

SENATE CS FOR CS FOR HOUSE BILL NO. 325(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/27/98

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
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	\$472,000,000	AHFC corporate receipts
11	not subsidized by AHFC		
12	Housing loan programs	50,000,000	AHFC corporate receipts
13	and projects subsidized		derived from arbitrage
14	by AHFC		earnings

15 * **Sec. 2.** ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY. The
 16 sum of \$16,000,000 from the available unrestricted cash in the Alaska Industrial Development
 17 and Export Authority revolving fund (AS 44.88.060) is anticipated to be transferred to the
 18 general fund as directed by the Alaska Industrial Development and Export Authority. The
 19 transferred money shall be deposited in the general fund when received during fiscal year
 20 1999.

21 * **Sec. 3.** ALASKA PERMANENT FUND CORPORATION. (a) The amount authorized
 22 for transfer by the Alaska Permanent Fund Corporation under AS 37.13.145(b) is appropriated
 23 from the earnings reserve account (AS 37.13.145) to the dividend fund (AS 43.23.045(a)) for
 24 the payment of permanent fund dividends and administrative and associated costs.

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

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

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

4 * **Sec. 4.** ALASKA PUBLIC UTILITIES COMMISSION. The unexpended and
5 unobligated balance on June 30, 1998, of the Alaska Public Utilities Commission receipts
6 account for regulatory cost charges under AS 42.05.254 and AS 42.06.286 for fiscal year 1998
7 is appropriated to the Alaska Public Utilities Commission for fiscal year 1999 expenditures.

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

12 * **Sec. 6.** ALASKA SEAFOOD MARKETING INSTITUTE. An amount equal to the
13 unexpended and unobligated balance on June 30, 1998, of the fiscal year 1998 general fund
14 receipts from the salmon marketing tax (AS 43.76.110) and from the seafood marketing
15 assessment (AS 16.51.120) is appropriated from the general fund to the Alaska Seafood
16 Marketing Institute for marketing Alaska seafood products during fiscal year 1999.

17 * **Sec. 7.** CONSTITUTIONAL BUDGET RESERVE FUND. (a) Amounts equal to the
18 deposits in the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for
19 fiscal year 1998 that were made from subfunds and accounts in the general fund by operation
20 of art. IX, sec. 17(d), Constitution of the State of Alaska, to repay appropriations from the
21 budget reserve fund are appropriated from the budget reserve fund to the subfunds and
22 accounts from which they were transferred.

23 (b) If the unrestricted state revenue available for appropriation in fiscal year 1999 is
24 insufficient to cover the general fund appropriations made for fiscal year 1999, the amount
25 necessary to balance revenue and general fund appropriations is appropriated to the general
26 fund from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).

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

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

31 * **Sec. 9.** FEDERAL AND OTHER PROGRAM RECEIPTS. (a) If federal or other

1 program receipts as defined in AS 37.05.146 exceed the estimates appropriated by this Act,
 2 the appropriations from state funds for the affected program may be reduced by the excess if
 3 the reductions are consistent with applicable federal statutes.

4 (b) If federal or other program receipts as defined in AS 37.05.146 fall short of the
 5 estimates appropriated by this Act, the affected appropriation is reduced by the amount of the
 6 shortfall in receipts.

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

13 (b) Appropriations totaling the estimated amount of the deposits described in (a) of
 14 this section are made in sec. 32 of this Act to the Department of Public Safety and the
 15 Department of Law for increased enforcement, investigation, and prosecution of state fish and
 16 game laws. If the receipts appropriated to the fish and game fund (AS 16.05.100) from the
 17 sources described in (a) of this section during fiscal year 1999 fall short of the estimates
 18 appropriated by this Act, each department's appropriation set out in sec. 32 of this Act is
 19 reduced proportionately.

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

23	Power cost equalization and rural electric	40 percent
24	capitalization fund (AS 42.45.100)	
25	Southeast energy fund (AS 42.45.040)	40 percent
26	Power project fund (AS 42.45.010)	20 percent

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

30 * **Sec. 13. INSURANCE AND BOND CLAIMS.** The amount necessary to fund the uses
 31 of the state insurance catastrophe reserve account described in AS 37.05.289(a) is appropriated

1 from that account to the Department of Administration for those uses.

2 * **Sec. 14.** INSURANCE FEES. The unexpended and unobligated balance on June 30,
3 1998, of the Department of Commerce and Economic Development, division of insurance,
4 general fund program receipts from insurance fees under AS 21.06.250 is appropriated to the
5 Department of Commerce and Economic Development, division of insurance, for operating
6 costs for the fiscal year ending June 30, 1999.

7 * **Sec. 15.** MARINE HIGHWAY SYSTEM FUND. The sum of \$27,358,100 is
8 appropriated from the general fund to the Alaska marine highway system fund (AS 19.65.060).

9 * **Sec. 16.** MOTOR FUEL TAX. The following estimated amounts from the unreserved
10 special accounts in the general fund are included within the general fund amounts appropriated
11 by this Act:

12	Special highway fuel tax account (AS 43.40.010(g))	\$25,100,000
13	Special aviation fuel tax account (AS 43.40.010(e))	5,400,000

14 * **Sec. 17.** OCCUPATIONAL LICENSING. The unexpended and unobligated balance on
15 June 30, 1998, of the Department of Commerce and Economic Development, division of
16 occupational licensing, general fund program receipts from occupational licensing fees under
17 AS 08.01.065 is appropriated to the division of occupational licensing for operating costs for
18 the fiscal year ending June 30, 1999.

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

23 (1) the balance of the oil and hazardous substance release prevention mitigation
24 account (AS 46.08.020(b)) in the general fund on July 1, 1998, not otherwise appropriated by
25 this Act;

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

28 * **Sec. 19.** OIL AND HAZARDOUS SUBSTANCE RELEASE RESPONSE ACCOUNT.
29 The following amounts are appropriated to the oil and hazardous substance release response
30 account (AS 46.08.010(a)(2)) in the oil and hazardous substance release prevention and
31 response fund (AS 46.08.010) from the following sources:

1 (1) the balance of the oil and hazardous substance release response mitigation
2 account (AS 46.08.025(b)) in the general fund on July 1, 1998, not otherwise appropriated by
3 this Act;

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

6 * **Sec. 20. RETAINED FEES.** The amount retained to compensate the collector or trustee
7 of fees, licenses, taxes, or other money belonging to the state during the fiscal year ending
8 June 30, 1999, is appropriated for that purpose to the agency authorized by law to generate
9 the revenue.

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

16 * **Sec. 22. SALARY AND BENEFIT ADJUSTMENTS.** (a) The sum of \$4,675,260 is
17 appropriated to the Office of the Governor, office of management and budget, for the fiscal
18 year ending June 30, 1999, from the funding sources and in the amounts listed in (f) of this
19 section to implement the monetary terms of the collective bargaining agreements listed in (b)
20 of this section and for salary and benefit adjustments for executive branch, Alaska Court
21 System, and legislative branch employees who are not members of a collective bargaining
22 unit.

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

25 Alaska Public Employees Association for the Supervisory Unit;

26 Alaska State Employees Association for the General Government Unit;

27 Alaska Vocational Technical Center Teachers Association, representing teachers at the
28 Alaska Vocational Technical Center;

29 Alyeska Correspondence School Education Association, representing teachers at the
30 Alyeska Central School;

31 Confidential Employees Association;

1 Inlandboatmen's Union of the Pacific, representing the unlicensed marine unit;
 2 International Brotherhood of Electrical Workers, representing nonjudicial,
 3 nonsupervisory, classified employees of the Alaska Court System;
 4 International Organization of Masters, Mates, and Pilots, Pacific Maritime Region for
 5 the Masters, Mates, and Pilots Unit;
 6 Marine Engineers Beneficial Association, representing licensed engineers employed by
 7 the Alaska marine highway system;
 8 Public Employees Local 71 for the Labor, Trades, and Crafts Unit;
 9 Public Safety Employees Association, representing state troopers and other
 10 commissioned law enforcement personnel;
 11 Teachers' Education Association of Mt. Edgecumbe, representing teachers of the
 12 Mt. Edgecumbe High School.

13 (c) Funding for the following collective bargaining agreements is included in the
 14 appropriations made to the University of Alaska in sec. 32 of this Act:

15 Alaska Classified Employees Association, representing certain employees of the
 16 University of Alaska;
 17 Alaska Community College Federation of Teachers, representing certain employees of
 18 the University of Alaska;
 19 United Academics, representing certain employees of the University of Alaska.

20 (d) Except as described in (e) of this section, the appropriation made in (a) of this
 21 section is the net funding increase for salary and benefit adjustments after deducting cost
 22 savings resulting from decreases in employer contributions to the Public Employees
 23 Retirement System (PERS). For the fiscal year ending June 30, 1999, the PERS employer
 24 contribution rate declines 1.57 percent for police and fire employees and .81 percent for all
 25 other executive branch employees except University of Alaska employees.

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

29 (f) The appropriation made in (a) of this section is allocated to the following agencies
 30 from the following funding sources in the amounts listed:

31 AGENCY	ALLOCATION
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1	Administration	\$332,200
2	Commerce and Economic Development	89,100
3	Community and Regional Affairs	49,000
4	Corrections	355,400
5	Education	118,500
6	Environmental Conservation	136,500
7	Fish and Game	366,200
8	Office of the Governor	41,600
9	Health and Social Services	656,500
10	Labor	255,500
11	Law	100,100
12	Military and Veterans' Affairs	65,500
13	Natural Resources	187,600
14	Public Safety	180,900
15	Revenue	314,600
16	Transportation and Public Facilities	796,000
17	Transportation and Public Facilities/ Alaska marine highway system fund	151,400
18	Alaska Court System	219,260
19	Legislature	259,400
21	FUNDING SOURCE	AMOUNT
22	Federal receipts	754,200
23	General fund match	174,800
24	General fund receipts	1,055,760
25	General fund program receipts	210,400
26	Inter-agency receipts	240,600
27	Donated commodities handling fee account	500
28	Federal incentive payments	11,000
29	Benefit system receipts	8,200
30	Exxon Valdez oil spill settlement	21,800
31	Agricultural loan fund	4,600

1	FICA administration fund account	300
2	Fish and game fund	48,900
3	Science and technology endowment	2,700
4	Highway working capital fund	31,700
5	International airports revenue fund	111,900
6	Public employees retirement fund	10,100
7	Second injury fund reserve account	600
8	Disabled fisherman's reserve account	500
9	Surplus property revolving fund	1,300
10	Teachers' retirement system fund	8,700
11	Veterans' revolving loan fund	700
12	Commercial fishing loan fund	7,600
13	General fund/mental health	29,600
14	Real estate surety fund	300
15	Judicial retirement system	200
16	Public Law 81-874	300
17	National guard retirement system	100
18	Training and building fund	4,400
19	Permanent fund dividend fund	17,000
20	Rural development initiative fund	200
21	Oil/hazardous prevention/response	33,500
22	Investment loss trust fund	1,112,000
23	Interagency receipts/oil and hazardous waste	5,100
24	Capital improvement project receipts	295,200
25	Power project loan fund	2,500
26	Public school fund	100
27	Child care facility revolving loan fund	100
28	Fisheries enhancement revolving loan fund	700
29	Alternative energy revolving loan fund	500
30	Bulk fuel revolving loan fund	200
31	Alaska clean water loan fund	1,100

1	Marine highway system fund	252,400
2	Storage tank assistance fund	2,700
3	Mental health trust receipts	1,400
4	Clean air protection fund	8,300
5	Information services fund	36,800
6	Mental health trust authority authorized receipts	5,400
7	Children's trust fund earnings	100
8	Alaska Industrial Development and Export Authority receipts	6,500
9	Alaska Housing Finance Corporation receipts	82,300
10	Alaska Municipal Bond Bank receipts	300
11	Alaska Permanent Fund Corporation receipts	7,100
12	Postsecondary education commission receipts	24,200
13	Alaska Energy Authority receipts	900
14	Designated program receipts	15,100
15	Test fisheries receipts	10,900
16	Alaska Public Utilities Commission receipts	10,900

17 * **Sec. 23.** SALMON ENHANCEMENT TAX. The salmon enhancement tax collected
18 under AS 43.76.010 - 43.76.030 in calendar year 1997 and deposited in the general fund under
19 AS 43.76.025(c) is appropriated from the general fund to the Department of Commerce and
20 Economic Development for payment in fiscal year 1999 to qualified regional associations
21 operating within a region designated under AS 16.10.375.

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

26	REVENUE SOURCE	FISCAL YEAR COLLECTED
27	fisheries taxes (AS 43.75)	1998
28	fishery resource landing tax (AS 43.77)	1998
29	amusement and gaming taxes (AS 43.35)	1999
30	aviation fuel tax (AS 43.40.010)	1999
31	electric and telephone cooperative tax (AS 10.25.570)	1999

1 available for appropriation in fiscal year 1999 is insufficient to cover the general fund
2 appropriations made for fiscal year 1999, the amount necessary to balance revenue and general
3 fund appropriations is appropriated to the general fund from the budget reserve fund
4 (AS 37.05.540).

5 * **Sec. 28.** STORAGE TANK ASSISTANCE FUND. The sum of \$4,364,800 is
6 appropriated from the oil and hazardous substance release prevention account
7 (AS 46.08.010(a)(1)) to the storage tank assistance fund (AS 46.03.410) for the fiscal year
8 ending June 30, 1999.

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

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

18 * **Sec. 31.** NONLAPSE OF APPROPRIATIONS. The appropriations made by secs. 1, 8,
19 10(a), 11, 12, 15, 18, 19, and 29 of this Act are for the capitalization of funds and do not
20 lapse.

21 (SECTION 32 OF THIS ACT BEGINS ON PAGE 16)