

HOUSE BILL NO. 325

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/16/98

Referred: Finance

A BILL

FOR AN ACT ENTITLED

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

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

7 * **Section 1.** ALASKA HOUSING FINANCE CORPORATION. (a) The sum of
8 \$50,000,000 from the available unrestricted cash in the general account of the Alaska housing
9 finance revolving fund (AS 18.56.082) is anticipated to be transferred to the general fund
10 during fiscal year 1999 by the direction of the board of directors of the Alaska Housing
11 Finance Corporation.

12 (b) All unrestricted mortgage loan interest payments, mortgage loan commitment fees,
13 and all other unrestricted receipts received by or accrued to the Alaska Housing Finance

1 Corporation during fiscal year 1999 and all income earned on assets of the corporation during
 2 that period are appropriated to the Alaska Housing Finance Corporation to hold as corporate
 3 receipts for the purposes described in AS 18.56. The corporation shall allocate its corporate
 4 receipts among the Alaska housing finance revolving fund (AS 18.56.082), housing assistance
 5 loan fund (AS 18.56.420), and senior housing revolving fund (AS 18.56.710) in accordance
 6 with procedures adopted by the board of directors.

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

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

17 * **Sec. 2. ALASKA PERMANENT FUND CORPORATION.** (a) The amount authorized
 18 for transfer by the Alaska Permanent Fund Corporation under AS 37.13.145(b) is appropriated
 19 from the earnings reserve account (AS 37.13.145) to the dividend fund (AS 43.23.045(a)) for
 20 the payment of permanent fund dividends and administrative and associated costs.

21 (b) After money is transferred to the dividend fund under (a) of this section, the
 22 amount calculated under AS 37.13.145 to offset the effect of inflation on the principal of the
 23 Alaska permanent fund is appropriated from the earnings reserve account (AS 37.13.145) to
 24 the principal of the Alaska permanent fund.

25 (c) The amount required to be deposited under AS 37.13.010(a)(1) and (2) during
 26 fiscal year 1999 is appropriated to the principal of the Alaska permanent fund in satisfaction
 27 of that requirement.

28 (d) The interest earned during fiscal year 1999 on revenue from the sources set out
 29 in AS 37.13.010 while the revenue is held in trust, escrow, or otherwise before receipt by the
 30 state is appropriated to the principal of the Alaska permanent fund.

31 * **Sec. 3. ALASKA PUBLIC UTILITIES COMMISSION.** The unexpended and

1 unobligated balance on June 30, 1998, of the Alaska Public Utilities Commission receipts
 2 account for regulatory cost charges under AS 42.05.254 and AS 42.06.286 for fiscal year 1998
 3 is appropriated to the Alaska Public Utilities Commission for fiscal year 1999 expenditures.

4 * **Sec. 4.** ALASKA SCIENCE AND TECHNOLOGY FOUNDATION. The unexpended
 5 and unobligated balance in the Alaska science and technology endowment earnings reserve
 6 on June 30, 1998, is appropriated to the Alaska Science and Technology Foundation to award
 7 as grants under AS 37.17.030(d) for the fiscal year ending June 30, 1999.

8 * **Sec. 5.** ALASKA SEAFOOD MARKETING INSTITUTE. An amount equal to the
 9 unexpended and unobligated balance on June 30, 1998, of the fiscal year 1998 general fund
 10 receipts from the salmon marketing tax (AS 43.76.110) and from the seafood marketing
 11 assessment (AS 16.51.120) is appropriated from the general fund to the Alaska Seafood
 12 Marketing Institute for marketing Alaska seafood products during fiscal year 1999.

13 * **Sec. 6.** BUDGET PROPOSALS REQUIRING LEGISLATION. If a bill to implement
 14 income limits for longevity bonus eligibility is passed by the Second Regular Session of the
 15 Twentieth Alaska State Legislature and is enacted into law, the corresponding operating budget
 16 appropriations for the fiscal year ending June 30, 1999, in other sections of this Act are
 17 reduced by the amounts listed below.

	APPROPRIATION	GENERAL
	ITEMS	FUND
20 Longevity Bonus Grants	(\$6,000,000)	(\$6,000,000)
21 Old Age Assistance - ALB		
22 hold harmless	(2,000,000)	(2,000,000)

23 * **Sec. 7.** CONSTITUTIONAL BUDGET RESERVE FUND. (a) Amounts equal to the
 24 deposits in the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for
 25 fiscal year 1998 that were made from subfunds and accounts other than the operating general
 26 fund (state accounting system fund number 11100) by operation of art. IX, sec. 17(d) to repay
 27 appropriations from the budget reserve fund are appropriated from the budget reserve fund to
 28 the funds and accounts from which they were transferred.

29 (b) If the unrestricted state revenue available for appropriation in fiscal year 1999 is
 30 insufficient to cover the general fund appropriations made for fiscal year 1999, the amount
 31 necessary to balance revenue and general fund appropriations is appropriated to the general

1 fund from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).

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

4 * **Sec. 8. DISASTER RELIEF AND FIRE SUPPRESSION.** (a) Federal receipts received
5 for disaster relief are appropriated to the disaster relief fund (AS 26.23.300).

6 (b) It is the intent of the legislature that funding necessary to meet the disaster relief
7 responsibilities of the Department of Military and Veterans' Affairs and the fire suppression
8 responsibilities of the Department of Natural Resources will continue to be made available
9 through the disaster declaration process. If fiscal year 1999 disaster relief and fire suppression
10 costs are not adequately funded by this Act, the Department of Military and Veterans' Affairs
11 or the Department of Natural Resources, respectively, shall submit a supplemental
12 appropriation request during the 1999 legislative session.

13 * **Sec. 9. FEDERAL AND OTHER PROGRAM RECEIPTS.** (a) Federal and other
14 program receipts that exceed the amounts appropriated by this Act are appropriated
15 conditioned on compliance with the program review provisions of AS 37.07.080(h).

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

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

23 * **Sec. 10. FISH AND GAME ENFORCEMENT.** (a) To increase enforcement of the fish
24 and game laws of the state, the amount deposited in the general fund during the fiscal year
25 ending June 30, 1998, from criminal fines, penalties, and forfeitures imposed for violation of
26 AS 16 and its implementing regulations and from the sale of forfeited property or alternative
27 damages collected under AS 16.05.195 is appropriated to the fish and game fund
28 (AS 16.05.100).

29 (b) Appropriations totaling the estimated amount of the deposits described in (a) of
30 this section are made in sec. 32 of this Act to the Departments of Public Safety and Law for
31 increased enforcement, investigation, and prosecution of state fish and game laws. If the

1 receipts appropriated to the fish and game fund (AS 16.05.100) from the sources described in
 2 (a) of this section during fiscal year 1999 fall short of the estimates appropriated by this Act,
 3 each department's appropriation set out in sec. 32 of this Act is reduced proportionately.

4 * **Sec. 11.** FOUR DAM POOL TRANSFER FUND. The amount available in the four dam
 5 pool transfer fund (AS 42.45.050) during fiscal year 1999 is appropriated to the following
 6 funds in the following percentages for the purposes set out in AS 42.45.050:

7	Power cost equalization and rural electric	40 percent
8	capitalization fund (AS 42.45.100)	
9	Southeast energy fund (AS 42.45.040)	40 percent
10	Power project fund (AS 42.45.010)	20 percent

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

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

17 * **Sec. 14.** INSURANCE FEES. The unexpended and unobligated balance on June 30,
 18 1998, of the Department of Commerce and Economic Development, division of insurance,
 19 general fund program receipts from insurance fees under AS 21.06.250 is appropriated to the
 20 Department of Commerce and Economic Development, division of insurance, for operating
 21 costs for the fiscal year ending June 30, 1999.

22 * **Sec. 15.** MARINE HIGHWAY SYSTEM FUND. The sum of \$28,158,100 is
 23 appropriated from the general fund to the Alaska marine highway system fund (AS 19.65.060).

24 * **Sec. 16.** 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))	\$25,100,000
28	Aviation fuel tax account (AS 43.40.010(e))	5,400,000

29 * **Sec. 17.** OCCUPATIONAL LICENSING. The unexpended and unobligated balance on
 30 June 30, 1998, of the Department of Commerce and Economic Development, division of
 31 occupational licensing, general fund 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, 1999.

3 * **Sec. 18.** 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, 1998, not otherwise appropriated by
9 this Act;

10 (2) the amount collected for the fiscal year ending June 30, 1998, estimated
11 to be \$12,300,000, from the surcharge levied under AS 43.55.300.

12 * **Sec. 19.** 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, 1998, not otherwise appropriated by
18 this Act;

19 (2) the amount collected for the fiscal year ending June 30, 1998, from the
20 surcharge levied under AS 43.55.201.

21 * **Sec. 20.** 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, 1999, is appropriated for that purpose to the agency authorized by law to generate
24 the revenue.

25 * **Sec. 21.** SAFETY ADVISORY COUNCIL. The amount appropriated for the 1998
26 annual governor's safety conference (sec. 19, ch. 98, SLA 1997), plus the fiscal year 1998
27 program receipts of the Alaska Safety Advisory Council (AS 18.60.830), less the amount
28 expended or obligated for the 1998 annual governor's safety conference, is appropriated from
29 general fund program receipts to the Alaska Safety Advisory Council for costs of the 1999
30 annual governor's safety conference.

31 * **Sec. 22.** SALARY AND BENEFIT ADJUSTMENTS. (a) The sum of \$9,208,250 is

1 appropriated to the Office of the Governor, office of management and budget, for the fiscal
 2 year ending June 30, 1999, from the funding sources listed in (e) of this section, to implement
 3 the monetary terms of the collective bargaining agreements listed in (b) of this section and for
 4 salary and benefit adjustments for executive branch, Alaska Court System, legislative branch,
 5 and University of Alaska employees who are not members of a collective bargaining unit.

6 (b) Funding for the following collective bargaining agreements is included in the
 7 appropriation made in (a) of this section:

8 Alaska Classified Employees Association, representing certain employees of the
 9 University of Alaska;
 10 Alaska Community College Federation of Teachers, representing certain employees of
 11 the University of Alaska;
 12 Alaska Public Employees Association for the Supervisory Unit;
 13 Alaska State Employees Association for the General Government Unit;
 14 Alyeska Correspondence School Education Association, representing teachers at the
 15 Alyeska Central School;
 16 Alaska Vocational Technical Center Teachers Association, representing teachers at the
 17 Alaska Vocational Technical Center;
 18 Inland Boatmen's Union of the Pacific representing the unlicensed marine unit;
 19 International Brotherhood of Electrical Workers, representing non-judicial,
 20 nonsupervisory, classified employees of the Alaska Court System;
 21 International Organization of Masters, Mates, and Pilots, Pacific Maritime Region for
 22 the Masters, Mates, and Pilots Unit;
 23 Marine Engineers Beneficial Association, representing licensed engineers employed by
 24 the Alaska Marine Highway System;
 25 Public Employees Local 71 for the Labor, Trades, and Crafts Unit;
 26 Public Safety Employees Association, representing state troopers and other
 27 commissioned law enforcement personnel;
 28 Teachers' Education Association of Mt. Edgecumbe, representing teachers of the
 29 Mt. Edgecumbe High School.

30 (c) Except as described in (d) of this section, the appropriation made in (a) of this
 31 section is the net funding increase for salary and benefit adjustments after deducting cost

1 savings resulting from decreases in employer contributions to the Public Employees
 2 Retirement System (PERS). For the fiscal year ending June 30, 1999, the PERS contribution
 3 rate declines 1.57 percent for police and fire employees and .81 percent for all other executive
 4 branch employees except University of Alaska employees.

5 (d) The amount of operating budget appropriations made in sec. 32 of this Act to the
 6 University of Alaska, the Alaska Court System, and the legislature includes any increase or
 7 decrease caused by changes to the PERS contribution rate.

8 (e) The appropriation made in (a) of this section is allocated to the following agencies
 9 from the following funding sources in the amounts listed:

10	AGENCY	ALLOCATION
11	Administration	\$673,000
12	Commerce and Economic Development	170,600
13	Community and Regional Affairs	84,400
14	Corrections	702,500
15	Education	242,600
16	Environmental Conservation	240,800
17	Fish and Game	594,200
18	Office of the Governor	92,400
19	Health and Social Services	1,005,900
20	Labor	316,200
21	Law	228,500
22	Military and Veterans' Affairs	86,000
23	Natural Resources	331,900
24	Public Safety	254,900
25	Revenue	492,600
26	Transportation and Public Facilities	1,857,530
27	Transportation and Public Facilities/ Alaska marine highway system fund	273,800
28	University of Alaska	684,500
29	Alaska Court System	515,120
30	Legislature	360,800

	FUNDING SOURCE	AMOUNT
1	FUNDING SOURCE	AMOUNT
2	Federal receipts	\$1,102,890
3	General fund match	233,200
4	General fund receipts	4,848,920
5	General fund program receipts	312,070
6	Inter-agency receipts	455,110
7	Alaska advance college tuition payment fund	100
8	Donated commodity handling fee account	1,100
9	University dormitory/food/auxiliary service	1,000
10	Federal incentive payments	18,700
11	Benefit system receipts	11,800
12	Exxon Valdez oil spill settlement	37,400
13	Agricultural loan fund	8,500
14	FICA administration fund account	500
15	Fish and game fund	86,000
16	Science and technology endowment	7,100
17	Highway working capital fund	123,700
18	International airports revenue fund	254,800
19	Public employees retirement fund	16,700
20	Second injury fund reserve account	1,300
21	Disabled fisherman's reserve account	1,100
22	Surplus property revolving fund	2,800
23	Teachers' retirement system fund	14,100
24	Veterans' revolving loan fund	1,400
25	Commercial fishing loan fund	13,300
26	General fund/mental health	56,500
27	University student tuition/fees/services	42,500
28	Real estate surety fund	600
29	Judicial retirement system	100
30	Public Law 81-874	600
31	National guard retirement system	100

1	Student revolving loan fund	100
2	University restricted receipts	7,500
3	Training and building fund	4,800
4	Permanent fund dividend fund	27,900
5	Rural development initiative fund	600
6	Oil/hazardous prevention/response	57,500
7	Interagency receipts/oil and hazardous waste	7,600
8	Capital improvement project receipts	600,700
9	Power project loan fund	4,300
10	Public school fund	200
11	Child care revolving loan fund	100
12	Fisheries enhancement revolving loan fund	1,100
13	Alternative energy revolving loan fund	900
14	Bulk fuel revolving loan fund	400
15	Alaska clean water loan fund	2,100
16	Marine highway system fund	456,330
17	Storage tank assistance fund	4,400
18	Mental health trust receipts	3,300
19	Clean air protection fund	14,500
20	Information services fund	76,500
21	Mental health trust authority authorized receipts	11,300
22	Children's trust fund earnings	200
23	Alaska Housing Finance Corporation receipts	105,580
24	Alaska Municipal Bond Bank receipts	550
25	Alaska Permanent Fund Corporation receipts	62,980
26	Postsecondary education commission receipts	44,300
27	Statutory designated program receipts	25,430
28	Test fisheries receipts	10,900
29	Alaska Public Utilities Commission	22,190
30	* Sec. 23. SALMON ENHANCEMENT TAX. The salmon enhancement tax collected	
31	under AS 43.76.010 - 43.76.030 in calendar year 1997 and deposited in the general fund under	

1 AS 43.76.025(c) is appropriated from the general fund to the Department of Commerce and
 2 Economic Development for payment in fiscal year 1999 to qualified regional associations
 3 operating within a region designated under AS 16.10.375.

4 * **Sec. 24.** SHARED TAXES AND FEES. The amount necessary to refund to local
 5 governments their share of taxes and fees collected in the listed fiscal years under the
 6 following programs is appropriated to the Department of Revenue from the general fund for
 7 payment in fiscal year 1999:

8	REVENUE SOURCE	FISCAL YEAR COLLECTED
9	fisheries taxes (AS 43.75)	1998
10	fishery resource landing tax (AS 43.77)	1998
11	amusement and gaming taxes (AS 43.35)	1999
12	aviation fuel tax (AS 43.40.010)	1999
13	electric and telephone cooperative tax (AS 10.25.570)	1999
14	liquor license fee (AS 04.11)	1999

15 * **Sec. 25.** STATE DEBT AND OTHER OBLIGATIONS. (a) The amount required to pay
 16 interest on revenue anticipation notes issued by the commissioner of revenue under AS 43.08
 17 is appropriated from the general fund to the Department of Revenue for payment of the
 18 interest on those notes.

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

22 (c) The sum of \$64,029,032 is appropriated from the general fund to the Alaska debt
 23 retirement fund (AS 37.15.011).

24 (d) The sum of \$16,331,216 is appropriated from the Alaska debt retirement fund
 25 (AS 37.15.011) to the state bond committee for trustee fees and lease payments relating to
 26 certificates of participation issued for real property.

27 (e) The sum of \$8,871,807 is appropriated from the Alaska debt retirement fund
 28 (AS 37.15.011) to the state bond committee for payment of debt service and trustee fees on
 29 state general obligation bonds.

30 (f) The sum of \$5,005,283 is appropriated from the International Airports Revenue
 31 Fund (AS 37.15.430) to the state bond committee for payment of debt service and trustee fees

1 on outstanding international airports revenue bonds.

2 (g) The sum of \$466,500 is appropriated from the Alaska clean water fund
3 (AS 46.03.032) to the state bond committee for payment of debt service and trustee fees on
4 outstanding clean water fund bonds.

5 (h) The sum of \$60,804,147 is appropriated to the Department of Education for state
6 aid for costs of school construction under AS 14.11.100 from the following sources:

7	Alaska debt retirement fund (AS 37.15.011)	\$44,804,147
8	School fund (AS 43.50.140)	16,000,000

9 * **Sec. 26.** STATE TRAINING AND EMPLOYMENT PROGRAM. The lapsing balance
10 of the employment assistance and training program account (AS 23.15.625) on June 30, 1998,
11 is appropriated to the unemployment compensation fund (AS 23.20.130).

12 * **Sec. 27.** STATUTORY BUDGET RESERVE FUND. If the unrestricted state revenue
13 available for appropriation in fiscal year 1999 is insufficient to cover the general fund
14 appropriations made for fiscal year 1999, the amount necessary to balance revenue and general
15 fund appropriations is appropriated to the general fund from the budget reserve fund
16 (AS 37.05.540).

17 * **Sec. 28.** STORAGE TANK ASSISTANCE FUND. (a) The fiscal year 1999 general
18 fund receipts of the tank registration fee program under AS 46.03.385 are appropriated to the
19 storage tank assistance fund (AS 46.03.410).

20 (b) The sum of \$4,164,800 is appropriated from the oil and hazardous substance
21 release prevention account (AS 46.08.010(a)(1)) to the storage tank assistance fund
22 (AS 46.03.410) for the fiscal year ending June 30, 1999.

23 * **Sec. 29.** STUDENT LOAN PROGRAM. The amount from student loan borrowers of
24 the Alaska Commission on Postsecondary Education that is assessed for loan origination fees
25 for the fiscal year ending June 30, 1999, is appropriated to the origination fee account
26 (AS 14.43.120(u)) within the student loan fund of the Alaska Student Loan Corporation for
27 the purposes specified in AS 14.43.120(u).

28 * **Sec. 30.** TEACHER CERTIFICATION. The unexpended and unobligated balance on
29 June 30, 1998, of the Department of Education, teacher certification general fund program
30 receipts from certification fees under AS 14.20.020(c) is appropriated to the Department of
31 Education, teacher certification, for operating costs for the fiscal year ending June 30, 1999.

