

CONFERENCE CS FOR SENATE BILL NO. 232
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE CONFERENCE COMMITTEE

Offered: 4/12/06

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

A BILL

FOR AN ACT ENTITLED

1 **"An Act making appropriations, supplemental appropriations, and capital**
2 **appropriations; amending appropriations and funding sources; making appropriations**
3 **to capitalize funds; and providing for an effective date."**

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

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

* **Section 1.** The following appropriation items are for increases in operating expenditures from the general fund or other funds as set out in section 2 of this Act to the agencies named for the fiscal year ending June 30, 2006.

| | Appropriation | General | Other |
|--|------------------|------------------|----------------|
| | Allocations | Funds | Funds |
| | ***** | ***** | |
| | ***** | ***** | ***** |
| | | ***** | ***** |
| Community Assistance & Economic Development | 75,000 | | 75,000 |
| Office of Economic Development | 75,000 | | |
| Alaska Seafood Marketing Institute | 395,000 | | 395,000 |
| Alaska Seafood Marketing Institute | 395,000 | | |
| | ***** | ***** | |
| | ***** | ***** | ***** |
| | ***** | ***** | ***** |
| Administration and Support | 1,168,700 | 1,168,700 | |
| Out-of-State Contractual | 1,168,700 | | |
| Inmate Health Care | 3,355,000 | 3,355,000 | |
| Inmate Health Care | 3,355,000 | | |

The amount appropriated for Inmate Health Care includes the amount required to pay for services provided during fiscal year 2005.

| | | | |
|-----------------------------|----------------|----------------|-------|
| | ***** | ***** | |
| | ***** | ***** | ***** |
| | ***** | ***** | ***** |
| Executive Operations | 500,000 | 500,000 | |
| Executive Office | 500,000 | | |

The amount appropriated for executive operations is for work related to the state gas pipeline

| | Appropriation | General | Other |
|----|--|---|------------------|
| | Allocations | Items | Funds |
| 3 | and to bringing North Slope natural gas to market and other oil and gas projects for the fiscal | | |
| 4 | year ending June 30, 2006. | | |
| 5 | ***** | ***** | |
| 6 | ***** | Department of Law | ***** |
| 7 | ***** | ***** | |
| 8 | Civil Division | 3,900,000 | 3,900,000 |
| 9 | Oil, Gas and Mining | 3,900,000 | |
| 10 | The amount appropriated to the Civil Division is for work related to the state gas pipeline and | | |
| 11 | to bringing North Slope natural gas to market and other oil and gas projects for the fiscal year | | |
| 12 | ending June 30, 2006. | | |
| 13 | ***** | ***** | |
| 14 | ***** | Department of Military and Veterans Affairs | ***** |
| 15 | ***** | ***** | |
| 16 | Military and Veterans' Affairs | 307,800 | 307,800 |
| 17 | Army Guard Facilities | 7,800 | |
| 18 | Maintenance | | |
| 19 | Air Guard Facilities | 300,000 | |
| 20 | Maintenance | | |
| 21 | ***** | ***** | |
| 22 | ***** | Department of Revenue | ***** |
| 23 | ***** | ***** | |
| 24 | Alaska Permanent Fund | 250,000 | 250,000 |
| 25 | Corporation | | |
| 26 | APFC Operations | 250,000 | |
| 27 | ***** | ***** | |
| 28 | ***** | Department of Transportation & Public Facilities | ***** |
| 29 | ***** | ***** | |
| 30 | Highways, Aviation and | 155,100 | 155,100 |
| 31 | Facilities | | |
| 32 | Northern Region Facilities | 155,100 | |
| 33 | International Airports | 742,500 | 742,500 |

| | | Appropriation | General | Other |
|---|--|----------------------|-------------------|--------------|
| | | Allocations | Items | Funds |
| | | | Funds | Funds |
| 1 | | | | |
| 2 | | | | |
| 3 | Anchorage Airport Facilities | 555,900 | | |
| 4 | Anchorage Airport Field and | 186,600 | | |
| 5 | Equipment Maintenance | | | |
| 6 | Alaska Marine Highway System | 12,774,800 | 12,774,800 | |
| 7 | Marine Vessel Operations | 12,774,800 | | |
| 8 | (SECTION 2 OF THIS ACT BEGINS ON PAGE 5) | | | |

1 * **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of
2 this Act.

| 3 | Funding Source | Amount |
|----|---|--------------|
| 4 | Department of Commerce, Community and Economic Development | |
| 5 | 1108 Statutory Designated Program Receipts | 75,000 |
| 6 | 1156 Receipt Supported Services | 395,000 |
| 7 | *** Total Agency Funding *** | \$470,000 |
| 8 | Department of Corrections | |
| 9 | 1004 General Fund Receipts | 4,523,700 |
| 10 | *** Total Agency Funding *** | \$4,523,700 |
| 11 | Office of the Governor | |
| 12 | 1004 General Fund Receipts | 500,000 |
| 13 | *** Total Agency Funding *** | \$500,000 |
| 14 | Department of Law | |
| 15 | 1004 General Fund Receipts | 3,900,000 |
| 16 | *** Total Agency Funding *** | \$3,900,000 |
| 17 | Department of Military and Veterans Affairs | |
| 18 | 1002 Federal Receipts | 300,000 |
| 19 | 1007 Interagency Receipts | 7,800 |
| 20 | *** Total Agency Funding *** | \$307,800 |
| 21 | Department of Revenue | |
| 22 | 1105 Permanent Fund Corporation Receipts | 250,000 |
| 23 | *** Total Agency Funding *** | \$250,000 |
| 24 | Department of Transportation & Public Facilities | |
| 25 | 1004 General Fund Receipts | 12,774,800 |
| 26 | 1007 Interagency Receipts | 155,100 |
| 27 | 1027 International Airports Revenue Fund | 742,500 |
| 28 | *** Total Agency Funding *** | \$13,672,400 |
| 29 | * * * * * Total Budget * * * * * | \$23,623,900 |

30 (SECTION 3 OF THIS ACT BEGINS ON PAGE 6)

1 * **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of
2 this Act.

| 3 | Funding Source | Amount |
|----|--|--------------|
| 4 | General Funds | |
| 5 | 1004 General Fund Receipts | 21,698,500 |
| 6 | ***Total General Funds*** | \$21,698,500 |
| 7 | Federal Funds | |
| 8 | 1002 Federal Receipts | 300,000 |
| 9 | ***Total Federal Funds*** | \$300,000 |
| 10 | Other Non-Duplicated Funds | |
| 11 | 1027 International Airports Revenue Fund | 742,500 |
| 12 | 1105 Permanent Fund Corporation Receipts | 250,000 |
| 13 | 1108 Statutory Designated Program Receipts | 75,000 |
| 14 | 1156 Receipt Supported Services | 395,000 |
| 15 | ***Total Other Non-Duplicated Funds*** | \$1,462,500 |
| 16 | Duplicated Funds | |
| 17 | 1007 Interagency Receipts | 162,900 |
| 18 | ***Total Duplicated Funds*** | \$162,900 |

19 (SECTION 4 OF THIS ACT BEGINS ON PAGE 7)

1 * **Sec. 4.** DEPARTMENT OF ADMINISTRATION. (a) The sum of \$5,000,000 is
2 appropriated from the information services fund (AS 44.21.045(a)) to the Department of
3 Administration for telephone system replacement and stabilization phase I.

4 (b) The sum of \$1,000 is appropriated from the general fund to the Department of
5 Administration for the purpose of beginning to investigate the purchase of the vacant Valley
6 Hospital building to provide a centralized facility for justice-related offices and to reduce
7 overall rent costs for state agencies in the Matanuska-Susitna Valley.

8 * **Sec. 5.** ARCTIC WINTER GAMES GRANT. The sum of \$430,000 is appropriated from
9 the general fund to the Department of Commerce, Community, and Economic Development
10 for payment as a capital grant under AS 37.05.316 to the 2006 Arctic Winter Games Host
11 Society for costs of the 2006 Arctic Winter Games.

12 * **Sec. 6.** DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC
13 DEVELOPMENT. (a) The sum of \$40,000 is appropriated from the general fund to the
14 Department of Commerce, Community, and Economic Development for payment as a grant
15 under AS 37.05.315 to the City of Kaktovik for participation by the city supporting education
16 efforts and promoting opening of the coastal plain of the Arctic National Wildlife Refuge for
17 oil and gas exploration and development.

18 (b) The sum of \$750,000 is appropriated from the general fund to the Department of
19 Commerce, Community, and Economic Development for payment as a grant under
20 AS 37.05.316 to Arctic Power for education efforts to open the coastal plain of the Arctic
21 National Wildlife Refuge for oil and gas exploration and development, for the fiscal years
22 ending June 30, 2006, and June 30, 2007.

23 (c) The sum of \$3,000,000 is appropriated from the general fund to the Department of
24 Commerce, Community, and Economic Development for payment as a grant under
25 AS 37.05.316 to Pac/West Communications for education efforts to open the coastal plain of
26 the Arctic National Wildlife Refuge for oil and gas exploration and development, for the
27 fiscal years ending June 30, 2006, and June 30, 2007.

28 (d) It is the intent of the legislature that Arctic Power and Pac/West Communications
29 coordinate with the Alaska delegation in Congress and the Office of the Governor in
30 Washington, D.C., to use the funds for the development of an education effort to promote the
31 opening of the Arctic National Wildlife Refuge to oil and gas exploration and development. It

1 is also the intent of the legislature that not more than five percent of the grant to Arctic Power
2 be used for administrative costs.

3 (e) The sum of \$250,000 is appropriated from the general fund to the Department of
4 Commerce, Community, and Economic Development, community advocacy, for emergency
5 bulk fuel loans to small communities, for the fiscal year ending June 30, 2006.

6 * **Sec. 7.** DEPARTMENT OF CORRECTIONS. The sum of \$800,000 is appropriated from
7 the general fund to the Department of Corrections for conversion of a vacant correctional
8 industries building to house prisoners in Fairbanks.

9 * **Sec. 8.** OFFICE OF THE GOVERNOR. The sum of \$6,736,800 is appropriated from the
10 general fund to the Office of the Governor for distribution to the Department of Corrections,
11 the Department of Environmental Conservation, the Department of Fish and Game, the
12 Department of Health and Social Services, the Department of Military and Veterans' Affairs,
13 the Department of Natural Resources, the Department of Transportation and Public Facilities,
14 the University of Alaska, and the Alaska Court System for the purpose of offsetting increased
15 fuel and utility costs for the fiscal year ending June 30, 2006.

16 * **Sec. 9.** DEPARTMENT OF LAW. (a) The sum of \$3,269,800 is appropriated from the
17 general fund to the Department of Law for the purpose of paying judgments and settlements
18 against the state.

19 (b) The amount necessary, after application of the amount appropriated in (a) of this
20 section, to pay judgments awarded against the state before June 30, 2006, is appropriated from
21 the general fund to the Department of Law.

22 * **Sec. 10.** DEPARTMENT OF PUBLIC SAFETY. The sum of \$350,000 is appropriated
23 from the general fund to the Department of Public Safety, Council on Domestic Violence and
24 Sexual Assault, for payment as a grant under AS 37.05.316 to the Maniilaq Association for
25 operation of the domestic violence shelter program in Kotzebue for the fiscal years ending
26 June 30, 2006, and June 30, 2007.

27 * **Sec. 11.** DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. (a) The
28 sum of \$9,000,000 is appropriated from federal earmarked receipts to the Department of
29 Transportation and Public Facilities for Ketchikan shipyard improvements.

30 (b) The sum of \$504,200 is appropriated from the general fund to the Department of
31 Transportation and Public Facilities for Whittier Tunnel portal jet fan replacement.

(c) Section 1, ch. 3, FSSLA 2005, page 69, line 11, is amended to read:

| | APPROPRIATION | OTHER |
|------------------------------------|---------------------------|---------------------------|
| | ITEMS | FUNDS |
| Airport Improvement Program | <u>486,750,111</u> | <u>486,750,111</u> |
| | [470,150,111] | [470,150,111] |

(d) Section 1, ch. 3, FSSLA 2005, page 70, lines 30 - 31, is amended to read:

| ALLOCATIONS | |
|-------------------------------------|--------------------------|
| Cordova: Airport Runway | <u>11,000,000</u> |
| Safety Area <u>Expansion</u> | [8,000,000] |
| (HD 5) | |

(e) Section 1, ch. 3, FSSLA 2005, page 72, lines 12 - 13, is amended to read:

| ALLOCATIONS | |
|------------------|-------------------------|
| Kotzebue: Sand | <u>2,507,000</u> |
| Building (HD 40) | [1,007,000] |

(f) Section 1, ch. 3, FSSLA 2005, page 76, lines 13 - 17, is amended to read:

| ALLOCATIONS | |
|-----------------------------------|--------------------------|
| Tuntutuliak: Airport | 6,000,000 |
| Relocation (HD 38) | |
| <u>Unalakleet: Airport</u> | <u>12,100,000</u> |
| <u>Paving (HD 39)</u> | |
| Wrangell: Runway Overlay, | 10,000,000 |
| Runway Safety Area, and | |
| Seaplane Pullout (HD 2) | |

(g) Section 1, ch. 3, FSSLA 2005, page 76, lines 18 - 19, is amended to read:

| | APPROPRIATION | OTHER |
|---------------------------------------|---------------------------|---------------------------|
| | ITEMS | FUNDS |
| Surface Transportation Program | <u>388,604,700</u> | <u>388,604,700</u> |
| | [373,604,700] | [373,604,700] |

(h) Section 1, ch. 3, FSSLA 2005, page 80, line 32, through page 81, line 4, is amended to read:

ALLOCATIONS

1 National Highway **45,000,000**
 2 System and [30,000,000]
 3 Non-National
 4 Highway System
 5 Pavement and Bridge
 6 Refurbishment
 7 (HD 1-40)

8 * **Sec. 12.** FUND TRANSFERS. (a) The sum of \$4,143,800 is appropriated from the
 9 general fund to the disaster relief fund (AS 26.23.300(a)).

10 (b) The sum of \$5,000,000 is appropriated from the general fund to the information
 11 services fund (AS 44.21.045(a)).

12 (c) The sum of \$10,117,808 is appropriated from the general fund to the school
 13 construction grant fund (AS 14.11.005) for payment as a grant under AS 14.11.015 for White
 14 Mountain K-12 school replacement.

15 (d) The sum of \$3,850,000 is appropriated from the general fund to the major
 16 maintenance grant fund (AS 14.11.007) for payment as a grant under AS 14.11.015 for
 17 Susitna Valley High School roof replacement and structural and safety repairs.

18 * **Sec. 13.** FUND SOURCE CHANGES. (a) Section 1, ch. 4, FSSLA 2005, page 5, lines 29
 19 - 30, is amended to read:

| | APPROPRIATION | GENERAL | OTHER |
|---------------------------------------|------------------|-----------------------|-------------------------|
| | ITEMS | FUND | FUNDS |
| 22 Qualified Trade Association | 5,005,100 | <u>813,600</u> | <u>4,191,500</u> |
| 23 Contract | | [2,505,100] | [2,500,000] |

24 (b) Section 2, ch. 3, FSSLA 2005, page 93, line 12, is amended to read:
 25 FUNDING SOURCE AMOUNT
 26 1156 Receipt Supported Services **565,000**
 27 [1,065,000]

28 (c) Section 2, ch. 3, FSSLA 2005, page 93, line 13, is amended to read:
 29 FUNDING SOURCE AMOUNT
 30 1195 Special Vehicle Registration Receipts **400,000**
 31 [200,000]

| 1 | FUNDING SOURCE | OPERATING | LEGISLATION | TOTAL |
|---|---------------------------------|----------------|-------------|----------------|
| 2 | 1156 Receipt Supported Services | <u>362,100</u> | 0 | <u>362,100</u> |
| 3 | | [3,400,900] | | [3,400,900] |

4 (k) Section 3, ch. 4, FSSLA 2005, page 49, lines 21 - 22, is amended to read:

5 NEW

| 6 | FUNDING SOURCE | OPERATING | LEGISLATION | TOTAL |
|----|----------------------------------|------------------|-------------|------------------|
| 7 | 1194 Fish and Game Nondedicated | 1,629,900 | 0 | 1,629,900 |
| 8 | Receipts | | | |
| 9 | <u>1201 Commercial Fisheries</u> | <u>3,038,800</u> | <u>0</u> | <u>3,038,800</u> |
| 10 | <u>Entry Commission Receipts</u> | | | |

11 (l) Section 3, ch. 4, FSSLA 2005, page 55, line 26, is amended to read:

12 NEW

| 13 | FUNDING SOURCE | OPERATING | LEGISLATION | TOTAL |
|----|---|------------------|-------------|------------------|
| 14 | 1156 Receipt Supported Services | <u>5,915,600</u> | 0 | <u>5,915,600</u> |
| 15 | | [6,385,600] | | [6,385,600] |
| 16 | <u>1200 Vehicle Rental Tax Receipts</u> | <u>470,000</u> | <u>0</u> | <u>470,000</u> |

17 (m) Section 4, ch. 4, FSSLA 2005, page 60, line 7, is amended to read:

18 NEW

| 19 | FUNDING SOURCE | OPERATING | LEGISLATION | TOTAL |
|----|-----------------------------|----------------------|-------------|----------------------|
| 20 | 1004 General Funds Receipts | <u>1,215,421,900</u> | 13,194,200 | <u>1,228,616,100</u> |
| 21 | | [1,217,113,400] | | [1,230,307,600] |

22 (n) Section 4, ch. 4, FSSLA 2005, page 63, line 4, is amended to read:

23 NEW

| 24 | FUNDING SOURCE | OPERATING | LEGISLATION | TOTAL |
|----|---------------------------------|-------------------|-------------|-------------------|
| 25 | 1156 Receipt Supported Services | <u>83,368,300</u> | 583,300 | <u>83,951,600</u> |
| 26 | | [86,877,100] | | [87,460,400] |

27 (o) Section 4, ch. 4, FSSLA 2005, page 63, line 11, is amended to read:

28 NEW

| 29 | FUNDING SOURCE | OPERATING | LEGISLATION | TOTAL |
|----|----------------------------------|----------------|-------------|----------------|
| 30 | 1166 Commercial Passenger Vessel | <u>770,300</u> | 100 | <u>770,400</u> |
| 31 | Environmental Compliance Fund | [1,020,300] | | [1,020,400] |

(p) Section 4, ch. 4, FSSLA 2005, page 63, lines 23 - 24, is amended to read:

| | | NEW | |
|---|-------------------------|-------------|-------------------------|
| FUNDING SOURCE | OPERATING | LEGISLATION | TOTAL |
| 1195 Special Vehicle Registration Receipts | 115,000 | | 115,000 |
| <u>1200 Vehicle Rental Tax Receipts</u> | <u>2,411,500</u> | | <u>2,411,500</u> |
| <u>1201 Commercial Fisheries Entry Commission Receipts</u> | <u>3,038,800</u> | | <u>3,038,800</u> |

* **Sec. 14.** ALASKA HOUSING FINANCE CORPORATION. The sum of \$300,000,000 is appropriated from the general fund to the Alaska Housing Finance Corporation for the purpose of funding capital projects, including financing expenses. It is the intent of the legislature that the Alaska Housing Finance Corporation may transfer this money and the earnings to a subsidiary of the Alaska Housing Finance Corporation on or after July 1, 2006, under AS 18.56.086.

* **Sec. 15.** POWER COST EQUALIZATION. (a) The sum of \$3,320,000 is appropriated from the general fund to the power cost equalization and rural electric capitalization fund (AS 42.45.100).

(b) The sum of \$3,320,000 is appropriated from the power cost equalization and rural electric capitalization fund (AS 42.45.100) to the Department of Commerce, Community, and Economic Development, Alaska Energy Authority power cost equalization, for partial payment of power cost equalization under AS 42.45.110 for the fiscal year ending June 30, 2006.

* **Sec. 16.** PUBLIC EDUCATION FUND. (a) The sum of \$300,000,000 is appropriated from the general fund to the public education fund (AS 14.17.300) for distribution to school districts, to the state boarding school, for centralized correspondence under AS 14.17, and for transportation of pupils under AS 14.09.010.

(b) The unappropriated balance of the operating general fund (state accounting system number 11100) on June 30, 2006, is appropriated to the public education fund (AS 14.17.300) for distribution to school districts, to the state boarding school, for centralized correspondence study under AS 14.17, and for transportation of pupils under AS 14.09.010.

* **Sec. 17.** LAPSE OF APPROPRIATIONS. (a) The appropriations made by secs. 12, 15(a),

1 and 16 of this Act are to capitalize funds and do not lapse.

2 (b) The appropriations made by secs. 4(a), 5, 6(a), 7, 11(a), 11(b), and 11(f) of this
3 Act are for capital projects and lapse under AS 37.25.020.

4 (c) The appropriation made by sec. 14 of this Act lapses on June 30, 2016.

5 * **Sec. 18.** RETROACTIVITY. This Act is retroactive to March 20, 2006.

6 * **Sec. 19.** This Act takes effect immediately under AS 01.10.070(c).