

SENATE CS FOR CS FOR HOUSE BILL NO. 234(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 3/18/20

Referred: Today's Calendar

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

A BILL

FOR AN ACT ENTITLED

1 **"An Act making supplemental appropriations and other appropriations; amending**
2 **appropriations; capitalizing funds; making appropriations under art. IX, sec. 17(c),**
3 **Constitution of the State of Alaska, from the constitutional budget reserve fund; and**
4 **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)**

* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in section 2 of this Act to the agencies named for the purposes expressed for the fiscal year beginning July 1, 2019 and ending June 30, 2020, unless otherwise indicated. A department-wide, agency-wide, or branch-wide unallocated reduction set out in this section may be allocated among the appropriations made in this section to that department, agency, or branch.

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
	* * * * *	* * * * *		
	* * * * * Department of Administration * * * * *			
	* * * * *	* * * * *		
Legal and Advocacy Services		1,700,000	1,700,000	
Office of Public Advocacy	1,700,000			
Motor Vehicles		550,000	550,000	
Motor Vehicles	550,000			
	* * * * *	* * * * *		
	* * * * * Department of Education and Early Development * * * * *			
	* * * * *	* * * * *		
Education Support and Administrative Services		10,000,000		10,000,000
Student and School Achievement	10,000,000			
Mt. Edgecumbe Boarding School		250,000	250,000	
Mt. Edgecumbe Boarding School Facilities Maintenance	250,000			
	* * * * *	* * * * *		
	* * * * * Department of Health and Social Services * * * * *			
	* * * * *	* * * * *		
Alaska Pioneer Homes		1,000,000	1,000,000	
Alaska Pioneer Homes	1,000,000			

		Appropriation	General	Other
		Allocations	Funds	Funds
3	Payment Assistance			
4	Alaska Psychiatric Institute		6,000,000	
5	Alaska Psychiatric	6,000,000		
6	Institute			
7	Public Assistance		8,600,000	
8	Adult Public Assistance	8,600,000		
9	Medicaid Services		302,673,600	160,400,000
10	Medicaid Services	294,400,000		
11	Adult Preventative Dental	8,273,600		
12	Medicaid Services			
13		* * * * *	* * * * *	
14		* * * * *	Department of Law	* * * * *
15		* * * * *	* * * * *	
16	Criminal Division		400,000	400,000
17	Second Judicial District	150,000		
18	Criminal Appeals/Special	250,000		
19	Litigation			
20		* * * * *	* * * * *	
21		* * * * *	Department of Natural Resources	* * * * *
22		* * * * *	* * * * *	
23	Fire Suppression, Land & Water		110,576,100	110,576,100
24	Resources			
25	Mining, Land & Water	76,100		
26	Fire Suppression Activity	110,500,000		
27		* * * * *	* * * * *	
28		* * * * *	Department of Public Safety	* * * * *
29		* * * * *	* * * * *	
30	Alaska State Troopers		6,743,400	6,743,400
31	Alaska State Trooper	4,318,400		
32	Detachments			
33	Alaska Wildlife Troopers	1,725,000		

		Appropriation	General	Other
		Allocations	Funds	Funds
1				
2				
3	Alaska Wildlife Troopers	700,000		
4	Aircraft Section			
5		* * * * *	* * * * *	
6		* * * * * Department of Revenue * * * * *		
7		* * * * *	* * * * *	
8	Taxation and Treasury		0	400,000
9	Tax Division	0		-400,000
10		* * * * *	* * * * *	
11		* * * * * Department of Transportation and Public Facilities * * * * *		
12		* * * * *	* * * * *	
13	Highways, Aviation and Facilities		158,100	158,100
14	Northern Region Highways	158,100		
15	and Aviation			
16	Marine Highway System		7,050,000	7,050,000
17	Marine Vessel Operations	7,050,000		
18		* * * * *	* * * * *	
19		* * * * * Judiciary * * * * *		
20		* * * * *	* * * * *	
21	Alaska Court System		479,100	479,100
22	Appellate Courts	29,600		
23	Trial Courts	407,300		
24	Administration and Support	42,200		
25	Therapeutic Courts		5,300	5,300
26	Therapeutic Courts	5,300		
27	Commission on Judicial Conduct		1,300	1,300
28	Commission on Judicial	1,300		
29	Conduct			
30	Judicial Council		4,200	4,200
31	Judicial Council	4,200		
32	(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)			

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

Funding Source	Amount
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Department of Administration

1004	Unrestricted General Fund Receipts	1,700,000
1005	General Fund/Program Receipts	550,000
***	Total Agency Funding ***	2,250,000

Department of Education and Early Development

1002	Federal Receipts	10,000,000
1004	Unrestricted General Fund Receipts	100,000
1005	General Fund/Program Receipts	150,000
***	Total Agency Funding ***	10,250,000

Department of Health and Social Services

1002	Federal Receipts	160,400,000
1003	General Fund Match	150,873,600
1004	Unrestricted General Fund Receipts	7,000,000
***	Total Agency Funding ***	318,273,600

Department of Law

1002	Federal Receipts	250,000
1108	Statutory Designated Program Receipts	150,000
***	Total Agency Funding ***	400,000

Department of Natural Resources

1004	Unrestricted General Fund Receipts	110,500,000
1005	General Fund/Program Receipts	76,100
***	Total Agency Funding ***	110,576,100

Department of Public Safety

1004	Unrestricted General Fund Receipts	6,743,400
***	Total Agency Funding ***	6,743,400

Department of Revenue

1004	Unrestricted General Fund Receipts	400,000
1061	Capital Improvement Project Receipts	-400,000

1	Department of Transportation and Public Facilities	
2	1004 Unrestricted General Fund Receipts	158,100
3	1061 Capital Improvement Project Receipts	-90,000
4	1076 Alaska Marine Highway System Fund	7,050,000
5	1215 Unified Carrier Registration Receipts	90,000
6	*** Total Agency Funding ***	7,208,100
7	Judiciary	
8	1004 Unrestricted General Fund Receipts	489,900
9	*** Total Agency Funding ***	489,900
10	* * * * * Total Budget * * * * *	456,191,100
11	(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)	

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

Funding Source	Amount
Unrestricted General	
1003 General Fund Match	150,873,600
1004 Unrestricted General Fund Receipts	127,091,400
*** Total Unrestricted General ***	277,965,000
Designated General	
1005 General Fund/Program Receipts	776,100
1076 Alaska Marine Highway System Fund	7,050,000
*** Total Designated General ***	7,826,100
Other Non-Duplicated	
1108 Statutory Designated Program Receipts	150,000
1215 Unified Carrier Registration Receipts	90,000
*** Total Other Non-Duplicated ***	240,000
Federal Receipts	
1002 Federal Receipts	170,650,000
*** Total Federal Receipts ***	170,650,000
Other Duplicated	
1061 Capital Improvement Project Receipts	-490,000
*** Total Other Duplicated ***	-490,000

(SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 4.** The following appropriation items are for capital projects and grants from the general fund or other funds as set out in section 5 of this Act by funding source to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other
	Allocations	Funds	Funds

* * * * *

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*** * * * * Department of Commerce, Community and Economic Development * * * * ***

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HUD Community Development Block Grant	35,856,000		35,856,000
- Disaster Recovery Program (HD 1-40)			

Grants to Named Recipients (AS

37.05.316)

Alaska Municipal League - Rural Real	150,000	150,000	
ID Implementation (HD 1-40)			

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*** * * * * Office of the Governor * * * * ***

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Help America Vote Act (HD 1-40)	3,700,000		3,700,000
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*** * * * * Department of Military and Veterans Affairs * * * * ***

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Mass Notification System - Joint Base	900,000	450,000	450,000
Elmendorf Richardson (HD 15)			

Alaska Land Mobile Radio Site Refresh	24,000,000	24,000,000	
(HD 1-40)			

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*** * * * * Department of Public Safety * * * * ***

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Automatic Dependent Surveillance	398,400	398,400	
Broadcast System for DPS Aircraft (HD			

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	1-40)			
4	Radio Replacement (HD 1-40)	500,000	500,000	
5	*****	*****		
6	***** Department of Revenue *****			
7	*****	*****		
8	Alaska Housing Finance Corporation			
9	AHFC Cold Climate Housing Research	520,285	520,285	
10	Center (CCHRC) (HD 1-40)			
11	*****	*****		
12	***** Department of Transportation and Public Facilities *****			
13	*****	*****		
14	Alaska Marine Highway System Vessel	5,000,000	5,000,000	
15	Overhaul, Annual Certification and			
16	Shoreside Facilities Rehabilitation			
17	(HD 1-40)			
18	State Equipment Fleet Replacement (HD	3,155,000		3,155,000
19	1-40)			
20	Earthquake Relief - Federally	3,000,000	3,000,000	
21	Ineligible Costs (HD 1-40)			
22	(SECTION 5 OF THIS ACT BEGINS ON THE NEXT PAGE)			

* **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1002 Federal Receipts	35,856,000
1004 Unrestricted General Fund Receipts	150,000
*** Total Agency Funding ***	36,006,000
Office of the Governor	
1185 Election Fund	3,700,000
*** Total Agency Funding ***	3,700,000
Department of Military and Veterans Affairs	
1002 Federal Receipts	450,000
1004 Unrestricted General Fund Receipts	24,450,000
*** Total Agency Funding ***	24,900,000
Department of Public Safety	
1004 Unrestricted General Fund Receipts	898,400
*** Total Agency Funding ***	898,400
Department of Revenue	
1139 Alaska Housing Finance Corporation Dividend	520,285
*** Total Agency Funding ***	520,285
Department of Transportation and Public Facilities	
1004 Unrestricted General Fund Receipts	3,000,000
1026 Highways Equipment Working Capital Fund	3,155,000
1076 Alaska Marine Highway System Fund	5,000,000
*** Total Agency Funding ***	11,155,000
* * * * * Total Budget * * * * *	77,179,685

(SECTION 6 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Unrestricted General	
1004 Unrestricted General Fund Receipts	28,498,400
1139 Alaska Housing Finance Corporation Dividend	520,285
*** Total Unrestricted General ***	29,018,685
Designated General	
1076 Alaska Marine Highway System Fund	5,000,000
*** Total Designated General ***	5,000,000
Federal Receipts	
1002 Federal Receipts	36,306,000
*** Total Federal Receipts ***	36,306,000
Other Duplicated	
1026 Highways Equipment Working Capital Fund	3,155,000
1185 Election Fund	3,700,000
*** Total Other Duplicated ***	6,855,000

(SECTION 7 OF THIS ACT BEGINS ON THE NEXT PAGE)

1 * **Sec. 7.** ALASKA PERMANENT FUND. Section 19(j), ch. 1, FSSLA 2019, is amended to
2 read:

3 (j) After the appropriations made in (a) - (i) of this section, the remaining
4 balance of the earnings reserve account (AS 37.13.145), not to exceed \$4,000,000,000,
5 is appropriated from the earnings reserve account (AS 37.13.145) to the principal of
6 the Alaska permanent fund. It is the intent of the legislature that the amount
7 appropriated in this subsection

8 (1) not include associated unrealized gains; and

9 (2) be used to satisfy the inflation proofing requirement under
10 AS 37.13.145(c) for the next **four** [EIGHT] fiscal years.

11 * **Sec. 8.** DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC
12 DEVELOPMENT. The sum of \$8,500,000 is appropriated to the Department of Commerce,
13 Community, and Economic Development for payment as grants under AS 37.05.315 to
14 municipalities impacted by commercial passenger vessel operations for responding to and
15 mitigating the risk of a COVID-19 outbreak in the state for the fiscal years ending June 30,
16 2020, and June 30, 2021, from the following sources:

17 (1) \$4,500,000 from the commercial passenger vessel environmental
18 compliance fund (AS 46.03.482);

19 (2) \$4,000,000 from the commercial vessel passenger tax account
20 (AS 43.52.230(a)).

21 * **Sec. 9.** DEPARTMENT OF CORRECTIONS. (a) Section 14(a), ch. 3, FSSLA 2019, is
22 amended to read:

23 (a) The sum of \$6,000,000 is appropriated from the power cost equalization
24 endowment fund (AS 42.45.070(a)) to the Department of Corrections for the costs of
25 reopening the Palmer Correctional Center for the fiscal **years** [YEAR] ending June 30,
26 **2020, and June 30, 2021.**

27 (b) Section 14(b), ch. 3, FSSLA 2019, is amended to read:

28 (b) The sum of \$10,669,100 is appropriated from the power cost equalization
29 endowment fund (AS 42.45.070(a)) to the Department of Corrections for the costs of
30 reopening the Palmer Correctional Center for the fiscal **years** [YEAR] ending June 30,
31 **2020, and June 30, 2021.**

(c) The unexpended and unobligated balance on June 30, 2019, of federal receipts received by the Department of Corrections through man-day billings, estimated to be \$8,025,700, is appropriated to the Department of Corrections, population management, for the fiscal year ending June 30, 2020.

* **Sec. 10.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. (a) The amount necessary to cover the cost of responding to and mitigating the risk of a COVID-19 outbreak in the state, not to exceed \$15,000,000, is appropriated from the general fund to the Department of Health and Social Services, division of public health, emergency programs, for the fiscal years ending June 30, 2020, and June 30, 2021.

(b) The amount of federal receipts received during the fiscal year ending June 30, 2020, for Medicaid services, estimated to be \$0, is appropriated to the Department of Health and Social Services, Medicaid services, for the fiscal year ending June 30, 2020.

* **Sec. 11.** DEPARTMENT OF LAW. The sum of \$7,046,865 is appropriated from the general fund to the Department of Law, civil division, deputy attorney general's office, for the purpose of paying judgments and settlements against the state for the fiscal year ending June 30, 2020.

* **Sec. 12.** DEPARTMENT OF REVENUE. (a) Section 28, ch. 1, FSSLA 2019, is amended to read:

Sec. 28. DEPARTMENT OF REVENUE. The amount determined to be available in the Alaska Tax Credit Certificate Bond Corporation reserve fund (AS 37.18.040) for purchases, refunds, or payments under AS 43.55.028, estimated to be \$700,000,000, is appropriated from the Alaska Tax Credit Certificate Bond Corporation reserve fund (AS 37.18.040) to the Department of Revenue, office of the commissioner, for the purpose of making purchases, refunds, or payments under AS 43.55.028 for the fiscal years [YEAR] ending June 30, 2020, and June 30, 2021.

* **Sec. 13.** DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. Section 14, ch. 19, SLA 2018, is amended to read:

Sec. 14. DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. The sum of \$2,000,000 is appropriated from the general fund to the Department of Transportation and Public Facilities for the Knik-Goose Bay Road reconstruction [, VINE ROAD TO SETTLERS BAY DRIVE PROJECT].

1 * **Sec. 14. OFFICE OF THE GOVERNOR.** (a) The sum of \$18,000 is appropriated from the
 2 general fund to the Office of the Governor, Office of the Lieutenant Governor, for the purpose
 3 of complying with AS 15.45.195 for the fiscal years ending June 30, 2020, and June 30, 2021.

4 (b) The sum of \$215,400 is appropriated from the general fund to the Office of the
 5 Governor, division of elections, for the purpose of providing voter initiative review,
 6 certification, and language translation for the fiscal years ending June 30, 2020, and June 30,
 7 2021.

8 * **Sec. 15. NATIONAL PETROLEUM RESERVE - ALASKA IMPACT GRANT**
 9 **PROGRAM.** (a) The unexpended and unobligated balance of the National Petroleum Reserve
 10 - Alaska special revenue fund (AS 37.05.530(a)) under 42 U.S.C. 6506a(l) or former 42
 11 U.S.C. 6508 on June 30, 2020, estimated to be \$6,670,177, is appropriated to the Department
 12 of Commerce, Community, and Economic Development for capital project grants under the
 13 National Petroleum Reserve - Alaska impact grant program.

14 (b) The portion of the amount appropriated by sec. 12(b), ch. 3, FSSLA 2019, and (a)
 15 of this section that is not subject to a signed grant agreement between the Department of
 16 Commerce, Community, and Economic Development and an impacted municipality on or
 17 before August 31, 2020, lapses into the National Petroleum Reserve - Alaska special revenue
 18 fund (AS 37.05.530(a)) on September 1, 2020.

19 * **Sec. 16. FUND CAPITALIZATION.** (a) The sum of \$600,000 is appropriated from the
 20 general fund to the election fund to serve as matching funds for federal election security
 21 grants.

22 (b) The amount of federal receipts received for federal election security grants during
 23 the fiscal year ending June 30, 2020, is appropriated to the election fund.

24 (c) The sum of \$30,000,000 is appropriated from the general fund to the community
 25 assistance fund (AS 29.60.850).

26 * **Sec. 17. RATIFICATIONS OF CERTAIN EXPENDITURES.** The following
 27 departmental expenditures made in fiscal years 2007, 2010, 2012, 2013, 2014, 2016, and 2017
 28 are ratified to reverse the negative account balances in the Alaska state accounting system in
 29 the amount listed for the AR number. The appropriations from which those expenditures were
 30 actually paid are amended by increasing those appropriations for the fiscal year ending
 31 June 30, 2020, by the amount listed, as follows:

1	AGENCY	FISCAL YEAR	AMOUNT
2	Department of Health and Social Services		
3	(1) AR H308 Medicaid Management	2007	\$ 211,444.27
4	System Completion		
5	Department of Transportation and Public Facilities		
6	(2) AR TYDE Federal Emergency Projects	2010	21,581.99
7	(3) AR TYUY Federal Emergency Projects	2012	57,837.47
8	(4) AR TZ2W Federal Emergency Projects	2013	99,679.25
9	(5) AR TA1Z Federal Emergency Projects	2014	396,982.74
10	(6) AR TB47 Federal Emergency Projects	2016	1,290,967.82
11	(7) AR TBM7 Federal Emergency Projects	2017	325,070.13.

12 * **Sec. 18.** SALARY AND BENEFIT ADJUSTMENTS. Section 36(b), ch. 1, FSSLA 2019,
13 is amended to read:

14 (b) The operating budget appropriations made to the University of Alaska in
15 sec. 1 of this Act include amounts for salary and benefit adjustments for the fiscal year
16 ending June 30, 2020, for university employees who are not members of a collective
17 bargaining unit and to implement the monetary terms for the fiscal year ending
18 June 30, 2020, of the following collective bargaining agreements:

19 (1) Fairbanks Firefighters Union, IAFF Local 1324;

20 (2) United Academics - Adjuncts - American Association of
21 University Professors, American Federation of Teachers;

22 (3) United Academics - American Association of University
23 Professors, American Federation of Teachers;

24 **(4) Alaska Higher Education Crafts and Trades Employees, Local**
25 **6070.**

26 * **Sec. 19.** CONSTITUTIONAL BUDGET RESERVE FUND. (a) Deposits in the budget
27 reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for fiscal year 2020 that are
28 made from subfunds and accounts of the operating general fund by operation of art. IX, sec.
29 17(d), Constitution of the State of Alaska, to repay appropriations from the budget reserve
30 fund are appropriated from the budget reserve fund to the subfunds and accounts from which
31 those funds were transferred.

(b) If, after the appropriations made in secs. 17(b) and (c), ch. 1, SSSLA 2019, the unrestricted state revenue available for appropriation in fiscal year 2020 is insufficient to cover the general fund appropriations that take effect in fiscal year 2020 that are made in this Act, as passed by the Thirty-First Alaska State Legislature in the Second Regular Session and enacted into law, the amount necessary to balance revenue and general fund appropriations that take effect in fiscal year 2020 that are made in this Act, as passed by the Thirty-First Alaska State Legislature in the Second Regular Session and enacted into law, is appropriated to the general fund from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).

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

* **Sec. 20. LAPSE.** (a) Sections 4 and 15(a) of this Act are for capital projects and lapse under AS 37.25.020.

(b) The appropriations made in secs. 15(b) and 16 of this Act are for the capitalization of funds and do not lapse.

* **Sec. 21. CONTINGENCY.** The appropriation made from the constitutional budget reserve fund in sec. 19(b) of this Act is contingent on passage by the Thirty-First Alaska State Legislature in the Second Regular Session and enactment into law of the appropriation made in sec. 19(a) of this Act.

* **Sec. 22.** Section 19(a) of this Act takes effect July 1, 2020.

* **Sec. 23.** Except as provided in sec. 22 of this Act, this Act takes effect immediately under AS 01.10.070(c).