

SENATE CS FOR CS FOR HOUSE BILL NO. 100(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/20/95

Referred: Rules

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.** Included within the general fund amounts appropriated in this Act, the
7 following amounts are from the unreserved special accounts in the general fund:

8 Highway fuel tax account (AS 43.40.010(g)) \$25,500,000

9 Aviation fuel tax account (AS 43.40.010(e)) 7,000,000

10 * **Sec. 2.** Except for receipts of the fish and game fund (AS 16. 05.100), federal or other
11 program receipts as defined under AS 37.05.146 that exceed the amounts appropriated in this
12 Act are appropriated conditioned upon compliance with the program review provisions of
13 AS 37.07.080(h). Amounts appropriated from the fish and game fund (AS 16.05.100) in this
14 Act are limited to the amounts stated in this Act.

1 * **Sec. 3.** If federal or other program receipts as defined under AS 37.05.146 exceed the
2 estimates appropriated by this Act, the appropriation from state funds for the affected program
3 may be reduced by the amount of the excess if the reductions are consistent with applicable
4 federal statutes.

5 * **Sec. 4.** Except as provided in sec. 5 of this Act, if federal or other program receipts as
6 defined under AS 37.05.146 fall short of the estimates appropriated by this Act, the affected
7 appropriation is reduced by the amount of the shortfall in receipts.

8 * **Sec. 5.** If the federal receipts under 42 U.S.C. 1397 - 1397f (Title XX of the Social
9 Security Act) fall short of the estimate, the amount of the shortfall, not to exceed \$6,310,800,
10 is appropriated from the general fund.

11 * **Sec. 6.** (a) Amounts necessary to fund the uses of the state insurance catastrophe reserve
12 account described in AS 37.05.289(a) are appropriated from that account to the Department
13 of Administration.

14 (b) Amounts equivalent to the amounts to be received in settlement of insurance
15 claims for losses and the amounts to be received as recovery for losses are appropriated from
16 the general fund to the state insurance catastrophe reserve account established by
17 AS 37.05.289.

18 (c) Amounts equivalent to the amounts to be received in settlement of claims against
19 bonds guaranteeing the reclamation of state land are appropriated from the general fund to the
20 agency secured by the bond. This appropriation is made for the purpose of reclaiming state
21 land affected by a use covered by the bond.

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

24 * **Sec. 7.** The amount required to pay interest on revenue anticipation notes issued by the
25 commissioner of revenue under AS 43.08 is appropriated from the general fund to the
26 Department of Revenue for payment of interest on revenue anticipation notes issued by the
27 commissioner of revenue under AS 43.08.

28 * **Sec. 8.** The amount required to be paid by the state for the principal of and interest on
29 all issued and outstanding state-guaranteed bonds is appropriated from the general fund to the
30 state bond committee to make all payments by the state required under its guarantee for
31 principal and interest.

1 * **Sec. 9.** The sum of \$5,793,767 is appropriated from the international airports revenue
2 fund (AS 37.15.430) to the state bond committee for payment of debt service and trustee fees
3 on outstanding international airports revenue bonds.

4 * **Sec. 10.** (a) The sum of \$9,628,221 is appropriated from the general fund to the Alaska
5 debt retirement fund (AS 37.15.011).

6 (b) The sum of \$9,628,221 is appropriated from the Alaska debt retirement fund
7 (AS 37.15.011) to the state bond committee for lease payments to the Alaska Housing Finance
8 Corporation, City of Seward, City of Kenai, the Department of Natural Resources, and the
9 Alaska court system.

10 * **Sec. 11.** (a) The sum of \$19,451,996 is appropriated from the general fund to the Alaska
11 debt retirement fund (AS 37.15.011).

12 (b) The sum of \$19,451,996 is appropriated from the Alaska debt retirement fund
13 (AS 37.15.011) to the state bond committee for payment of debt service and trustee fees on
14 state general obligation bonds.

15 (c) The sum of \$1,885,287 is appropriated from the Alaska debt retirement fund
16 (AS 37.15.011) to the state bond committee for payment of debt service and trustee fees on
17 state general obligation bonds.

18 * **Sec. 12.** The amount authorized for transfer by the Alaska Permanent Fund Corporation
19 under AS 37.13.145(b) is appropriated from the earnings reserve account (AS 37.13.145) to
20 the dividend fund (AS 43.23.045(a)) for the payment of permanent fund dividends and
21 administrative and associated costs.

22 * **Sec. 13.** (a) Subject to (e) of this section, the sum of \$2,703,700 is appropriated from
23 the dividend fund (AS 43.23.045) to the Department of Corrections for fiscal year 1996 for
24 operation of statewide institutions.

25 (b) Subject to (e) of this section, if the amount in the dividend fund (AS 43.23.045)
26 that would have been paid to individuals who are ineligible to receive dividends under
27 AS 43.23.005(d) if they had been eligible exceeds the amount appropriated from the dividend
28 fund under (a) of this section, the difference between those two amounts is appropriated to the
29 Department of Corrections for statewide operations for fiscal year 1996.

30 (c) Subject to (e) of this section, if the amount in the dividend fund (AS 43.23.045)
31 that would have been paid to individuals who are ineligible to receive dividends under

1 AS 43.23.005(d) if they had been eligible is less than the amount appropriated from the
2 dividend fund under (a) of this section, the amount appropriated under (a) of this section is
3 reduced by the amount of the difference.

4 (d) Subject to (e) of this section, the general fund appropriation to the Department of
5 Corrections for statewide operations made in sec. 44 of this Act for fiscal year 1996 is
6 reduced by an amount equal to that appropriated under (b) of this section.

7 (e) The appropriations made by this section are contingent upon the passage in 1995
8 by the Nineteenth Alaska State Legislature and enactment into law of a bill amending
9 AS 43.23.028(b) to provide that disclosure of certain appropriations from the dividend fund
10 is not required if the amount appropriated for those appropriations during a fiscal year does
11 not exceed the amount that would have been paid in that same fiscal year to persons who are
12 ineligible to receive dividends under AS 43.23.005(d) if they had been eligible.

13 * **Sec. 14.** The amount calculated under AS 37.13.145 to offset the effect of inflation on
14 the principal of the Alaska permanent fund is appropriated to the principal of the Alaska
15 permanent fund from the balance in the earnings reserve account (AS 37.13.145) of the Alaska
16 permanent fund that remains after money is transferred to the dividend fund under sec. 12 of
17 this Act.

18 * **Sec. 15.** The interest earned during fiscal year 1996 on revenue from the sources set out
19 in AS 37.13.010 while the revenue is held in trust, escrow, or otherwise before receipt of the
20 revenue by the state is appropriated to the principal of the Alaska permanent fund.

21 * **Sec. 16.** The amount required to be deposited under AS 37.13.010(a)(1) and (2) during
22 fiscal year 1996 is appropriated to the principal of the Alaska permanent fund in satisfaction
23 of that requirement.

24 * **Sec. 17.** The lapsing balance of the employment assistance and training program fund
25 (sec. 3, ch. 95, SLA 1989, as amended by sec. 33, ch. 2, FSSSLA 1992) on June 30, 1995,
26 is appropriated to the unemployment compensation fund (AS 23.20.130) on July 1, 1995.

27 * **Sec. 18.** (a) Except as provided in (b) and (c) of this section, all unrestricted mortgage
28 loan interest payments and all other unrestricted receipts, including, without limitation,
29 mortgage loan commitment fees, received by or accrued to the Alaska Housing Finance
30 Corporation during the fiscal year 1996, and all income earned on assets of the corporation
31 during that period, are appropriated to the Alaska housing finance revolving fund

1 (AS 18.56.082) for the purposes described in AS 18.56.

2 (b) All unrestricted mortgage loan interest payments and all other unrestricted receipts,
3 including, without limitation, mortgage loan commitment fees, received by or accrued to the
4 housing assistance loan fund (AS 18.56.420) in the Alaska Housing Finance Corporation
5 during the fiscal year 1996, and all income earned on assets of that fund during that period,
6 are appropriated to the housing assistance loan fund in the Alaska Housing Finance
7 Corporation for the purposes of that fund.

8 (c) All unrestricted mortgage loan interest payments and all other unrestricted receipts,
9 including, without limitation, mortgage loan commitment fees, received by or accrued to the
10 senior housing revolving fund (AS 18.56.710) in the Alaska Housing Finance Corporation
11 during the fiscal year 1996, and all income earned on assets of that fund during that period,
12 are appropriated to the senior housing revolving fund in the Alaska Housing Finance
13 Corporation for the purposes of that fund.

14 (d) The sum of \$70,000,000 from the available unrestricted cash in the general
15 account of the revolving fund, Alaska Housing Finance Corporation, is anticipated to be
16 transferred by the direction of the Alaska Housing Finance Corporation board to the general
17 fund. The funds shall be deposited to the general fund when received during fiscal year 1996.

18 (e) The sum of \$110,000,000 from the available unrestricted cash in the general
19 account of the revolving fund, Alaska Housing Finance Corporation, is anticipated to be
20 transferred by the direction of the Alaska Housing Finance Corporation board to the general
21 fund. The funds shall be deposited to the general fund when received during fiscal year 1996.

22 (f) Subsection (d) of this section takes effect only if the appropriation in this Act that
23 appropriates the amount necessary to balance revenue and general fund appropriations from
24 the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to the general
25 fund (sec. 43(b) of this Act) is approved by the affirmative vote of at least three-fourths of
26 the members of each house of the legislature and the appropriation is enacted into law.
27 Subsection (e) of this section takes effect only if the appropriation made by (d) of this section
28 does not take effect.

29 (g) The appropriations made by (a) - (c) of this section are contingent upon
30 compliance with the program review provisions of AS 37.07.080(h).

31 * **Sec. 19.** (a) The sum of \$9,000,000 is appropriated from federal receipts to the disaster

1 relief fund (AS 26.23.300).

2 (b) It is the intent of the legislature that funding necessary to meet the disaster relief
3 responsibilities of the Department of Military and Veterans' Affairs will continue to be made
4 available through the disaster declaration process outlined in the current funding agreement.
5 During the 1996 legislative session, the department shall submit a supplemental appropriation
6 request for fiscal year 1996 disaster relief costs.

7 * **Sec. 20.** The fiscal year 1996 general fund receipts of the tank registration fee program
8 under AS 46.03.385 are appropriated to the storage tank assistance fund (AS 46.03.410).

9 * **Sec. 21.** (a) The balance of the oil and hazardous substance release prevention mitigation
10 account (AS 46.08.020(b)) in the general fund on July 1, 1995, not otherwise appropriated by
11 (b) and (c) of this section, is appropriated to the oil and hazardous substance release
12 prevention account (AS 46.08.010(a)(1)) in the oil and hazardous substance release prevention
13 and response fund (AS 46.08.010).

14 (b) The sum of \$3,591,300 is appropriated from the oil and hazardous substance
15 release prevention mitigation account (AS 46.08.020(b)) on July 1, 1995, to the storage tank
16 assistance fund (AS 46.03.410) for the fiscal year ending June 30, 1996.

17 (c) The sum of \$1,600,000 is appropriated from the oil and hazardous substance
18 release prevention mitigation account (AS 46.08.020(b)) on July 1, 1995, to the Department
19 of Community and Regional Affairs for grants for the bulk fuel system repair and upgrade
20 program.

21 * **Sec. 22.** The balance in the oil and hazardous substance release response mitigation
22 account (AS 46.08.025(b)) in the general fund on July 1, 1995, is appropriated to the oil and
23 hazardous substance release response account (AS 46.08.010(a)(2)) in the oil and hazardous
24 substance release prevention and response fund (AS 46.08.010).

25 * **Sec. 23.** (a) The sum of \$4,015,100, derived from the surcharge collected under
26 AS 43.55.201 during fiscal year 1995, is appropriated from the general fund to the oil and
27 hazardous substance release response account (AS 46.08.010(a)(2)) in the oil and hazardous
28 substance release prevention and response fund (AS 46.08.010).

29 (b) The appropriation made by (a) of this section is based on revenue estimates. If
30 the amount in the general fund that is derived from the surcharge collected under
31 AS 43.55.201 during fiscal year 1995 is greater than the appropriation made by (a) of this

1 section, that appropriation is increased to that greater amount.

2 * **Sec. 24.** (a) The sum of \$9,875,700, derived from the surcharge collected under
3 AS 43.55.300 during fiscal year 1995, is appropriated from the general fund to the oil and
4 hazardous substance release prevention account (AS 46.08.010(a)(1)) in the oil and hazardous
5 substance release prevention and response fund (AS 46.08.010).

6 (b) The appropriation made by (a) of this section is based on revenue estimates. If
7 the amount in the general fund that is derived from the surcharge collected under
8 AS 43.55.300 during fiscal year 1995 is greater than the appropriation made by (a) of this
9 section, that appropriation is increased to that greater amount.

10 * **Sec. 25.** The sum of \$21,860,400 is appropriated to the information services fund
11 (AS 44.21.045) for the Department of Administration, division of information services
12 programs from the following sources:

13	General fund program receipts	\$ 55,000
14	Inter-agency receipts	21,725,400
15	Inter-agency receipts/oil and hazardous	
16	substance release prevention and response fund	80,000

17 * **Sec. 26.** (a) The sum of \$20,000,000 is appropriated to the Department of Law from the
18 following sources, for costs relating to legal proceedings and audit activity involving oil and
19 gas revenue due or paid to the state or state title to oil and gas land, for the fiscal year ending
20 June 30, 1996:

21	State corporation receipts	\$ 3,160,000
22	Budget reserve fund (art. IX, sec. 17,	
23	Constitution of the State of Alaska)	16,840,000

24 (b) The appropriation made by (a) of this section from the budget reserve fund
25 (art. IX, sec. 17, Constitution of the State of Alaska) is made under art. IX, sec. 17(c),
26 Constitution of the State of Alaska.

27 * **Sec. 27.** (a) The sum of \$80,322,400 is appropriated from the general fund to the
28 Alaska debt retirement fund (AS 37.15.011).

29 (b) The sum of \$80,322,400 is appropriated from the Alaska debt retirement fund
30 (AS 37.15.011) to the Department of Education for state aid for costs of school construction
31 under AS 14.11.100.

1 * **Sec. 28.** An amount equal to the amount appropriated for the costs of the 1995 annual
2 governor's safety conference (sec. 28, ch. 3, FSSLA 1994), plus the fiscal year 1995 program
3 receipts of the Safety Advisory Council (AS 18.60.830), less the amount expended or
4 obligated for expenditure for the costs of the 1995 annual governor's safety conference, is
5 appropriated from the general fund to the Safety Advisory Council for costs of the 1996
6 annual governor's safety conference.

7 * **Sec. 29.** The amount required to pay claims awarded under AS 08.88.470 is appropriated
8 from the real estate surety fund (AS 08.88.450) to the Department of Commerce and
9 Economic Development, division of occupational licensing, to pay claims awarded under
10 AS 08.88.470.

11 * **Sec. 30.** The balance on June 30, 1995, of the Alaska Public Utilities Commission
12 program receipts account for regulatory cost charges under AS 42.05.253 and AS 42.06.285
13 for fiscal year 1995 is appropriated to the Alaska Public Utilities Commission for fiscal year
14 1996 expenditures.

15 * **Sec. 31.** An amount equal to the fiscal year 1995 general fund receipts from the salmon
16 marketing tax under AS 43.76.110 and from the seafood marketing assessment under
17 AS 16.51.120, less the amount of those receipts that was expended or obligated for
18 expenditure during fiscal year 1995, is appropriated from the general fund to the Alaska
19 Seafood Marketing Institute for marketing Alaska seafood products during fiscal year 1996.

20 * **Sec. 32.** The sum of \$28,006,600 is appropriated from the general fund to the Alaska
21 marine highway system fund (AS 19.65.060) to continue to provide stable services to the
22 public.

23 * **Sec. 33.** The amount available in the four dam pool transfer fund (AS 42.45.050) during
24 fiscal year 1996 is appropriated to the following funds in the following percentages for the
25 purposes set out in AS 42.45.050:

26	Power cost equalization and rural electric	
27	capitalization fund (AS 42.45.100)	40 percent
28	Southeast energy fund (AS 42.45.040)	40 percent
29	Power project fund (AS 42.45.010)	20 percent

30 * **Sec. 34.** The sum of \$9,097,800 is appropriated to the Alaska clean water fund
31 (AS 46.03.032) for the Alaska clean water loan program from the following sources:

1 Alaska marine highway system negotiated between the state and the Inlandboatmen's Union
2 constitutes rejection of the monetary terms of that agreement in accordance with
3 AS 23.40.215. Money appropriated in this Act may not be used to implement the negotiated
4 monetary terms of that agreement.

5 (c) Failure of the legislature to adopt a separate appropriation item to fund the
6 monetary terms of the collective bargaining agreement covering labor trades and crafts unit
7 employees negotiated between the state and Public Employees' Local 71 (AFL-CIO)
8 constitutes rejection of the monetary terms of that agreement in accordance with
9 AS 23.40.215. Money appropriated in this Act may not be used to implement the negotiated
10 monetary terms of that agreement.

11 * **Sec. 39.** An amount equal to the amount received from the City and Borough of Sitka
12 in the fiscal year ending June 30, 1996, from operation of the Sitka airport under the
13 agreement with the City and Borough of Sitka, not to exceed \$500,000, is appropriated from
14 the general fund to the Department of Transportation and Public Facilities for maintenance
15 services at the Sitka airport.

16 * **Sec. 40.** (a) The unexpended and unobligated balance of the appropriation made by sec.
17 34(a), ch. 3, FSSLA 1994, is appropriated to the Department of Public Safety, Violent Crimes
18 Compensation Board, for grants and payment of claims for the fiscal year ending June 30,
19 1996.

20 (b) The unexpended and unobligated balance of the appropriation made by sec. 34(b),
21 ch. 3, FSSLA 1994, is appropriated to the Department of Public Safety, Council on Domestic
22 Violence and Sexual Assault, for grants and payment of claims for the fiscal year ending
23 June 30, 1996.

24 (c) Twenty-five percent of the money collected during fiscal year 1996 from day fines
25 imposed under AS 12.55, less an amount equal to the amount expended or obligated under
26 sec. 34(a), ch. 3, FSSLA 1994, or under (a) of this section, is appropriated to the Department
27 of Public Safety, Violent Crimes Compensation Board, for grants and payment of claims.

28 (d) Twenty-five percent of the money collected during fiscal year 1996 from day fines
29 imposed under AS 12.55, less an amount equal to the amount expended or obligated under
30 sec. 34(b), ch. 3, FSSLA 1994, or under (b) of this section, is appropriated to the Department
31 of Public Safety, Council on Domestic Violence and Sexual Assault, for grants and payment

1 of claims.

2 * **Sec. 41.** The sum of \$437,000 is appropriated from the general fund to the Department
3 of Corrections for the fiscal year ending June 30, 1996, to fully fund the renegotiated contracts
4 of the Community Jails component, contingent upon the department securing a written
5 contractual guarantee from each contracted operator of a community jail that the rates
6 negotiated under the auspices of the Community Jails Task Force may not be increased and
7 shall remain in effect through at least July 1, 1998, and that the scope of services specified
8 in each contract may not be unilaterally diminished during this same time period.

9 * **Sec. 42.** The sum of \$17,000,000 from the available unrestricted cash in the Alaska
10 Industrial Development and Export Authority revolving fund (AS 44.88.060) is anticipated to
11 be transferred by the direction of the Alaska Industrial Development and Export Authority
12 board to the general fund. The funds shall be deposited to the general fund when received
13 during fiscal year 1996.

14 * **Sec. 43.** (a) Amounts equal to the amounts deposited in the budget reserve fund (art. IX,
15 sec. 17, Constitution of the State of Alaska) for the fiscal year ending June 30, 1995, by
16 operation of art. IX, sec. 17(d) to repay appropriations made from the budget reserve fund are
17 appropriated from the budget reserve fund to the funds and accounts from which they were
18 transferred. The appropriations made by this section are made under art. IX, sec. 17(c),
19 Constitution of the State of Alaska.

20 (b) If the unrestricted state revenue available for appropriation in fiscal year 1996 is
21 insufficient, after the appropriation to the general fund made in sec. 44 of this Act, to cover
22 the general fund appropriations made for fiscal year 1996, the amount necessary to balance
23 revenue and general fund appropriations is appropriated to the general fund from the budget
24 reserve fund (art. IX, sec. 17, Constitution of the State of Alaska). If the appropriation made
25 by this subsection is approved by the affirmative vote of at least three-fourths of the members
26 of each house of the legislature, the appropriation is made under art. IX, sec. 17(c),
27 Constitution of the State of Alaska. If the appropriation made by this subsection is not
28 approved by at least three-fourths vote of each house of the legislature, then the appropriation
29 is made under art. IX, sec. 17(b), Constitution of the State of Alaska and the amount
30 appropriated under this subsection is limited to the amount permitted under art. IX, sec. 17(b).

31 * **Sec. 44.** If the unrestricted state revenue available for appropriation in the fiscal year that

1 ends June 30, 1996, is insufficient to cover the general fund appropriations made for that fiscal
2 year, the amount necessary to balance revenue and general fund appropriations is appropriated
3 to the general fund from the budget reserve fund (AS 37.05.540).

4 * **Sec. 45.** In its review of agency operations plans prepared under AS 37.07.080, it is the
5 intent of the legislature that the office of management and budget control state expenditures
6 in order to prevent any cash or budget shortfalls over fiscal year 1996. These controls are
7 intended to limit the use of the budget reserve fund (art. IX, sec. 17, Constitution of the State
8 of Alaska) to the greatest extent possible, and to reduce supplemental budget requests in the
9 Second Session of the Nineteenth Alaska State Legislature.

10 * **Sec. 46.** The appropriations made by secs. 18 - 25, 32, 33, and 34 of this Act are for
11 capitalization of funds and do not lapse under AS 37.25.010.

(SECTION 47 OF THIS ACT BEGINS ON PAGE 15)