

SENATE BILL NO. 27

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/11/01
Referred: Finance

A BILL

FOR AN ACT ENTITLED

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

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

6 (SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

1 * **Sec. 4.** ALASKA AEROSPACE DEVELOPMENT CORPORATION. Corporate
 2 receipts of the Alaska Aerospace Development Corporation received during the fiscal year
 3 ending June 30, 2002, that are in excess of the amount appropriated in sec. 1 of this Act are
 4 appropriated to the Alaska Aerospace Development Corporation for operations during the
 5 fiscal year ending June 30, 2002.

6 * **Sec. 5.** ALASKA CHILDREN'S TRUST. Program receipts received from the issuance of
 7 heirloom birth certificates (AS 18.50.225), heirloom marriage certificates (AS 18.50.272), and
 8 special request Alaska children's trust license plates (AS 28.10.421(d)) during the fiscal year
 9 ending June 30, 2002, are appropriated to the Alaska children's trust (AS 37.14.200).

10 * **Sec. 6.** ALASKA HOUSING FINANCE CORPORATION. (a) The board of directors
 11 of the Alaska Housing Finance Corporation has estimated that \$103,000,000 will be available
 12 in each of the fiscal years 1999 through 2006, for the repayment of bonds authorized under
 13 sec. 2(c), ch. 129, SLA 1998, for expenditures on corporate funded capital projects, and for
 14 transfer to the general fund.

15 (b) The money described in (a) of this section for the fiscal year ending June 30,
 16 2002, is used for the following purposes in the following estimated amounts in the operating,
 17 capital, and mental health budgets for the fiscal year ending June 30, 2002:

18 (1) \$52,000,000 for capital projects;

19 (2) \$37,988,000 for debt service on the bonds authorized under sec. 2(c),
 20 ch. 129, SLA 1998;

21 (3) \$1,000,000 for debt service on University of Alaska, Anchorage dormitory
 22 construction authorized under ch. 26, SLA 1996;

23 (4) \$6,012,000 for debt service on the bonds authorized under sec. 10, ch. 130,
 24 SLA 2000.

25 (c) After deductions for the items set out in (b) of this section are made, any
 26 remaining balance of the amount under (a) of this section determined by the Alaska Housing
 27 Finance Corporation board of directors to be available in fiscal year 2002 is appropriated to
 28 the Alaska debt retirement fund (AS 37.15.011).

29 (d) All unrestricted mortgage loan interest payments, mortgage loan commitment
 30 fees, and other unrestricted receipts received by or accrued to the Alaska Housing Finance
 31 Corporation during fiscal year 2002 and all income earned on assets of the corporation during

1 that period are appropriated to the Alaska Housing Finance Corporation to hold as corporate
 2 receipts for the purposes described in AS 18.55 and AS 18.56. The corporation shall allocate
 3 its corporate receipts among the Alaska housing finance revolving fund (AS 18.56.082),
 4 housing assistance loan fund (AS 18.56.420), and senior housing revolving fund
 5 (AS 18.56.710) in accordance with procedures adopted by the board of directors.

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

PURPOSE	AMOUNT	SOURCE
Housing loan programs not subsidized by AHFC	\$798,000,000	AHFC corporate receipts
Housing loan programs and projects subsidized by AHFC	70,000,000	AHFC corporate receipts derived from arbitrage earnings
Housing assistance payments Section 8 program	27,500,000	Federal receipts

16 * **Sec. 7. ALASKA PERMANENT FUND CORPORATION.** (a) The amount authorized
 17 for transfer by the Alaska Permanent Fund Corporation under AS 37.13.145(b) is
 18 appropriated from the earnings reserve account (AS 37.13.145) to the dividend fund
 19 (AS 43.23.045(a)) for the payment of permanent fund dividends and administrative and
 20 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 2002 is appropriated to the principal of the Alaska permanent fund in satisfaction
 27 of that requirement.

28 (d) The interest earned during fiscal year 2002 on revenue from the sources set out in
 29 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. 8. ALASKA SCIENCE AND TECHNOLOGY FOUNDATION.** The unexpended

1 and unobligated balance in the Alaska science and technology endowment earnings reserve on
 2 June 30, 2001, is appropriated to the Alaska Science and Technology Foundation to award as
 3 grants under AS 37.17.030(d) for the fiscal year ending June 30, 2002.

4 * **Sec. 9.** APPROPRIATION OF PRIOR YEAR PROGRAM RECEIPTS. The unexpended
 5 and unobligated balance on June 30, 2001, of receipts of each of the following programs is
 6 included in the appropriations made to those programs in sec. 1 of this Act for the fiscal year
 7 ending June 30, 2002, so that the receipts will remain for use by those specific programs:

8 (1) occupational licensing fees under AS 08.01.065(a), (c), and (f);

9 (2) Alaska police training fund receipts under AS 12.25.195(c), AS 12.55.039,
 10 AS 28.05.151, and AS 29.25.074 and receipts under AS 18.65.220(7);

11 (3) teacher certification fees under AS 14.20.020(c);

12 (4) commercial fisheries test fishing operations receipts under
 13 AS 16.05.050(a)(15);

14 (5) receipts from the salmon marketing tax (AS 43.76.110), from the seafood
 15 marketing assessment (AS 16.51.120), and other receipts of the Alaska Seafood Marketing
 16 Institute;

17 (6) Alaska Safety Advisory Council receipts under AS 18.60.840;

18 (7) Alaska Oil and Gas Conservation Commission receipts account for
 19 regulatory cost charges under AS 31.05.093 and permit fees under AS 31.05.090;

20 (8) Regulatory Commission of Alaska receipts account for regulatory cost
 21 charges under AS 42.05.254 and AS 42.06.286;

22 (9) designated program receipts and general fund program receipts of the
 23 Department of Law, fair business practices section;

24 (10) insurance license fees and service fees of the Department of Community
 25 and Economic Development, division of insurance;

26 (11) timber sale receipts of the Department of Natural Resources under
 27 AS 38.05.

28 * **Sec. 10.** CHILD SUPPORT ENFORCEMENT. The minimum amount of program
 29 receipts received during the fiscal year ending June 30, 2002, by the child support
 30 enforcement division that is required to secure the federal funding appropriated for the child
 31 support enforcement program in sec. 1 of this Act is appropriated to the Department of

1 Revenue, child support enforcement division, for the fiscal year ending June 30, 2002.

2 * **Sec. 11.** CONSTITUTIONAL BUDGET RESERVE FUND. (a) Deposits in the budget
3 reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for fiscal year 2001 that
4 were made from subfunds and accounts other than the operating general fund (state
5 accounting system fund number 11100) by operation of art. IX, sec. 17(d), Constitution of the
6 State of Alaska, to repay appropriations from the budget reserve fund are appropriated from
7 the budget reserve fund to the subfunds and accounts from which they were transferred.

8 (b) If the unrestricted state revenue available for appropriation in fiscal year 2002 is
9 insufficient to cover the general fund appropriations made for fiscal year 2002, the amount
10 necessary to balance revenue and general fund appropriations is appropriated to the general
11 fund from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).

12 (c) The sum of \$125,000 is appropriated from the budget reserve fund (art. IX,
13 sec. 17, Constitution of the State of Alaska) to the Department of Revenue, treasury division,
14 for the fiscal year ending June 30, 2002, for investment management fees for the budget
15 reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).

16 (d) The appropriations in (a) - (c) of this section are made under art. IX, sec. 17(c),
17 Constitution of the State of Alaska.

18 * **Sec. 12.** DISASTER RELIEF AND FIRE SUPPRESSION. (a) Federal receipts received
19 for disaster relief are appropriated to the disaster relief fund (AS 26.23.300).

20 (b) Federal receipts received for fire suppression are appropriated to the Department
21 of Natural Resources for fire suppression activities for the fiscal year ending June 30, 2002.

22 * **Sec. 13.** FEDERAL AND OTHER PROGRAM RECEIPTS. (a) Federal receipts,
23 designated program receipts as defined in AS 37.05.146(b)(3), and program receipts as
24 defined in AS 37.05.146(b)(4) and (6) that exceed the amounts appropriated by this Act are
25 appropriated conditioned on compliance with the program review provisions of
26 AS 37.07.080(h).

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

31 (c) If federal or other program receipts as defined in AS 37.05.146 fall short of the

1 estimates appropriated by this Act, the affected appropriation is reduced by the amount of the
2 shortfall in receipts.

3 * **Sec. 14. FEDERAL MEDICAL ASSISTANCE PERCENTAGE.** If the estimated federal
4 receipts for medical assistance appropriated in sec. 1 of this Act are below 59.8 percent for
5 Medicaid services during the fiscal year ending June 30, 2002, the amount of the shortfall in
6 federal receipts is appropriated from the general fund to the Department of Health and Social
7 Services for Medicaid services.

8 * **Sec. 15. FISH AND GAME ENFORCEMENT.** (a) To increase enforcement of the fish
9 and game laws of the state, the amount deposited in the general fund during the fiscal year
10 ending June 30, 2001, from criminal fines, penalties, and forfeitures imposed for violation of
11 AS 16 and its implementing regulations and from the sale of forfeited property or alternative
12 damages collected under AS 16.05.195 is appropriated to the fish and game fund
13 (AS 16.05.100).

14 (b) Appropriations totaling the estimated amount of the deposits described in (a) of
15 this section and the remaining unappropriated balances from prior year transfers for these
16 purposes are made in sec. 1 of this Act to the Department of Public Safety and the Department
17 of Law for increased enforcement, investigation, and prosecution of state fish and game laws.
18 If the receipts appropriated to the fish and game fund (AS 16.05.100) from the sources
19 described in (a) of this section during fiscal year 2002 and the remaining unappropriated
20 balances from prior year transfers for these purposes fall short of the estimates appropriated
21 by this Act, each department's appropriation set out in sec. 1 of this Act is reduced
22 proportionately.

23 * **Sec. 16. FISH AND GAME FUND.** The following revenue is appropriated to the fish
24 and game fund (AS 16.05.100):

25 (1) receipts from the sale of crewmember fishing licenses (AS 16.05.480(a))
26 during the fiscal year ending June 30, 2002, that are not deposited into the fishermen's fund
27 under AS 23.35.060;

28 (2) range fees collected at shooting ranges operated by the Department of Fish
29 and Game (AS 16.05.050(a)(16)) during the fiscal year ending June 30, 2002;

30 (3) fees collected during the fiscal year ending June 30, 2002, at boating and
31 angling access sites described in AS 16.05.050(a)(7) and managed by the Department of

1 Natural Resources, division of parks and outdoor recreation, under a cooperative agreement;
2 and

3 (4) receipts from the sale of Chitina dip net fishing permits
4 (AS 16.05.340(a)(22)) during the fiscal year ending June 30, 2002.

5 * **Sec. 17.** INSURANCE AND BOND CLAIMS. (a) The amount necessary to fund the
6 uses of the state insurance catastrophe reserve account described in AS 37.05.289(a) is
7 appropriated from that account to the Department of Administration for those uses.

8 (b) The amounts to be received in settlement of claims against bonds guaranteeing the
9 reclamation of state land are appropriated from the general fund to the agency secured by the
10 bond for the purpose of reclaiming state land affected by a use covered by the bond.

11 * **Sec. 18.** LONGEVITY BONUS GRANT PROGRAM. If the amount appropriated in
12 sec. 1 of this Act for the longevity bonus grant program (AS 47.45) is not sufficient to fully
13 fund that program for the fiscal year ending June 30, 2002, the amount of the shortfall is
14 appropriated from the general fund to the Department of Administration.

15 * **Sec. 19.** MARINE HIGHWAY SYSTEM FUND. The sum of \$29,182,000 is
16 appropriated from the general fund to the Alaska marine highway system fund
17 (AS 19.65.060).

18 * **Sec. 20.** MEDICAID SCHOOL BASED CLAIM. If the federal receipts for the School
19 Based Services Administrative Claim under 42 U.S.C. 1396a (Sec. 1902(a)(4), Title XIX of
20 the Social Security Act) for the fiscal year ending June 30, 2002, fall short of the estimate
21 appropriated in sec. 1 of this Act, the amount of the shortfall is appropriated from the general
22 fund to the Department of Health and Social Services for Medicaid services.

23 * **Sec. 21.** MOTOR FUEL TAX. The following estimated amounts from the unreserved
24 special accounts in the general fund are included within the general fund amounts
25 appropriated by this Act:

26 Special highway fuel tax account (AS 43.40.010(g)) \$25,500,000

27 Special aviation fuel tax account (AS 43.40.010(e)) 5,800,000

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

1 (1) the balance of the oil and hazardous substance release prevention
2 mitigation account (AS 46.08.020(b)) in the general fund on July 1, 2001, not otherwise
3 appropriated by this Act;

4 (2) the amount collected for the fiscal year ending June 30, 2001, estimated to
5 be \$9,400,000, from the surcharge levied under AS 43.55.300.

6 * **Sec. 23.** OIL AND HAZARDOUS SUBSTANCE RELEASE RESPONSE ACCOUNT.
7 The following amounts are appropriated to the oil and hazardous substance release response
8 account (AS 46.08.010(a)(2)) in the oil and hazardous substance release prevention and
9 response fund (AS 46.08.010) from the following sources:

10 (1) the balance of the oil and hazardous substance release response mitigation
11 account (AS 46.08.025(b)) in the general fund on July 1, 2001, not otherwise appropriated by
12 this Act;

13 (2) the amount collected for the fiscal year ending June 30, 2001, from the
14 surcharge levied under AS 43.55.201.

15 * **Sec. 24.** RETAINED FEES. The amount retained to compensate the collector or trustee
16 of fees, licenses, taxes, or other money belonging to the state during the fiscal year ending
17 June 30, 2002, is appropriated for that purpose to the agency authorized by law to generate the
18 revenue.

19 * **Sec. 25.** SALMON ENHANCEMENT TAX. The salmon enhancement tax collected
20 under AS 43.76.010 - 43.76.028 in calendar year 2000 and deposited in the general fund
21 under AS 43.76.025(c) is appropriated from the general fund to the Department of
22 Community and Economic Development for payment in fiscal year 2002 to qualified regional
23 associations operating within a region designated under AS 16.10.375.

24 * **Sec. 26.** SHARED TAXES AND FEES. The amount necessary to refund to local
25 governments their share of taxes and fees collected in the listed fiscal years under the
26 following programs is appropriated to the Department of Revenue from the general fund for
27 payment in fiscal year 2002:

REVENUE SOURCE	FISCAL YEAR COLLECTED
fisheries taxes (AS 43.75)	2001
fishery resource landing tax (AS 43.77)	2001
aviation fuel tax (AS 43.40.010)	2002

1 electric and telephone cooperative tax (AS 10.25.570) 2002
 2 liquor license fee (AS 04.11) 2002

3 * **Sec. 27.** SOCIAL SERVICES BLOCK GRANT. If the federal social services block
 4 grant receipts under 42 U.S.C. 1397-1397f (Title XX of the Social Security Act) fall short of
 5 the estimate appropriated in sec. 1 of this Act, the amount of the shortfall, not to exceed
 6 \$3,879,000, is appropriated from the general fund to the Department of Health and Social
 7 Services for the fiscal year ending June 30, 2002.

8 * **Sec. 28.** STATE DEBT AND OTHER OBLIGATIONS. (a) The amount required to pay
 9 interest on any revenue anticipation notes issued by the commissioner of revenue under
 10 AS 43.08 is appropriated from the general fund to the Department of Revenue for payment of
 11 the interest on those notes.

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

15 (c) The sum of \$34,401,400 is appropriated from the general fund to the Alaska debt
 16 retirement fund (AS 37.15.011).

17 (d) The sum of \$12,430,000 is appropriated from the Alaska debt retirement fund
 18 (AS 37.15.011) to the state bond committee for trustee fees and lease payments relating to
 19 certificates of participation issued for real property.

20 (e) The sum of \$16,750,008 is appropriated to the state bond committee for payment
 21 of debt service and trustee fees on outstanding international airports revenue bonds from the
 22 following sources:

23 International Airports Revenue Fund (AS 37.15.430) \$14,549,383
 24 Statutory designated program receipts 2,200,625

25 (f) The sum of \$57,020,500 is appropriated to the Department of Education and Early
 26 Development for state aid for costs of school construction under AS 14.11.100 from the
 27 following sources:

28 Alaska debt retirement fund (AS 37.15.011) \$27,971,400
 29 School fund (AS 43.50.140) 29,049,100

30 (g) The sum of \$3,555,700 is appropriated from the general fund to the Department of
 31 Administration for payment of obligations to the Municipality of Anchorage for the

1 Anchorage Jail.

2 (h) The sum of \$3,535,200 is appropriated from the general fund to the Department of
3 Administration for payment of obligations to the Alaska Housing Finance Corporation for the
4 Robert B. Atwood Building in Anchorage.

5 (i) The sum of \$1,680,000 is appropriated from interest earnings of the Alaska clean
6 water fund (AS 46.03.032) to the Alaska clean water fund revenue bond redemption fund
7 (AS 37.15.565) for payment of principal and interest, redemption premium, and trustee fees,
8 if any, on bonds issued by the state bond committee under AS 37.15.560.

9 (j) The sum of \$850,000 is appropriated from interest earnings of the Alaska drinking
10 water fund (AS 46.03.036) to the Alaska drinking water fund revenue bond redemption fund
11 (AS 37.15.565) for payment of principal and interest, redemption premium, and trustee fees,
12 if any, on bonds issued by the state bond committee under AS 37.15.560.

13 * **Sec. 29.** STATUTORY BUDGET RESERVE FUND. If the unrestricted state revenue
14 available for appropriation in fiscal year 2002 is insufficient to cover the general fund
15 appropriations made for fiscal year 2002, the amount necessary to balance revenue and
16 general fund appropriations is appropriated to the general fund from the budget reserve fund
17 (AS 37.05.540).

18 * **Sec. 30.** STORAGE TANK ASSISTANCE FUND. The sum of \$1,889,155 is
19 appropriated from the oil and hazardous substance release prevention account
20 (AS 46.08.010(a)(1)) to the storage tank assistance fund (AS 46.03.410) for the fiscal year
21 ending June 30, 2002.

22 * **Sec. 31.** STUDENT LOAN PROGRAM. The amount from student loan borrowers of the
23 Alaska Commission on Postsecondary Education that is assessed for loan origination fees for
24 the fiscal year ending June 30, 2002, is appropriated to the origination fee account
25 (AS 14.43.120(u)) within the student loan fund of the Alaska Student Loan Corporation for
26 the purposes specified in AS 14.43.120(u).

27 * **Sec. 32.** UNIVERSITY OF ALASKA SALARY AND BENEFIT ADJUSTMENTS. (a)
28 The operating budget appropriations made to the University of Alaska in sec. 1 of this Act
29 include amounts to implement the monetary terms of the collective bargaining agreements
30 listed in (b) of this section and for salary and benefit adjustments for university employees
31 who are not members of a collective bargaining unit.

1 (b) Funding for the following collective bargaining agreements is included in the
2 appropriations made to the University of Alaska in sec. 1 of this Act:

3 (1) Alaska Higher Education Crafts and Trades Employees, representing
4 certain employees of the University of Alaska;

5 (2) Alaska Community College Federation of Teachers, representing certain
6 employees of the University of Alaska;

7 (3) United Academics, representing certain employees of the University of
8 Alaska;

9 (4) United Academics-Adjuncts, representing certain employees of the
10 University of Alaska.

11 * **Sec. 33.** NONLAPSE OF APPROPRIATIONS. The appropriations made by secs. 5,
12 6(c), 7, 12(a), 15(a), 16, 19, 22, 23, 28(c), 28(i), 28(j), 30, and 31 of this Act are for the
13 capitalization of funds and do not lapse.

14 * **Sec. 34.** This Act takes effect July 1, 2001.