

Introduced: 4/9/81  
Referred: Finance

BY DUNCAN, FULLER, GRUSSENDORF,  
ZHAROFF, HAYES, CHUCKWUK, PHILLIPS  
AND VASKA

1 IN THE HOUSE

2 HOUSE BILL NO. 490

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a special federal budget reduction  
7 contingency fund in the Office of the Governor; and  
8 providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

11 (1) proposed and possible reductions in federal appropriations  
12 will sharply reduce the financial support for programs and services provided  
13 to residents throughout the state;

14 (2) these reductions may not be announced or implemented by the  
15 federal government during the current legislative session;

16 (3) the legislature, the governor, and affected state agencies  
17 will know with certainty the effect of reductions to be implemented only  
18 after the start of the next federal fiscal year, at a time when the legisla-  
19 ture is not in session;

20 (4) anticipated federal budget reductions will affect a range of  
21 programs and services including, especially, housing, health care, education  
22 and employment, and will inhibit or limit the ability of established pro-  
23 viders of services to continue to deliver services after January 20, 1981.

24 (b) The purpose of this Act is

25 (1) to provide temporary support for programs and services to  
26 offset reductions of federal appropriations for those programs and services  
27 until a comprehensive review and report relating to the effect on state  
28 agencies and others of proposed federal appropriations reductions is pre-  
29 sented to the legislature;

(2) to maintain intact, insofar as is reasonably possible, organizations with demonstrated ability to provide services until the legislature and the executive branch of state government have an opportunity to review and recommend legislation adapting state programs and services to anticipated reductions in federal appropriations on a permanent basis.

\* Sec. 2. FUND ESTABLISHED. (a) The special federal budget reduction contingency fund is established. The fund shall be administered by the governor.

(b) From appropriations made to the special federal budget reduction contingency fund, the governor may make grants to offset the effect of reductions in appropriations by the federal government made after January 20, 1981, in programs of benefit to the people of the state. Under this subsection, the governor may

(1) make grants from the fund to a state agency to offset a reduction in federal appropriations for programs or services provided by a state agency; or

(2) make grants from the fund through a state agency

(A) to a nonprofit corporation or an organization with a demonstrated ability to provide programs or services if the governor finds that a significant number of people served by a program or service for which that corporation or organization is responsible will be harmed by a reduction in federal appropriations for the program; or

(B) to a nonprofit corporation or an organization with a demonstrated ability to provide program or services if the governor finds that the ability of the corporation or organization to continue to deliver services will be jeopardized by a reduction in federal appropriations for the corporation or organization.

(c) The governor may make grants under (b)(2) of this section to

(1) political subdivisions of the state; or

1 (2) a nonprofit corporation or organization which has authority  
2 to provide programs or services to people of the state or a region of the  
3 state and has experience in the provision of those services.

4 (d) Before making a grant under this section, the governor shall  
5 submit information concerning the grant to the Joint Federal Program Review  
6 Committee. The committee shall review and may comment or recommend to the  
7 governor concerning the proposed award of a grant. The governor may not award  
8 a grant before requesting the comments or recommendations of the Joint  
9 Federal Program Review Committee.

10 \* Sec. 3. This Act terminates June 30, 1982.

11 \* Sec. 4. This Act takes effect on the effective date of an Act entitled  
12 "An Act establishing a joint committee of the legislature to meet with  
13 executive branch officials to review and report on the effect of proposed  
14 federal budget reductions on programs that benefit the people of the state;  
15 and providing for an effective date."  
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