

Original sponsors: Duncan, Fuller,
Grussendorf, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 489 (Finance)

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 joint committee of the legisla-
7 ture to meet with executive branch officials to review
8 and report on the effect of proposed federal budget
9 reductions on programs that benefit the people of the
10 state; and providing for an effective date."

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

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

13 (1) proposed reductions in federal appropriations have the
14 potential to sharply reduce financial support for programs and services
15 provided to residents throughout the state;

16 (2) by October 1, 1981 (the beginning of the federal fiscal
17 year), the legislature, the governor, and the affected state agencies should
18 know with certainty the effect of the reductions so that, if necessary,
19 remedial action may be promptly taken by the Twelfth Legislature during its
20 Second Session; and

21 (3) the proposed federal budget reductions affect a range of
22 programs and services, including housing, health care, education and employ-
23 ment, and those reductions affect a number of budget program categories and
24 agencies of the state government.

25 (b) It is the purpose of this Act to provide the means by which the
26 legislature and the executive branch may undertake a comprehensive review of
27 the effect of federal program support and federal reductions of appropria-
28 tions for programs and services, and recommend appropriate action to the
29 Second Session of the Twelfth Legislature for its consideration.

1 * Sec. 2. JOINT COMMITTEE ESTABLISHED. (a) The Federal Program Review
2 Committee is established as a temporary interim committee of the legisla-
3 ture.

4 (b) The committee is composed of the following members:

5 (1) one member of the house of representatives appointed by the
6 speaker of the house of representatives;

7 (2) one member of the senate appointed by the president of the
8 senate;

9 (3) the chairman of the Legislative Council, or a member of the
10 Legislative Council appointed by the chairman; and

11 (4) the chairman of the Legislative Budget and Audit Committee,
12 or a member of that committee appointed by the chairman.

13 (c) If a vacancy occurs in the membership of the committee, the person
14 authorized to make an appointment under (b) of this section shall fill the
15 vacancy by appointment.

16 (d) The committee may meet during sessions of the legislature and
17 during the interim between legislative sessions. The committee may meet at
18 any time and in any place in the state. A member of the committee may
19 receive, for the minimum time required to travel to and return from a
20 meeting of the committee and for the time while attending a meeting, the
21 same travel and per diem allowances provided by law for members of the
22 legislature while attending sessions of the legislature. However, a member
23 of the committee may not receive a per diem allowance for attending a
24 meeting which is held at the state capital while the legislature is in
25 session other than the per diem allowance paid to legislators under AS 24.-
26 15.010.

27 * Sec. 3. DUTIES AND POWERS OF THE COMMITTEE. (a) The members of the
28 Joint Federal Program Review Committee shall meet regularly with the follow-
29 ing state officials for the purposes set out in (b) of this section:

- 1 (1) the commissioner of administration;
2 (2) the commissioner of community and regional affairs;
3 (3) the chairman of the Rural Development Council (AS 44.47.160);

4 and

5 (4) the director of the division of budget and management, Office
6 of the Governor.

7 (b) The Joint Federal Program Review Committee and the state officials
8 designated in (a) of this section shall

9 (1) organize and adopt procedures for the conduct of business;

10 (2) review programs and services which are affected by reductions
11 in federal appropriations;

12 (3) identify and assess the impact of proposed reductions in
13 federal appropriations for programs and services of benefit to the people of
14 the state;

15 (4) review the adequacy of state agencies to plan for, receive,
16 and administer federal "block grants" or other federal appropriations or
17 allocations which may be substituted for deleted or reduced federal program
18 appropriations; and

19 (5) recommend to the Seccond Session of the Twelfth Legislature by
20 February 10, 1982, specific revisions in state programs, and in appropria-
21 tions for those programs, to reduce or minimize the disruptive effect of
22 lower federal appropriations occurring after January 20, 1981; when the
23 committee and state officials recommend revisions in and appropriations for
24 state programs under this paragraph, the committee shall identify the
25 federal programs and appropriations which its recommendations are intended
26 to supplement, enhance, support, or replace.

27 (c) The Federal Program Review Committee, meeting jointly with the
28 officials designated in sec. 2(b) of this Act, may

29 (1) hold public hearings;

1 (2) require state officials and members of governing boards of
2 municipalities and the school boards of regional educational attendance
3 areas to cooperate with the committee in furnishing requested information;

4 (3) request and receive recommendations for specific program
5 revisions from nonprofit corporations and other organizations which provide
6 services; and

7 (4) review the governor's allocation of grants for programs from
8 any temporary contingency grant program established to provide state assist-
9 ance for reductions of federal appropriations and make recommendations on
10 those allocations.

11 * Sec. 4. This Act terminates June 30, 1982.

12 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.7
13 070(c).

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STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

JUNEAU 99801

MEMORANDUM

DATE: April 15, 1981

TO: Sam Cotten, Chairman
House Finance Committee

FROM: J.H. Hogan, Director
Division of Legislative Finance

SUBJECT: HB 489

You have requested an analysis of HB 489. AS 24.20.201.(a) grants the Legislative Budget and Audit Committee the power to:

...

(4) review revenue projections, state agency appropriation requests, the expenditure of state funds, including the relationship between state agency program accomplishments and legislative intent, and the fiscal policies and procedures of state government;

(5) review and approve proposed changes to agency authorized budgets as provided in the Executive Budget Act (AS 37.07);

(6) make recommendations concerning appropriations, their expenditure and the fiscal policies and procedures of state government to the governor when appropriate, and to the legislature;

...

Under the proposed HB 489, on page 3, the Joint Federal Program Review Committee would have the power to:

...

(2) review programs and services which are affected by reductions in federal appropriations;

(3) identify and assess the impact of proposed reductions in federal appropriations for programs and services of benefit to the people of the state;

Sam Cotten
April 15, 1981
Page 2

(4) review the adequacy of state agencies to plan for, receive, and administer federal "block grants" or other federal appropriations or allocations which may be substituted for deleted or reduced federal program appropriations; and

(5) recommend to the Second Session of the Twelfth Legislature by February 10, 1982, specific revisions in state programs, and in appropriations for those programs, to reduce or minimize the disruptive effect of lower federal appropriations occurring after January 20, 1981.

It appears that the duties proposed for the new four-member Joint Federal Program Review Committee parallel those of the existing Legislative Budget and Audit Committee.

A legal problem appears in the composition of the Joint Federal Review Committee. Again referring to page 3, the four-member Joint Federal Review Committee is directed to "...meet regularly with the following state officials..."; the commissioner of administration, the commissioner of community and regional affairs, the chairman of the Rural Development Council, and the director of the division of budget and management, Office of the Governor.

It appears that the Joint Federal Review Committee and the four named state officials are to "organize and adopt procedures for the conduct of business". This mix of executive/legislative branch officials is one not envisioned under the Alaska constitution, and previous efforts along this line have been strongly resisted by the Attorney General. (The Special Legislative Oil-Development Impact Review Committee, established in law without the Governor's signature during the 1974 legislative session, had duties that resembled those of the proposed committee. The Oil Impact Committee was promptly taken to court by the then-Governor, and the review and approval powers of the committee knocked down in a superior court decision.)

In summary, I think the functions outlined in HB 489 for the Joint Federal Review Committee can be adequately accomplished at minimal additional cost by assigning them to the Legislative Budget and Audit Committee.

JHH:vsw

Attachment

* Sec. 3. CAPITAL IMPROVEMENT GRANTS. (a) Where the impact of rapid, sudden population growth threatens to develop open space land that otherwise would remain free of urban development, the department may make grants to an oil-development-impacted municipality contributing an equal amount for the acquisition or improvement of open space or greenbelt lands, recreation facilities, parks or wildlife refuges.

(b) No grant under this section may exceed \$500,000.

(c) Grants made under this section may not be used directly or indirectly to reduce current municipal tax rates or to retire existing bonded indebtedness.

* Sec. 4. APPLICATIONS. Grants under this Act may be made only upon application by the municipality to the department. Each grant application shall state the intended use for which the grant will be expended.

* Sec. 5. ACCOUNTABILITY FOR GRANTS. (a) A municipality receiving a direct pipeline impact grant under ch. 147 SLA 1974 shall submit a financial report covering the expenditure of the direct pipeline impact grant before a grant may be received under this Act.

(b) A municipality shall submit a financial report covering the expenditure of any grant already received under this Act to the department before another grant may be received under this Act.

(c) A municipality receiving grants under this Act shall

(1) maintain a separate account for the grants received under this Act;

(2) provide for an annual independent audit of the separate account for grants received under this Act; and

(3) submit a copy of the independent audit report to the department.

* Sec. 6. POPULATION. A municipality shall submit estimated population and population growth figures to the department. These population and population growth figures are subject to review and approval by the department. The decisions of the department as to population and population growth figures are final.

* Sec. 7. REGULATIONS. The department may adopt regulations necessary to carry out the purpose of this Act.

* Sec. 8. AUTHORITY TO ACCEPT SERVICE, GIFTS, GRANTS, AND LOANS. When the federal government or an agency or officer of the federal government offers to the state, or through the state to a municipality, services, equipment, supplies, materials, or funds by way of gift, grant, or loan, for the purpose of alleviating the social or economic impact resulting from oil development construction, the state acting through the commissioner of community and regional affairs, or the municipality acting through its executive officer or governing body, may accept the offer subject to the terms of the offer and the rules and regulations of the agency making the offer.

* Sec. 9. SPECIAL LEGISLATIVE OIL-DEVELOPMENT IMPACT REVIEW COMMITTEE. There is established the Special Legislative Oil-Development Impact Review Committee composed of three members of the senate appointed by the president of the senate and three members of the house appointed by the speaker of the house. The committee shall select its own chairman.

* Sec. 10. TERM OF MEMBERSHIP. The committee shall be organized within 15 days after the organization of each legislature. Members serve for the duration of the legislature during which they are appointed. If they are reelected or their term of office extends into the next succeeding legislature, they continue to serve until reappointed or the appointment of their successor. The first committee shall be appointed within 15 days of the adjournment of the Second Special Session, Eighth Legislature.

* Sec. 11. MEETINGS. (a) The committee may meet during sessions of the legislature and during the interim between sessions at such times and places in the state as the chairman may determine. Members may receive, for the minimum time required to get to and from meetings and for the period while attending meetings, the same travel and per diem allowances provided by law for members of the legislature when attending sessions, except that members of the committee receive no per diem during legislative sessions other than the per diem allowance paid to other members of the legislature.

(b) A majority of the members of the committee constitutes a quorum for the purpose of carrying out its duties under this Act.

* Sec. 12. DUTIES OF COMMITTEE. Grants under this Act shall be made by the Department of Community and Regional Affairs at the direction of the governor subject to approval of the Special Legislative Oil-Development Impact Review Committee.

* Sec. 13. DIVISION OF LEGISLATIVE FINANCE ASSISTANCE. The division of legislative finance shall cooperate with the committee and shall furnish technical assistance and personnel, if available, upon request.

* Sec. 14. DEFINITIONS. In this Act

(1) "department" means the Department of Community and Regional Affairs;

(2) "municipality" means a home rule or general law city or borough, including but not limited to a unified municipality established under AS 29.60;

(3) "operating expenditures" means personal services, contractual services, travel, commodities, and up to \$20,000 per item of equipment, except that the term does not include any of these items if part of a capital improvement expenditure; relocatable classrooms are not subject to the \$20,000 limitation;

(4) "committee" means the Special Legislative Oil-Development Impact Review Committee.

* Sec. 15. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

Introduced: 4/9/81
Referred: Finance

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

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

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

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

18 (3) by October 1, 1981 (the beginning of the federal fiscal
19 year), the legislature, the governor, and the affected state agencies should
20 know with certainty the effect of the reductions so that, if necessary,
21 remedial action may be promptly taken by the Twelfth Legislature during its
22 Second Session; and

23 (4) the proposed federal budget reductions affect a range of
24 programs and services, including, especially, housing, health care, education
25 and employment, and those reductions affect a number of budget program
26 categories and agencies of the state government.

27 (b) It is the purpose of this Act to provide the means by which the
28 legislature and the executive branch may undertake a comprehensive review of
29 the effect of federal program support and federal reductions of appropria-

1 tions for programs and services, and recommend to the Second Session of the
2 Twelfth Legislature for its consideration alternative legislation by which
3 the disruptive effect of those reductions will be minimized.

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6 (b) The committee is composed of the following members:

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15 (c) If a vacancy occurs in the membership of the committee, the person
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17 vacancy by appointment.

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