

**SB**

**447**

# HOUSE COMMITTEE REPORT

(11)

Date Referred: March 20, 1991

FURTHER REFERRALS:

Date of Committee Action: 3/20/91

The FINANCE Committee considered:

CS SSSB 41(FIN)

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 41 (FINANCE)

APPROP: ROAD MAINTENANCE & OTHER PURPOSES

"An Act making supplemental appropriations to the Department of Transportation and Public Facilities for maintenance of class 3 roads and other purposes; amending certain appropriations; making appropriations; and providing for an effective date."

**RECOMMENDATIONS:**

be replaced with HCS SSSB 41 (FIN)  the same title  
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

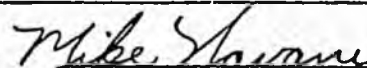
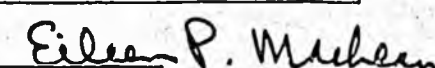
fiscal impact \_\_\_\_\_

fiscal note(s) \_\_\_\_\_

zero fiscal note \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

	SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
Maclean	Eileen P. Maclean					
Navarre	Mike Stavane					
Boyer	Mark Boyer	X				
Brown	Tony Brown	X				
Hippen	<del>Robert Hippen</del>	✓				
	<del>Robert Hippen</del>		Lorena Barnes		✓	
Sharp	Bob Sharp					
Larson	Ronald J. Larson	X	ROBERT C. Phillips		✓	
Ulmer	G. Ulmer	✓				


  
 CHAIRMAN'S SIGNATURE  
 NAVARRE Maclean

## HOUSE CS FOR CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 41 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Funding Information:	General Fund	\$64,542,609
	Other Funds	<u>(3,699,200)</u>
		\$60,843,409

Sponsor(s): SENATORS KERTTULA, Sturgulewski, Menard

## A BILL

## FOR AN ACT ENTITLED

1 "An Act making supplemental appropriations to the Department of Transportation and  
 2 Public Facilities for maintenance of class 3 roads and other purposes; amending certain  
 3 appropriations; making appropriations; and providing for an effective date."

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

5 \* Section 1. Section 35, ch. 209, SLA 1990, page 26, lines 10 - 15, is amended to read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
6				
7				
8	Assistance Payments	<u>108,427,700</u>	<u>64,888,200</u>	<u>43,539,500</u>
9		[100,280,800]	[59,345,600]	[40,935,800]
10	Aid to Families with	<u>78,570,700</u>		
11	Dependent Children	[72,208,700]		
12	General Relief	<u>1,350,400</u>		
13	Assistance	[800,400]		
14	Adult Public Assistance	<u>23,434,700</u>		

1 [22,486,400]  
 2 Old Age Assistance-  
 3 Alaska Longevity Bonus 4,321,900  
 4 (ALB) - Hold Harmless  
 5 Post Mortem 750,000  
 6 Examinations [463,400]

7 \* Sec. 2. (a) Section 35, ch. 209, SLA 1990, page 26, lines 18 - 19 is amended to read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
10 Medical Assistance		<u>196,243.100</u>	<u>93,475,500</u>	<u>102,767,600</u>
		[213,210,900]	[101,990,400]	[111,220,500]
12 Medicaid Non-Facility	<u>71,931,700</u>			
	[69,765,800]			

14 (b) Section 35, ch. 209, SLA 1990, page 26, line 23, to page 27, line 8, is amended to read:

	ALLOCATIONS
16 Medicaid-Facilities	<u>98,216,800</u>
	[115,212,000]
18 Indian Health Service	<u>11,066,900</u>
	[12,651,000]
20 Medicaid Permanent Fund	<u>1,800,000</u>
21 Dividend Hold Harmless	[1,007,800]
22 Alaska Longevity Bonus	<u>1,236,000</u>
23 Hold Harmless	[1,479,100]
24 General Relief Medical	<u>7,057,700</u>
	[7,672,300]
26 Medicaid State Programs	<u>4,934,000</u>
	[5,422,900]

28 \* Sec. 3. (a) Section 35, ch. 209, SLA 1990, page 27, line 21, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
31 Purchased Services	<u>26,331.300</u>	<u>24,115,000</u>	<u>2,216.300</u>

1 [25,927,000] [23,860,700] [2,066,300]

2 (b) Section 35, ch. 209, SLA 1990, page 28, line 4, is amended to read:

3 ALLOCATIONS

4 Foster Care 11,610,400  
5 [11,206,100]

6 \* Sec. 4. Section 35, ch. 209, SLA 1990, page 28, lines 14 - 19, is amended to read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
9 Youth Services		<u>17,778,500</u>	<u>16,984,700</u>	
10		[17,393,300]	[16,599,500]	793,800

11 McLaughlin Youth Center 7,151,900  
 12 (125 Positions) [6,997,700]  
 13 Fairbanks Youth Facility 2,571,000  
 14 (36 positions) [2,481,300]  
 15 Nome Youth Facility 981,500  
 16 (11 positions) [964,100]  
 17 Johnson Youth Center 919,500  
 18 (14 positions) [898,900]  
 19 Bethel Youth Facility 1,648,200  
 20 (22 positions) [1,544,900]

21 \* Sec. 5. (a) Section 35, ch. 209, SLA 1990, page 28, line 21, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
24 Maniilaq	<u>3,910,800</u>	<u>3,825,200</u>	
25	[3,764,400]	[3,678,800]	85,600

26 (b) Section 35, ch. 209, SLA 1990, page 29, line 7, is amended to read:

27 ALLOCATIONS

28 Maniilaq Senior Center 1,014,700  
29 [868,300]

30 \* Sec. 6. (a) Section 35, ch. 209, SLA 1990, page 33, line 22, is amended to read:

	APPROPRIATION	GENERAL	OTHER
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	ITEMS	FUND	FUNDS
1			
2	Institutions and	<u>27,792,400</u>	<u>23,347,300</u>
3	Administration	[27,232,400]	[22,787,300] 4,445,100

4 (b) Section 35, ch. 209, SLA 1990, page 34, line 17, is amended to read:

5 ALLOCATIONS

6	Alaska Psychiatric Institute	<u>15,262,100</u>
7	(304 positions)	[14,702,100]

8 \* Sec. 7. Section 139, ch. 208, SLA 1990, page 52, line 6, is amended to read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
10		
11	Information Systems Expansion	<u>853,500</u>
12	and Upgrade (ED 19)	[353,500] <u>853,500</u>

13 \* Sec. 8. (a) The sum of \$1,092,200 is appropriated from the general fund to the Department of  
 14 Health and Social Services, permanent fund dividend hold harmless program, for increased program  
 15 costs.

16 (b) The sum of \$1,092,200 is appropriated from the permanent fund dividend fund to the general  
 17 fund to reimburse the general fund for the appropriation made in (a) of this section.

18 \* Sec. 9. The sum of \$216,000 is appropriated from the general fund to the Department of Health  
 19 and Social Services, Fairbanks social services block grant, for the Fairbanks block grant program.

20 \* Sec. 10. The sum of \$984,000 is appropriated from the general fund to the Department of Health  
 21 and Social Services, Anchorage social services block grant, for the Anchorage block grant program.

22 \* Sec. 11. The sum of \$1,032,000 is appropriated from the general fund to the Department of  
 23 Administration, pioneers' homes, for increased operating costs.

24 \* Sec. 12. The sum of \$782,900 is appropriated from the general fund to the Department of  
 25 Administration, office of public advocacy, for increased operating costs.

26 \* Sec. 13. The sum of \$4,100,000 is appropriated from the oil and hazardous substance release  
 27 response fund established in AS 46.08.010 to the Department of Law to pay continuing costs associated  
 28 with litigation relating to the Exxon Valdez oil spill.

29 \* Sec. 14. The sum of \$12,000,000 is appropriated to the Department of Law to pay continuing costs  
 30 for legal proceedings involving oil and gas revenue due or paid to the state or state title to oil and gas  
 31 land from the following sources:



1 City of False Pass as authorized by AS 29.05.180.

2 \* Sec. 26. The unexpended and unobligated balance of the appropriation made in sec. 27, ch. 116,  
3 SLA 1989, page 84, line 9 (child assistance) lapses into the funds from which appropriated June 30,  
4 1992.

5 \* Sec. 27. The sum of \$2,308,300 is appropriated from the general fund to the Department of  
6 Community and Regional Affairs to maintain the day care assistance program at grant levels in effect  
7 in February 1991, and to increase the participation of persons from the waiting list.

8 \* Sec. 28. The sum of \$469,900 is appropriated from the general fund to the Department of  
9 Corrections, major medical, for personal services costs.

10 \* Sec. 29. The sum of \$1,870,400 is appropriated from the general fund to the Department of  
11 Corrections, major medical, for operating costs.

12 \* Sec. 30. The sum of \$442,100 is appropriated from the general fund to the University of Alaska  
13 for increased fuel and utility costs and is allocated in the following amounts:

14	PURPOSE	ALLOCATION
15	Kodiak College	13,000
16	Prince William Sound Community College	16,300
17	University of Alaska Anchorage	76,000
18	Chukchi Campus	14,000
19	Kuskokwim Campus	3,500
20	Northwest Campus	5,400
21	Organized Research	17,200
22	Rural College	36,200
23	School of Fisheries and Ocean Sciences	10,300
24	University of Alaska Fairbanks	194,900
25	University of Alaska Southeast	34,000
26	Ketchikan Campus	5,200
27	Matanuska-Susitna College	13,500
28	Sitka Campus	2,600

29 \* Sec. 31. The sum of \$222,100 is appropriated from the general fund to the University of Alaska  
30 Fairbanks for increased costs associated with snow removal.

31 \* Sec. 32. The sum of \$20,000 is appropriated from the general fund to the University of Alaska,

1 Anchorage, Institute of Circumpolar Health for expenses of the 1990-1991 medical expedition and  
2 translation and publication of reports of the expedition.

3 \* Sec. 33. The sum of \$179,900 is appropriated from the general fund to the Office of the Governor,  
4 division of elections, for increased operating costs associated with elections in 1990.

5 \* Sec. 34. The sum of \$42,600 is appropriated from the general fund to the Department of Commerce  
6 and Economic Development, division of measurements and standards, to provide for weigh station  
7 operations and the device inspection program.

8 \* Sec. 35. The sum of \$1,979,600 is appropriated from the general fund to the Alaska Energy  
9 Authority to pay the costs of the power cost equalization program (AS 44.83.162).

10 \* Sec. 36. The sum of \$2,000,000 is appropriated from the general fund to the Department of  
11 Commerce and Economic Development, division of tourism, for domestic tourism marketing.

12 \* Sec. 37. The sum of \$21,042,000 is appropriated from the general fund to the Department of  
13 Education for the public school foundation program (AS 14.17).

14 \* Sec. 38. The appropriations made in sec. 8 of this Act do not lapse.

15 \* Sec. 39. The appropriations made in secs. 9 - 26 and 28 - 37 of this Act lapse into the funds from  
16 which they were appropriated June 30, 1991.

17 \* Sec. 40. Section 8(b) of this Act takes effect July 1, 1991.

18 \* Sec. 41. Except as provided in sec. 40 of this Act, this Act takes effect immediately under  
19 AS 01.10.070(c).

*adopted*  
Amendment #1

*Proposed amendments to SB41:*

*By: Navarre*

Page 4, lines 26 & 27:

**Sec. 13.** The sum of \$4,100,000 (\$7,612,200) is appropriated from the Oil and Hazardous Substance Release Response Fund (General Fund) to the Department of Law to pay continuing costs associated with litigation relating to the Exxon Valdez oil spill.

*adopted*  
Amendment #2

*Proposed amendments to SB41:*

*By: Navarre*

Page 5, lines 2-4:

Delete Sec. 15. (Weiss v. State; \$500.0 mental health trust income account)

*adopted*  
Amendment #3

*Proposed amendments to SB41:*

*By: Navarre*

Page 6, lines 4-6:

**Sec. 27.** The unexpended and unobligated balance of the appropriation made in sec. 27, Ch. 116, SLA 1989, page 84, line 9 (child assistance) lapses into the funds from which appropriated June 30, 1992.(1991.)

# STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

SB41

WALTER J. HICKEL, GOVERNOR

P.O. BOX K—STATE CAPITOL  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3600  
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April 1, 1991

The Honorable Walter J. Hickel  
Governor  
State of Alaska  
P. O. Box AA  
Juneau, Alaska 99811

RE: HCS CSSSSB 41(FIN) am H  
Our file: 883-91-0002

Dear Governor Hickel:

At the request of your legislative liaison, Bruce Kendall, we have reviewed HCS CSSSSB 41(FIN) am H, titled "An Act making appropriations to the Department of Transportation and Public Facilities for maintenance of class 3 roads and other purposes; amending certain appropriations; making appropriations; and providing for an effective date."

Contrary to the title of this bill, its main purpose is to supplement fiscal year 1991 appropriations for agency operations. See, Sec. 38 of the bill (appropriations lapse June 30, 1991). The title minimally satisfies the descriptive title rule of the Alaska Constitution, which provides: "[t]he subject of each bill shall be expressed in the title." Alaska Const. Art. II, Sec. 13. The general reference to the fact that the bill is "making appropriations" provides scant notice to legislators and the public as to the contents of the bill. However, appropriation bills are not limited by the single subject rule, which requires all non-appropriations bills to be confined to a single subject. Alaska Const. Art. II, Sec. 13. It is for this reason that we conclude that the title satisfies the descriptive title rule.

Section 8(b) of the bill makes an appropriation from the permanent fund dividend fund to reimburse the general fund for amounts expended to maintain public assistance benefits to permanent fund dividend recipients. The section refers to the "unlapsed" general fund appropriation initially made for this purpose. It would be more correct to have referred to the amount

expended or obligated from the general fund appropriation. It is doubtful that "unlapsed" is a word having an established legal meaning.

Sections 9 and 10 of the bill make appropriations for the "Fairbanks block grant program" and the "Anchorage block grant program." These "programs" are not established in permanent law. However, for a number of years amounts have been appropriated for these purposes to the same recipients. Former Governor Cowper vetoed the fiscal year 1991 appropriations and then allocated reduced amounts for these purposes from the general relief assistance budget request unit of the state operating budget. The legal problem with these grants is the lack of accountability to the executive branch of government. The legislature effectively removes executive branch agencies from grant administration. The necessary elements for a rational grant program -- eligibility criteria, accounting or other fiscal safeguards, and appeal procedures -- are not established in state law. Perhaps the municipalities of Anchorage and Fairbanks provide these basic safeguards by ordinance. However, in the absence of these safeguards on the state level, we must question whether the grants are made for a public purpose.

The Alaska Constitution requires that state money be expended only for public purposes. Alaska Const. Art. IX, Sec. 6. To satisfy the public purpose doctrine, the benefit to the public must be the direct and primary purpose of an expenditure. It is permissible if the expenditure also has an indirect private benefit. However, the reverse (direct private benefit with a secondary, indirect public benefit) constitutes a violation of the public purpose doctrine. If these appropriations are left intact, the grantees benefitting from these programs should be carefully reviewed to determine if the expenditures satisfy the public purpose doctrine.

Section 13 of the bill makes an appropriation to the Department of Law from the oil and hazardous substance release response fund (the so-called "470 Fund"), established in AS 46.08.010, for litigation expenses related to the Exxon Valdez oil spill. My office recently sent a letter to Representative Larson (copy attached) that sets out our opinion that 470 Fund money may be used to finance state litigation to recover past and future cleanup costs related to the Exxon Valdez spill. This fund may not be used, however, to finance litigation defending against suits filed against the state by third parties.

We note that sec. 40 of the bill (the effective date clause) contains what appears to be a manifest clerical error. The reference to "sec. 40" in that section should read "sec. 39." The

Hon. Walter L. Hickel, Governor  
Cur file: 883-91-0002

April 1, 1991  
Page 3

revisor of statutes has the power under AS 01.05.031(b)(7) to correct such an error prior to printing the Acts of the legislature in permanent form.

There are no other legal issues raised by this bill that warrant your consideration prior to taking action.

Sincerely yours,



Charles E. Cole  
Attorney General

CEC:JLB:jr

**CSSSSB 41(FIN) - Amending Appropriations/Supplemental Appropriation**

SEC. #	AGENCY	PROGRAM/PURPOSE	GENERAL FUND	NET CHANGE	OTHER FUNDS	NET CHANGE
1	Health/Social Services	Assistance Payments	64,888.2		43,539.5	
1	Health/Social Services	Assistance Payments	-59,345.6	5,542.6	-40,935.8	2,603.7
2	Health/Social Services	Medical Assistance	93,475.5		102,767.6	
2	Health/Social Services	Medical Assistance	-101,990.4	-8,514.9	-111,220.5	-8,452.9
3	Health/Social Services	Purchased Services	24,115.0		2,216.3	
3	Health/Social Services	Purchased Services	-23,860.7	254.3	-2,056.3	150.0
4	Health/Social Services	Youth Services	16,984.7			
4	Health/Social Services	Youth Services	-16,599.5	385.2		
5	Health/Social Services	Manillaq	3,825.2			
5	Health/Social Services	Manillaq	-3,678.8	146.4		
6	Health/Social Services	Institutions and Administration	23,347.3			
6	Health/Social Services	Institutions and Administration	-22,787.3	560.0		
7	Health/Social Services	Information Systems Expansion/Upgrade	853.5			
7	Health/Social Services	Information Systems Expansion/Upgrade	-353.5	500.0		
<b>SUBTOTAL: AMENDMENTS TO CH208, SLA1990</b>			<b>-1,126.4</b>	<b>-1,126.4</b>	<b>-5,699.2</b>	<b>-5,699.2</b>

SEC. #	AGENCY	PROGRAM/PURPOSE	GENERAL FUND	OTHER FUNDS
8(a)	Health/Social Services	Permanent Fund Dividend Hold Harmless Program	1,092.2	
8(b)	Health/Social Services	Reimburse General Fund for Section (a)		1,092.2
9	Health/Social Services	Fairbanks Social Services Block Grant	216.0	
10	Health/Social Services	Anchorage Social Services Block Grant	984.0	
11	Administration	Pioneers' Homes	1,032.0	
12	Administration	Office of Public Advocacy	782.9	
13	Law	Exxon Valdez Oil Spill	7,612.2	
14	Law	Oil and Gas Litigation	10,000.0	2,000.0
15	Law	Weiss v. State	500.0	
16	Public Safety	Contract Jails	720.0	
17	Public Safety	Civil Air Patrol	46.0	

**CSSSSB 41(FIN) - Amending Appropriations/Supplemental Appropriation**

<b>SEC. #</b>	<b>AGENCY</b>	<b>PROGRAM/PURPOSE</b>	<b>GENERAL FUND</b>	<b>OTHER FUNDS</b>
18	Transportation/PF	Class III Road Maintenance	2,908.1	
19	Transportation/PF	Alaska Marine Highway System-Vessel Operations/Overhaul	2,800.0	
20	Transportation/PF	Rural Airport Maintenance	2,200.0	
21	Transportation/PF	AK Marine Highway-Fuel Costs/Per Diem/Benefits/Operations	4,160.1	
22	Transportation/PF	Fuel Costs	1,692.5	
23	Transportation/PF	Airport Security Cost Increases	530.6	
24	Transportation/PF	Snow & Ice Removal/Storm Damage Repair	2,131.9	
25	Community/Regional Aff	Organizational Grant-Denali Borough	300.0	
26	Community/Regional Aff	Organizational Grant-City of False Pass	50.0	
27	Community/Regional Aff	Extend Lapse Date Sec. 27, CH116 SLA89		
28	Community/Regional Aff	Day Care Assistance	2,308.3	
29	Corrections	Major Medical-Personal Services	469.9	
30	Corrections	Major Medical-Operating Costs	1,870.4	
31	University	Various-Fuel and Utility Costs	442.1	
32	University	Snow Removal	222.1	
33	University	Institute of Circumpolar Health Expedition/Publications	20.0	
34	Governor	Elections-1990	179.9	
35	Commerce/Econ Dev	Measurement/Standards-Operations & Inspections	42.6	
36	Commerce/Econ Dev	Power Cost Equalization	1,979.6	
37	Commerce/Econ Dev	Domestic Tourism Marketing	2,000.0	
38	Education	Public School Foundation Program	21,042.0	
<b>SUBTOTAL: FY91 SUPPLEMENTAL APPROPRIATIONS</b>			<b>70,335.4</b>	<b>3,092.2</b>
<b>TOTAL NEW APPROPRIATIONS</b>			<b>69,209.0</b>	<b>-2,607.0</b>