

Introduced: 1/17/89  
Referred: State Affairs  
and Finance

go01019h

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 87

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act requiring the governor to formulate and

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submit a long-term financial plan for the state; and

8

providing for an effective date."

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

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\* Section 1. AS 37.07.020(b) is amended to read:

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(b) In addition to the budget and general appropriation bill,

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the governor shall submit a long-term [CAPITAL IMPROVEMENTS PROGRAM

13

AND] financial plan [COVERING THE SUCCEEDING SIX FISCAL YEARS]. The

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long-term financial plan shall include estimates of expenditures,

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estimates of annual revenue from all sources, and recommendations for

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additional sources of revenue. The long-term financial plan shall

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include projections of estimated expenditures covering the five suc-

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ceeding fiscal years and projections of revenue for the 20 succeeding

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fiscal years.

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\* Sec. 2. AS 37.07.030 is amended to read:

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Sec. 37.07.030. RESPONSIBILITIES OF THE LEGISLATURE. The legis-

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lature shall

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(1) provide for a budget review function;

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(2) analyze the comprehensive operating and capital im-

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provements programs and long-term financial plan [PLANS] recommended

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by the governor;

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(3) adopt legislation to authorize implementation of the

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governor's comprehensive operating and capital improvements budget

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[PROGRAMS AND FINANCIAL PLANS OR APPROPRIATE ALTERNATIVES TO THOSE

1 PLANS];

2 (4) provide for a post-audit function to cover financial  
3 transactions, program accomplishment, and compliance with legislative  
4 intent;

5 (5) adopt or revise the estimate or receipts required to  
6 balance the succeeding fiscal year's budget in order that proposed  
7 expenditures do not exceed estimated receipts for that fiscal year;

8 (6) adopt, revise, or initiate revenue measures in order to  
9 balance the succeeding fiscal year's budget and the capital improve-  
10 ments section of the budget for the succeeding six years;

11 (7) adopt a concurrent resolution approving or recommending  
12 revisions to the long-term financial plan annually submitted by the  
13 governor.

14 \* Sec. 3. AS 37.07.060 is amended to read:

15 Sec. 37.07.060. GOVERNOR'S RECOMMENDATION. (a) The governor  
16 shall formulate the long-term [OPERATING AND CAPITAL IMPROVEMENTS  
17 PROGRAMS AND] financial plan [PLANS] required to be recommended to the  
18 legislature by AS 37.07.020 after considering the state agency  
19 proposed program and financial plan [PLANS], and other programs and  
20 alternatives that the governor considers appropriate. The plan  
21 [PLANS] must include the governor's recommended goals and policies,  
22 recommended plans to implement the goals and policies, recommended  
23 operating and capital improvement program for the succeeding five  
24 fiscal years [YEAR, RECOMMENDED CAPITAL IMPROVEMENTS PROGRAM FOR THE  
25 SUCCEEDING SIX FISCAL YEARS], recommended programs for the upgrading  
26 of public buildings and facilities prepared in accordance with AS  
27 35.10.015, and recommended revenue measures to support the programs.

28 (b) The governor shall present the proposed budget [COMPRE-  
29 HENSIVE OPERATING AND CAPITAL IMPROVEMENTS PROGRAMS] and long-term

1 financial plan [PLANS] in a message to a joint session of the legisla-  
2 ture before the fourth legislative day following the convening of the  
3 legislature in regular session. The message must be accompanied by an  
4 explanatory report that summarizes recommended goals, plans, and  
5 appropriations. The report must contain

6 (1) the coordinated program goals and objectives that the  
7 governor recommends to guide the decisions on the proposed program  
8 plans and budget appropriations;

9 (2) the governor's operating program and budget recommenda-  
10 tions for the succeeding fiscal year organized by agency as required  
11 by AS 37.07.020(a);

12 (3) the governor's capital improvements program and budget  
13 recommendations for the five succeeding fiscal [YEAR AND CAPITAL  
14 IMPROVEMENTS PROGRAM FOR THE SUCCEEDING SIX FISCAL] years, which must  
15 include

16 (A) a description of each project, its estimated cost  
17 for the year construction is to start and the estimated cost of  
18 the project adjusted for inflation over the estimated period of  
19 construction, and the source of financing for the project; the  
20 project description for a new building or a new facility or for a  
21 major addition to a building or facility should include a site  
22 plan, preliminary drawings, and architect's or engineer's total  
23 cost estimate for the project;

24 (B) a summary of projects previously authorized and  
25 not yet completed;

26 (C) a summary, listed by agency, of all previously  
27 proposed projects that have been deferred beyond the period [SIX  
28 YEARS] covered by the plan and the year in which construction has  
29 been rescheduled to begin;

1 (D) a forecast of the debt structure of the state and  
2 the various debt ratios over the life of the state's bonds out-  
3 standing, bonds authorized and to be issued, and bond authoriza-  
4 tions recommended in the plan;

5 (E) a description of additional revenue measures  
6 needed to finance the plan in lieu of debt;

7 (F) bond election bills to authorize the bonds  
8 required to fund the projects scheduled for the first three years  
9 of the plan;

10 (G) projections of population of the state and its  
11 regions and communities;

12 (H) economic data and projections necessary for the  
13 evaluation of the plan;

14 (4) a summary of state receipts in the last fiscal year, a  
15 revised estimate for the current fiscal year, and an estimate for the  
16 succeeding fiscal year;

17 (5) a summary of expenditures during the last fiscal year,  
18 those authorized for the current fiscal year, and an estimate for the  
19 succeeding fiscal year;

20 (6) any additional information that will facilitate under-  
21 standing of the governor's proposed programs and long-term financial  
22 plan [PLANS] by the legislature and the public.

23 \* Sec. 4. AS 37.07.070 is amended to read:

24 Sec. 37.07.070. LEGISLATIVE REVIEW. The legislature shall  
25 consider the governor's proposed long-term [COMPREHENSIVE OPERATING  
26 AND CAPITAL IMPROVEMENTS PROGRAMS AND] financial plan [PLANS], evalu-  
27 ate alternatives to the plan [PLANS], make program selections among  
28 the various alternatives and determine, subject to available revenues  
29 the level of funding required to support authorized state services.

1       The operating and capital budgets of each agency shall be separately  
2       reviewed. During each regular session of the legislature, legislative  
3       review of the governor's supplemental appropriation bills and the  
4       governor's budget amendments shall be governed by the following time  
5       limits:

6               (1) Requests by the governor for supplemental appro-  
7       priations for state agency operating and capital budgets for the  
8       current fiscal year may be introduced by the rules committee only  
9       through the 30th legislative day.

10              (2) Requests by the governor for budget amendments to state  
11       agency budgets for the budget fiscal year may be received and reviewed  
12       by the finance committees only through the 60th legislative day.

13       \* Sec. 5. This Act takes effect July 1, 1989.