SB

28

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 1, 1999 FURTHER REFERRALS:

Date of Committee Action: 2/5/99

The FINANCE Committee considered: CSSB 28(FIN)

CS FOR SENATE BILL NO. 28(FIN) INCREASE IN PROGRAM RECEIPTS

"An Act relating to the increase of an appropriation item based on additional federal or other program receipts."

recommends it be replaced with the following committee substitute _____ [✓] the same title [ ] a new title

[ ] additional referral to _____ Committee

[ ] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) APPROVES PREVIOUS: (Dept/Date)

[ ] fiscal note(s) _____ [ ] fiscal note(s) _____

[ ] zero fiscal note(s) _____ [X] zero fiscal note(s) Leg Finance 1/26/99

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
	Therriault	X			
	Mulder	X			
	Kohring	X			
	Austerman			X	
	J. Davies		X		
	Grussendorf		X		
	Moses		X		
	G. Davis			X	
	G. Bunde	X			

CO CHAIR'S SIGNATURE _____ _____

FISCAL NOTE N 1

STATE OF ALASKA
1999 LEGISLATIVE SESSION

Bill Version: CSSB 38 (FIN)
(S) Publish Date: 1-26-99

Revision Date/Time (Note if correction)
Title: Program Receipts
Sponsor: Senate Finance Committee
Requester:

Dept Affected: Legislature
BRU: Budget and Audit Committee
Component: Legislative Finance
Committee Expenses
Component Serial No

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

The legislation will have no fiscal impact on either the Legislative Finance Division or the Legislative Budget & Audit Committee operations

Prepared by: David Teal, Legislative Fiscal Analyst
Phone: 465-3002
Division: Legislative Finance
Date/Time: 1/22/99 12:00 AM
Approved by Commissioner
Date: 1/22/99
Agency

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Juneau, Alaska 99801-1182

SPONSOR STATEMENT / SENATE BILL 28

"An Act relating to the increase of an appropriation item based on additional federal or other program receipts"

Senate Bill 28 revises the procedures the Governor must follow when the Legislative Budget and Audit Committee does not approve or does not take under consideration a revised program request. The need for revisions to what is commonly called the 45-day rule stem from recent actions by the Governor and the Committee's strong desire to protect the appropriation power of the legislature. Last December the Committee directed Legislative Finance and Legal Services to explore options to address these concerns. This legislation is the result of those efforts.

The legislature typically places front section language in appropriation bills granting an open appropriation to the Governor to proceed with the expenditure of federal or other program receipts not specifically appropriated by the legislature. The Governor is required to submit revised program requests to the L.B.&A. Committee. If the request is approved, the Governor may proceed immediately. If the request is disapproved, under current law the Governor must wait 45 days and provide a statement of reasons to the Committee prior to the commencement of any expenditure.

Revisions to the 45-day rule set as forth in Senate Bill 28 do not stop the Governor from ultimately proceeding with an expenditure that has been disapproved or not considered by the Committee. Instead, Senate Bill 28 strengthens the legislature's appropriation power by delaying the commencement of any expenditure until after the full legislature has been in regular session for at least 30 days.

This 30 day period is designed to provide for additional discussions between the Governor and the <u>full</u> legislature and will allow the <u>full</u> legislature to consider any action deemed appropriate concerning the Governor's determination to proceed with any expenditure.

Senate Bill 28 does not create any major obstacles for the Governor in terms of proceeding with an expenditure. This legislation merely allows the full legislature to consider the issue and provides for additional safeguards to the legislature's appropriation power.

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Miscellaneous						
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CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

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The legislation will have no fiscal impact on either the Legislative Finance Division or the Legislative Budget & Audit Committee operations

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Division: Legislative Finance
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Rev 12/98, 2/99 Form revised

Subject: RPLs and LB&A
Date: Mon, 20 Jul 1998 16:23:15 -0800
From: Fred Fisher <Fred_Fisher@legis.state.ak.us>
Organization: Legislative Finance, State of Alaska
To: Llewellyn_Lutchansky@legis.state.ak.us

i Llewellyn,
finally located Mike's SB 347 file, I knew there had to be one around omewhere... In any case, according to the file there have five natances in which the "45 day rule" has been invoked by the executive:
) ADF&G - Red Sea Urchin test fishery receipts F+G 6/91
) DOT&PF - Sitka Airport program receipts DOT 6/94
) DC&ED - ASMI overobligation of GF program receipts CED 3/96
) DC&RA - payment in lieu of taxes (PILT) DNR DCRA 10/97
) DNR/EVOS Trustee Council - Homer Spit land parcel acquisition 1/96
s I recall, the first two occurred in 1993, the phase out of the second ickel administration, all others have occurred during the current dministration.

+ 2 recent EVOS Afognak I. land
Kenai River land

ou had also asked for some examples of qustionable RPLs that have submitted by the administration. Item 4 above is one of those and is llustrative one of the issues that often arises in the RPL venue. AS 37.07.080(h) states, in part, that "The increase of an appropriation tem based on additional federal or other program receipts not pecifically appropriated by the full legislature...." our nterpretation of this language is that an appropriation (or allocation) nust exist in the budget in order for an RPL to submitted/approved by he Committee. In the case of the PILT RPL there was a question as to hether there was an existing appropriation to increase. This has been he case in a number of RPLs over the years. In other words, some of he RPLs submitted to the Committee have requested the creation of new ppropriation and/or allocation items.
nother of the major issues has to do with the definition of "additional" for the purposes of 37.07.080(h). Aagain, our nterpretation of this requirement is that the amounts involved consist of "new or previously unanticipated receipts." There have been a number of RPLs over the years that sought authority to receive and spend receipts that were neither new nor previously unanticipated and that had in some cases already been appropriated for other purposes.
Rthe last issue that comes to mind is the deliberate misclassification of the designation of receipts so that the item in question could be presented to the committee. This began to occur when the legislature limited the kinds of program receipts that could be brought to LB&A. An