

CS FOR HOUSE BILL NO. 75(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/27/97

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.** 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	\$350,000,000	AHFCcorporatereceipts
14	not subsidized by the Alaska		
15	Housing Finance Corporation		
16	Housing loan programs	50,000,000	AHFCcorporatereceipts
17	and projects subsidized		derived from arbitrage
18	by the Alaska Housing		earnings
19	Finance Corporation		

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 designated
11 program receipts account for regulatory cost charges under AS 42.05.254 and AS 42.06.286
12 for fiscal year 1997 is appropriated to the Alaska Public Utilities Commission for fiscal year
13 1998 expenditures.

14 * **Sec. 6.** ALASKA SEAFOOD MARKETING INSTITUTE. An amount equal to the
15 unexpended and unobligated balance on June 30, 1997 of the fiscal year 1997 general fund
16 receipts from the salmon marketing tax (AS 43.76.110), from the seafood marketing
17 assessment (AS 16.51.120), and from the fisheries resource landing tax (AS 43.77.010) is
18 appropriated from the general fund to the Alaska Seafood Marketing Institute for marketing
19 Alaska seafood products during fiscal year 1998.

20 * **Sec. 7.** CONSTITUTIONAL BUDGET RESERVE FUND. (a) Amounts equal to the
21 deposits in the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for
22 fiscal year 1997 that were made by operation of art. IX, sec. 17(d) to repay appropriations
23 from the budget reserve fund are appropriated from the budget reserve fund to the funds and
24 accounts from which they were transferred.

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

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

31 * **Sec. 8.** DISASTER RELIEF AND FIRE SUPPRESSION. (a) Federal receipts received

1 for disaster relief are appropriated to the disaster 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 and the fire suppression
4 responsibilities of the Department of Natural Resources will continue to be made available
5 through the disaster declaration process. If fiscal year 1998 disaster relief and fire suppression
6 costs are not adequately funded by this Act, the Department of Military and Veterans' Affairs
7 or the Department of Natural Resources, respectively, shall submit a supplemental
8 appropriation request during the 1998 legislative session.

9 * **Sec. 9. FEDERAL AND OTHER PROGRAM RECEIPTS.** (a) Federal or other program
10 receipts as defined in AS 37.05.146 that exceed the amounts appropriated by this Act are
11 appropriated conditioned upon compliance with the program review provisions of
12 AS 37.07.080(h).

13 (b) If federal or other program receipts as defined in AS 37.05.146 exceed the
14 estimates appropriated by this Act, the appropriations from state funds for the affected
15 program may be reduced by the excess if the reductions are consistent with applicable federal
16 statutes.

17 (c) If federal or other program receipts as defined in AS 37.05.146 fall short of the
18 estimates appropriated by this Act, the affected appropriation is reduced by the amount of the
19 shortfall in receipts.

20 * **Sec. 10. FISH AND GAME ENFORCEMENT.** (a) To increase enforcement of the fish
21 and game laws of the state, the amount deposited in the general fund during the fiscal year
22 ending June 30, 1997, from criminal fines, penalties, and forfeitures imposed for violation of
23 AS 16 and its implementing regulations and from the sale of forfeited property or alternative
24 damages collected under AS 16.05.195 is appropriated to the fish and game fund
25 (AS 16.05.100).

26 (b) Appropriations totaling the estimated amount of the deposits described in (a) of
27 this section are made in sec. 37 of this Act to the Departments of Public Safety and Law for
28 increased enforcement, investigation, and prosecution of state fish and game laws. If the
29 receipts appropriated to the fish and game fund (AS 16.05.100) from the sources described in
30 (a) of this section during fiscal year 1998 fall short of the estimates appropriated by this Act,
31 each department's appropriation set out in sec. 37 of this Act is reduced proportionately.

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

4	Power cost equalization and rural electric	40 percent
5	capitalization fund (AS 42.45.100)	
6	Southeast energy fund (AS 42.45.040)	40 percent
7	Power project fund (AS 42.45.010)	20 percent

8 * **Sec. 12.** INFORMATION SERVICES FUND. The sum of \$55,000 is appropriated to
9 the information services fund (AS 44.21.045) for the Department of Administration, division
10 of information services programs, from designated program receipts.

11 * **Sec. 13.** INSURANCE AND BOND CLAIMS. (a) The amount necessary to fund the
12 uses of the state insurance catastrophe reserve account described in AS 37.05.289(a) is
13 appropriated from that account to the Department of Administration for those uses.

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

17 (c) Amounts received in settlement of claims against bonds guaranteeing the
18 reclamation of state land are appropriated from the general fund to the agency secured by the
19 bond for the purpose covered by the bond.

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

22 * **Sec. 14.** MARINE HIGHWAY SYSTEM FUND. The sum of \$28,010,200 is
23 appropriated from the general fund to the Alaska marine highway system fund (AS 19.65.060).

24 * **Sec. 15.** MOTOR FUEL TAX. The following estimated amounts from the unreserved
25 special accounts in the general fund are included within the general fund amounts appropriated
26 by this Act:

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

29 * **Sec. 16.** OCCUPATIONAL LICENSING. The unexpended and unobligated balance on
30 June 30, 1997, of the Department of Commerce and Economic Development, division of
31 occupational licensing, designated program receipts from occupational licensing fees under

1 AS 08.01.065 is appropriated to the division of occupational licensing for operating costs for
2 the fiscal year ending June 30, 1998.

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

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

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

12 * **Sec. 18. OIL AND HAZARDOUS SUBSTANCE RELEASE RESPONSE ACCOUNT.**
13 The following amounts are appropriated to the oil and hazardous substance release response
14 account (AS 46.08.010(a)(2)) in the oil and hazardous substance release prevention and
15 response fund (AS 46.08.010) from the following sources:

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

19 (2) the amount collected for the fiscal year ending June 30, 1997, from the
20 surcharge levied under AS 43.55.201.

21 * **Sec. 19. RETAINED FEES.** The amount retained to compensate the collector or trustee
22 of fees, licenses, taxes, or other money belonging to the state during the fiscal year ending
23 June 30, 1998, is appropriated for that purpose to the agency authorized by law to generate
24 the revenue.

25 * **Sec. 20. SAFETY ADVISORY COUNCIL.** The amount appropriated for the 1997
26 annual governor's safety conference (sec. 21, ch. 117, SLA 1996), plus the fiscal year 1997
27 program receipts of the Alaska Safety Advisory Council (AS 18.60.830), less the amount
28 expended or obligated for the 1997 annual governor's safety conference, is appropriated from
29 the designated program receipts to the Alaska Safety Advisory Council for costs of the 1998
30 annual governor's safety conference.

31 * **Sec. 21. SALMON ENHANCEMENT TAX.** The salmon enhancement tax collected

1 under AS 43.76.010 - 43.76.030 in calendar year 1996 and deposited in the general fund under
 2 AS 43.76.025(c) is appropriated from the general fund to the Department of Commerce and
 3 Economic Development for payment in fiscal year 1998 to qualified regional associations
 4 operating within a region designated under AS 16.10.375.

5 * **Sec. 22. SHARED TAXES AND FEES.** The amount necessary to refund to local
 6 governments their share of taxes and fees collected in the listed fiscal years under the
 7 following programs is appropriated to the Department of Revenue from the general fund for
 8 payment in fiscal year 1998:

9	REVENUE SOURCE	FISCAL YEAR COLLECTED
10	fisheries taxes (AS 43.75)	1997
11	fishery resource landing tax (AS 43.77)	1997
12	amusement and gaming taxes (AS 43.35)	1998
13	aviation fuel tax (AS 43.40.010)	1998
14	electric and telephone cooperative tax (AS 10.25.570)	1998
15	liquor license fee (AS 04.11)	1998

16 * **Sec. 23. STATE DEBT AND OTHER OBLIGATIONS.** (a) The amount required to pay
 17 interest on revenue anticipation notes issued by the commissioner of revenue under AS 43.08
 18 is appropriated from the general fund to the Department of Revenue for payment of the
 19 interest on those notes.

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

23 (c) The sum of \$73,270,700 is appropriated from the general fund to the Alaska debt
 24 retirement fund (AS 37.15.011).

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

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

1 (f) The sum of \$5,837,534 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 (g) The sum of \$62,288,400 is appropriated from the Alaska debt retirement fund
5 (AS 37.15.011) to the Department of Education for state aid for costs of school construction
6 under AS 14.11.100.

7 * **Sec. 24.** STATE TRAINING AND EMPLOYMENT PROGRAM. The lapsing balance
8 of the employment assistance and training program account (AS 23.15.625) on June 30, 1997,
9 is appropriated to the unemployment compensation fund (AS 23.20.130).

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

15 * **Sec. 26.** STORAGE TANK ASSISTANCE FUND. (a) The fiscal year 1998 general
16 fund receipts of the tank registration fee program under AS 46.03.385 are appropriated to the
17 storage tank assistance fund (AS 46.03.410).

18 (b) The sum of \$2,910,600 is appropriated from the oil and hazardous substance
19 release prevention account (AS 46.08.010(a)(1)) to the storage tank assistance fund
20 (AS 46.03.410) for the fiscal year ending June 30, 1998.

21 * **Sec. 27.** STUDENT LOAN PROGRAM. The amount from student loan borrowers of
22 the Alaska Commission on Postsecondary Education that is assessed for loan origination fees
23 for the fiscal year ending June 30, 1998, is appropriated to the origination fee account
24 (AS 14.43.120(u)) within the student loan fund of the Alaska Student Loan Corporation for
25 the purposes specified in AS 14.43.120(u).

26 * **Sec. 28.** DIVISION OF INSURANCE. The unexpended and unobligated balance on
27 June 30, 1997, of the Department of Commerce and Economic Development, division of
28 insurance, designated program receipts from insurance fees under AS 21.06.250 is appropriated
29 to the Department of Commerce and Economic Development, division of insurance, for
30 operating costs for the fiscal year ending June 30, 1998.

31 * **Sec. 29.** ALASKA SCIENCE AND TECHNOLOGY FOUNDATION. The unexpended

1 and unobligated balance in the Alaska science and technology endowment earnings reserve
2 on June 30, 1997, is appropriated to the Alaska Science and Technology Foundation to award
3 as grants under AS 37.17.030(d) for the fiscal year ending June 30, 1998.

4 * **Sec. 30.** (a) Subject to (b) of this section, the sum of \$30,000,000 is appropriated from
5 the general fund to the Department of Health and Social Services for medical assistance and
6 allocated equally for Medicaid non-facility and Medicaid facilities components, and the
7 appropriation from federal receipts made by sec. 37 of this Act to the Department of Health
8 and Social Services for medical assistance and allocated for the Medicaid non-facility and
9 Medicaid facilities components is reduced by a total of \$30,000,000.

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

13 * **Sec. 31.** Revenues generated or retained by the Alaska Railroad Corporation before or
14 during the fiscal year ending June 30, 1998, and income earned on revenues generated or
15 retained by the Alaska Railroad Corporation before or during the fiscal year ending
16 June 30, 1998, are appropriated to the Alaska Railroad Corporation for railroad and related
17 purposes for the fiscal year ending June 30, 1998. This appropriation does not authorize the
18 expenditure of funds appropriated by sec. 145, ch. 208, SLA 1990 (Locomotives, rolling stock
19 - \$9,000,000) or the expenditure of interest earned on those funds.

20 * **Sec. 32.** (a) Federal funds received by the Alaska Railroad Corporation before or during
21 the fiscal year ending June 30, 1997, are appropriated to the Alaska Railroad Corporation for
22 the purposes for which the funds were received by the corporation.

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

27 * **Sec. 33. DENIAL OF GENERAL SALARY INCREASES.** (a) Failure of the legislature
28 to adopt a separate appropriation item for cost-of-living adjustments negotiated between the
29 state and bargaining organizations representing state employees constitutes rejection of the
30 monetary terms of those collective bargaining agreements in accordance with AS 23.40.215.
31 Money appropriated by this Act may not be used to implement a negotiated pay raise.

1 (b) Unless otherwise required by law, money appropriated by this Act may not be
2 used to implement an adjustment to the compensation of state employees that is based on an
3 increase in the cost of living and is not determined by the employee's job performance or
4 longevity in state service.

5 (c) This section does not apply to the compensation of officers or employees of the
6 University of Alaska or to collective bargaining units negotiated between the University of
7 Alaska and bargaining organizations representing employees of the university.

8 * **Sec. 34. DENIAL OF UNIVERSITY OF ALASKA SALARY INCREASES.** (a) Failure
9 of the legislature to adopt a separate appropriate item for pay increases negotiated between
10 the University of Alaska and bargaining organizations representing university employees
11 constitutes rejection of the monetary terms of those collective bargaining agreements in
12 accordance with AS 23.40.215. Money appropriated by this Act may not be used to
13 implement a negotiated pay raise.

14 (b) Unless otherwise required by law, money appropriated by this Act may not be
15 used to implement a pay increase for employees of the University of Alaska except as the
16 Board of Regents or their designee consider necessary to retain an essential employee.

17 * **Sec. 35. NONLAPSE OF APPROPRIATIONS.** The appropriations made by secs. 1, 2,
18 8, 10, 11, 12, 13(b), 14, 17, 18, 24, 26(a), and 27 of this Act are for the capitalization of funds
19 and do not lapse under AS 37.25.010.

20 * **Sec. 36. EFFECTIVE DATE FOR SECTION 30.** If sec. 30(a) of this Act takes effect
21 under sec. 30(b) of this Act, it takes effect on February 1, 1998.

(SECTION 37 OF THIS ACT BEGINS ON PAGE 14)