

CS FOR SENATE BILL NO. 55(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Amended: 4/21/97

Offered: 4/16/97

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

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the definition of certain state receipts to state fiscal
2 procedures, to the state budget, to agency performance reports, and to
3 appropriation bills, eliminating the authority of a department to award a grant
4 to a recipient other than the one named in the appropriation or allocation for
5 the grant; and providing for an effective date."

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

7 * **Section 1.** AS 14.11.019 is amended to read:

8 **Sec. 14.11.019. Grant appropriations.** Within the [GENERAL] appropriation
9 bill authorizing capital expenditures submitted to the legislature under
10 AS 37.07.020(a)(3) [AS 37.07.020], the governor shall include an appropriation for
11 grants in the succeeding fiscal year as determined by the six-year capital improvement
12 project grant schedule prepared under AS 14.11.013.

13 * **Sec. 2.** AS 14.11.100(c) is amended to read:

1 (c) The school construction account is established. Funds to carry out the
 2 provisions of this section shall be included within the [GENERAL] appropriation bill
 3 **authorizing capital expenditures** submitted to the legislature under
 4 **AS 37.07.020(a)(3)** [AS 37.07.020] and may be appropriated annually by the
 5 legislature to the account. If amounts in the account are insufficient for the purpose
 6 of providing the share to which a borough or city is entitled under this section, those
 7 funds that are available shall be distributed pro rata among the eligible **municipalities,**
 8 [LOCAL GOVERNMENTS] except that the legislature may direct that additional debt
 9 service on refunding bonds that exceeds the total debt service on the refunded bonds
 10 be disregarded in whole or in part.

11 * **Sec. 3.** AS 24.20.140 is amended to read:

12 **Sec. 24.20.140. Appropriations.** Appropriations for carrying out
 13 AS 24.20.010 - 24.20.140 shall be set **out** [FORTH] in the [GENERAL] appropriation
 14 bill **authorizing operating expenditures submitted to the legislature under**
 15 **AS 37.07.020(a)(2)** or [SUCH] other bills as may be necessary. The council may
 16 direct the executive director to transfer amounts from one appropriation to another if
 17 the transfer is considered necessary to accomplish the work of the council. The
 18 council may not exceed the total amount of the authorized appropriation. All
 19 expenditures of the council are subject to an independent audit **that** [WHICH] shall
 20 be made annually."

21 * **Sec. 4.** AS 37.05.146 is amended to read:

22 **Sec. 37.05.146. Definition of program receipts and non-general fund**
 23 **program receipts.** (a) In AS 37.05.142 - 37.05.146 and AS 37.07.080, "program
 24 receipts" means fees, charges, income earned on assets, and other state money received
 25 by a state agency in connection with the performance of its functions. **Unless**
 26 **otherwise provided in this section, program receipts are accounted for within, and**
 27 **appropriated from, the general fund of the state.**

28 (b) **The program receipts listed in this subsection are accounted for**
 29 **separately, and appropriations from these program receipts are not made from**
 30 **the unrestricted general fund** [; ALL PROGRAM RECEIPTS EXCEPT THE
 31 FOLLOWING ARE GENERAL FUND PROGRAM RECEIPTS]:

- 1 (1) federal receipts;
- 2 (2) University of Alaska receipts (AS 14.40.491);
- 3 (3) **designated program receipts; in this paragraph "designated**
4 **program receipts" means money received by the state from a source other than**
5 **the state or federal government that is restricted to a specific use by the terms of**
6 **a gift, grant, bequest, or contract** [INDIVIDUAL, FOUNDATION, OR
7 CORPORATION GIFTS, GRANTS, OR BEQUESTS THAT BY THEIR TERMS ARE
8 RESTRICTED TO A SPECIFIC PURPOSE];
- 9 (4) receipts of the following [FUNDS]:
- 10 (A) highway working capital fund (AS 44.68.210);
- 11 (B) correctional industries fund (AS 33.32.020);
- 12 (C) loan funds;
- 13 (D) international airport revenue fund (AS 37.15.430);
- 14 (E) **corporate receipts earned or managed by a public**
15 **corporation of the state** [FUNDS MANAGED BY THE ALASKA HOUSING
16 FINANCE CORPORATION (AS 18.56.020), THE ALASKA RAILROAD
17 CORPORATION (AS 42.40.010), THE MUNICIPAL BOND BANK
18 AUTHORITY (AS 44.85.020), THE ALASKA AEROSPACE
19 DEVELOPMENT CORPORATION (AS 14.40.821), OR THE ALASKA
20 INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY
21 (AS 44.88.020)];
- 22 (F) fish and game fund (AS 16.05.100);
- 23 (G) school fund (AS 43.50.140);
- 24 (H) training and building fund (AS 23.20.130);
- 25 (I) retirement funds (AS 14.25, AS 22.25, AS 26.05.222,
26 AS 39.35, and former AS 39.37);
- 27 (J) permanent fund (art. IX, sec. 15, Alaska Constitution);
- 28 (K) public school **trust** fund (AS 37.14.110);
- 29 (L) second injury fund (AS 23.30.040);
- 30 (M) fishermen's fund (AS 23.35.060);
- 31 (N) FICA administration fund (AS 39.30.050);

1 (O) receipts of the employee benefits program established under
2 AS 39.30.150 - 39.30.180;

3 (P) receipts of the deferred compensation program established
4 under AS 39.45;

5 (Q) clean air protection fund (AS 46.14.260);

6 (R) receipts of the group insurance programs established under
7 AS 39.30.090;

8 (S) mental health trust fund (AS 37.14.031);

9 **(T) Alaska children's trust (AS 37.14.200);**

10 **(U) commercial fisheries test fishing operations**
11 **(AS 16.05.050(15));**

12 **(V) Alaska Public Utilities Commission under AS 42.05 and**
13 **AS 42.06;**

14 (5) receipts of or from the trust established by AS 37.14.400 -
15 37.14.450, except reimbursements described in AS 37.14.410.

16 * **Sec. 5.** AS 37.05.316(a) is amended to read:

17 (a) When an amount is appropriated or allocated to a department as a grant
18 **under this section** for a named recipient that is not a municipality, the department to
19 which the appropriation or allocation is made shall promptly notify the named recipient
20 of the availability of the grant and request the named recipient to submit a proposal
21 to provide the goods or services specified in the appropriation act for which the
22 appropriation or allocation is made. [AT THE SAME TIME, THE DEPARTMENT
23 MAY ISSUE A REQUEST FOR PROPOSALS FROM OTHER QUALIFIED
24 PERSONS TO PROVIDE THE SAME GOODS OR SERVICES IN THE SAME
25 AREA. THE DEPARTMENT SHALL AWARD THE GRANT TO THE NAMED
26 RECIPIENT UNLESS THE OFFICE OF THE GOVERNOR, WITH DUE REGARD
27 FOR THE LOCAL EXPERTISE OR EXPERIENCE OF THOSE MAKING
28 PROPOSALS, DETERMINES THAT AN AWARD TO A DIFFERENT PARTY
29 WOULD BETTER SERVE THE PUBLIC INTEREST. IF THE GRANT IS
30 AWARDED TO A PARTY OTHER THAN THAT NAMED BY THE
31 LEGISLATURE, THE BASIS OF THAT ACTION SHALL BE STATED IN

1 WRITING AT THE TIME THE GRANT IS ISSUED AND A COPY OF THE
 2 WRITTEN STATEMENT SHALL BE SENT TO THE LEGISLATIVE BUDGET
 3 AND AUDIT COMMITTEE.] A grant agreement must be executed within 60 days
 4 after the effective date of the appropriation or allocation.

5 * **Sec. 6.** AS 37.07.020(a) is amended to read:

6 (a) The governor shall prepare [AND SUBMIT TO THE LEGISLATURE
 7 BEFORE THE FOURTH LEGISLATIVE DAY] a budget for the succeeding fiscal
 8 year **that** [WHICH] must cover all estimated receipts, including all grants, loans, and
 9 money received from the federal government [,] and all proposed expenditures of the
 10 state government. The budget [SUBMITTED BY THE GOVERNOR] shall be
 11 organized so that the proposed expenditures for each agency are presented separately.
 12 The budget must be accompanied by **the following separate bills: (1) an**
 13 **appropriation bill authorizing the operating and capital expenditures of the state's**
 14 **integrated comprehensive mental health program under AS 37.14.003(a); (2) an**
 15 **appropriation bill authorizing state operating expenditures other than those**
 16 **included in the state's integrated comprehensive mental health program; (3) an**
 17 **appropriation bill authorizing capital expenditures other than those included in**
 18 **the state's integrated comprehensive mental health program; and (4) [A**
 19 **GENERAL APPROPRIATION BILL TO AUTHORIZE THE PROPOSED**
 20 **EXPENDITURES, AND]** a bill or bills covering recommendations, **if any,** in the
 21 budget for new or additional revenue. The **budget for the succeeding fiscal year and**
 22 **each of the bills** [PROPOSED GENERAL APPROPRIATION BILL] shall become
 23 public information on December 15 [OF EACH YEAR] at which time the governor
 24 shall submit copies to the legislature and make copies available to the public. **The**
 25 **bills, identical in content to the copies released on December 15, shall be delivered**
 26 **to the rules committee of each house before the fourth legislative day of the next**
 27 **regular session for introduction.**

28 * **Sec. 7.** AS 37.07.020(b) is amended to read:

29 (b) In addition to the budget and **bills submitted under (a) of this section**
 30 [GENERAL APPROPRIATION BILL], the governor shall submit a capital
 31 improvements program and financial plan covering the succeeding six fiscal years.

1 * **Sec. 8.** AS 37.07.040 is amended by adding a new paragraph to read:

2 (9) for each department in the executive branch, report to the legislature
3 by the 45th day of each regular session the amount of money appropriated to the
4 department that is expected to lapse into the general fund at the end of the current
5 fiscal year.

6 * **Sec. 9.** AS 37.07.062(a) is amended to read:

7 (a) **Each** [THE GENERAL] appropriation bill **authorizing capital**
8 **expenditures** required to be submitted to the legislature in AS 37.07.020(a) must **be**
9 **accompanied by documents supporting the expenditures** [CONTAIN A SEPARATE
10 SECTION FOR CAPITAL OUTLAYS WHICH IS DIVIDED INTO SUBSECTIONS]
11 for each of the capital projects funds (AS 44.42.080). **The documents must list**
12 [WHICH LISTS], for each project, the (1) project identification number; (2) project
13 title; (3) source of funding; (4) amount expended on the project during the preceding
14 fiscal year, the amount authorized for the current fiscal year, and the amount proposed
15 to be expended during the succeeding fiscal year; (5) estimated start for construction;
16 (6) schedule of bond elections pertaining to the appropriation, including elections
17 previously held. The total appropriation to each capital projects fund must be reflected
18 in the balance sheet of each fund as of June 30 of each fiscal year.

19 * **Sec. 10.** AS 37.07.062(b) is amended to read:

20 (b) Upon the effective date of **each** [THE GENERAL] appropriation bill
21 **authorizing capital expenditures**, the amounts appropriated by the bill for capital
22 outlay shall be paid into the appropriate capital project funds established under
23 AS 44.42.080.

24 * **Sec. 11.** AS 37.07.070 is amended to read:

25 **Sec. 37.07.070. Legislative review.** The legislature shall consider the
26 governor's proposed comprehensive operating and capital improvements programs and
27 financial plans, evaluate alternatives to the plans, make program selections among the
28 various alternatives and determine, subject to available revenues, the level of funding
29 required to support authorized state services. The operating and capital budgets of
30 each agency shall be separately reviewed. During each regular session of the
31 legislature, legislative review of the governor's supplemental appropriation bills and

1 the governor's budget amendments shall be governed by the following time limits:

2 (1) Requests by the governor for supplemental appropriations for state
3 agency operating and capital budgets for the current fiscal year may be introduced by
4 the rules committee only through the 30th legislative day.

5 (2) Requests by the governor for budget amendments to state agency
6 budgets for the budget fiscal year may be received and reviewed by the finance
7 committees only through the 45th [60TH] legislative day.

8 * **Sec. 12.** AS 37.07.090(b) is amended to read:

9 (b) The office shall summarize the performance reports and forward copies to
10 each member of the legislature by January 10 each year.

11 * **Sec. 13.** AS 47.30.380 is amended to read:

12 **Sec. 47.30.380. Appropriation authorized.** Funds to carry out AS 47.30.350
13 - 47.30.400 shall be set out in the [GENERAL] appropriation bill authorizing the
14 operating and capital expenditures of the state's integrated comprehensive mental
15 health program under AS 37.14.003(a) and submitted to the legislature under
16 AS 37.07.020(a)(1).

17 * **Sec. 14.** This Act takes effect July 1, 1997.