Reinvestment Act of 2009) that

3             (1) federal stimulus money not be expended for any purpose that creates an  
4     obligation for the state to replace those funds after they have been exhausted and that stimulus  
5     funds be used primarily to supplement or improve existing programs rather than create new  
6     services or programs;

7             (2) all state agencies notify recipients of grants funded by federal stimulus  
8     money of the limited and temporary nature of the grant funds, and that the state will not be  
9     granting additional funds to continue the programs after the federal aid is exhausted;

10            (3) state agencies awarding grants funded in whole or in part by federal  
11     stimulus money disclose in writing to all grant recipients that the program funding source will  
12     expire;

13            (4) notwithstanding any other provision of this Act, federal stimulus money  
14     may be expended to recruit, train, equip, and compensate new peace officers;

15            (5) the executive branch not use any federal stimulus money to enter into lease  
16     obligations, equipment contracts, or professional services contracts that extend beyond the  
17     end date of federal stimulus funding without a financial plan in place to use existing funds to  
18     complete the obligation or contract;

19            (6) the executive branch refuse any federal stimulus money that would violate  
20     the strong constitutional right to privacy enjoyed by Alaskans;

21            (7) the Department of Transportation and Public Facilities diligently pursue  
22     any federal stimulus grant money that could be used for construction of new vessels for the  
23     Alaska marine highway system fleet;

24            (8) the Department of Labor and Workforce Development, to the extent  
25     practical, use federal stimulus money to extend or expand job training programs with existing,  
26     proven contractors rather than start new programs with new contractors;

27            (9) each school district receiving federal stimulus money through the  
28     Department of Education and Early Development be required to acknowledge, in a letter  
29     signed by the school superintendent and school board president or their designees, that the  
30     funding is a one-time addition and that the legislature does not intend to replace the federal  
31     stimulus money when it expires;



(10) the executive branch, to the fullest extent possible, minimize its expenditure of federal stimulus money on administrative costs;

(11) the executive branch, to the fullest extent allowed by law, strive to ensure that projects and programs funded with federal stimulus money hire Alaska workers and use Alaska contractors and vendors and minimize the use of out-of-state consultants;

(12) federal stimulus money for energy or energy-related programs be used to help reduce energy costs of Alaskans whenever possible and practical;

(13) federal stimulus money for education programs be spent for best-practices improvements, training, equipment, services, and facility modernization, renovation, and repair that do not expand programs or create continuing obligations for state funding when federal stimulus money is exhausted;

(14) school districts focus on short-term investment with long-term gains for student and teacher performance and pay particular attention to the advisory statement issued by the United States Department of Education that "These funds should be invested in ways that do not result in unsustainable continuing commitments after the funding expires."

(b) It is the intent of the legislature that the two positions funded in sec. 12 of this Act coordinate compliance with the accounting and reporting requirements related to P.L. 111-5 (American Recovery and Reinvestment Act of 2009).

\* **Sec. 11. FUND SOURCE CHANGES FOR FEDERAL ECONOMIC STIMULUS PROJECTS FOR THE UNIVERSITY OF ALASKA.** Section 2, ch. 159, SLA 2004, page 54, line 8, is amended to read:

Federal Receipts	<b><u>36,000,000</u></b>
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[116,000,000]

<b><u>Federal Economic Stimulus</u></b>	<b><u>80,000,000</u></b>
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\* **Sec. 12. DEPARTMENT OF ADMINISTRATION.** The sum of \$200,000 is appropriated from the general fund to the Department of Administration, division of finance, to fund two positions and related office expenses relating to accounting and reporting requirements of P.L. 111-5 (American Recovery and Reinvestment Act of 2009) for the fiscal year ending June 30, 2010.

\* **Sec. 13. DEPARTMENT OF REVENUE.** (a) The sum of \$1,730,500 is appropriated to the Department of Revenue, child support services, for the fiscal year ending June 30, 2010,

from the following sources:

SOURCE	AMOUNT
General Fund Match	\$ 400,000
Federal Economic Stimulus	1,330,500

(b) The federal receipts and receipt supported services appropriated to the Department of Revenue, child support services, in the version of HB 81, Twenty-Sixth Alaska State Legislature, that is enacted into law are amended to reduce the amount of the appropriation by \$1,730,500 for the fiscal year ending June 30, 2010, from the following sources:

SOURCE	AMOUNT OF REDUCTION
Federal Receipts	\$ 612,400
Receipt Supported Services	1,118,100

(c) Section 3, ch. 27, SLA 2008, page 61, line 7, is amended to read:

NEW			
FUNDING SOURCE	OPERATING	LEGISLATION	TOTAL
1002 Federal Receipts	<u>33,355,800</u>	0	<u>33,355,800</u>
	[34,153,800]		[34,153,800]

(d) Section 3, ch. 27, SLA 2008, page 62, lines 16 - 19, is amended to read:

NEW			
FUNDING SOURCE	OPERATING	LEGISLATION	TOTAL
1156 Receipt Supported Services	<u>6,730,100</u>	0	<u>6,730,100</u>
	[7,315,600]		[7,315,600]
1169 Power Cost Equalization	211,000	0	211,000
Endowment Fund			
1192 Mine Reclamation Trust Fund	24,000	0	24,000
<b><u>1212 Federal Economic Stimulus</u></b>	<b><u>1,383,500</u></b>	<b><u>0</u></b>	<b><u>1,383,500</u></b>

\* **Sec. 14.** ALASKA CAPITAL INCOME FUND. The sum of \$20,701,535 is appropriated from federal economic stimulus funds received by the state under P.L. 111-5 (American Recovery and Reinvestment Act of 2009) to the Alaska capital income fund (AS 37.05.565).

\* **Sec. 15.** CONTINGENCY. The appropriation reduction made in sec. 13(b) of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature in the First Regular

1 Session and enactment into law of a version of HB 81 that appropriates not less than \$612,400  
2 in federal receipts and \$1,118,100 in receipt supported services to the Department of  
3 Revenue, child support services.

4 \* **Sec. 16.** LAPSE. The appropriation made in sec. 14 of this Act is for the capitalization of  
5 a fund and does not lapse.

6 \* **Sec. 17.** RETROACTIVITY. Sections 1 - 14 of this Act are retroactive to February 17,  
7 2009.

8 \* **Sec. 18.** This Act takes effect immediately under AS 01.10.070(c).