

SB

28

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 1/20/99

FURTHER: 1/26/99

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 26 Jan 99

Finance Committee considered SENATE BILL NO. 28

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

and recommends:

- be replaced with _____ CS SB 28 (FIN)
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill: same title
- new title
- House Bill: same title
- technical title
- new: SCR# _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Bill E. Hill</i>	✓	<i>Bill Adams</i>		X	
<i>Rudolph Green</i>	✓				
<i>John Kelly</i>		<i>Pete Kelly</i>	✓		
<i>John D. Herman</i>	✓				
<i>John Kelly</i>	✓	<i>Gary Lee</i>	✓		
_____	✓				
Co-Chair: <i>John D. Herman</i>	✓	Co-Chair:			
Co-Chair: <i>Alan R. Parnell</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
Leg. Finance	.	-	
Zero Fiscal note forthcoming			

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

1/26/98

**STATE OF ALASKA
1999 LEGISLATIVE SESSION**

BILL NO. SB 28

Revision Date/Time (Note if correction) _____	Dept. Affected _____	Legislature _____
Title <u>Program Receipts</u>	BRU _____	Budget and Audit Committee _____
Sponsor _____	Component _____	Legislative Finance _____
Requester <u>Senate Finance Committee</u>	Component Serial No _____	Committee Expenses _____

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 ()						
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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 <u>David Teal, Legislative Fiscal Analyst</u>	Phone <u>465-3002</u>
Division <u>Legislative Finance</u>	Date/Time <u>1/22/99 12:00 AM</u>
Approved by Commissioner _____	Date <u>1/22/99</u>
Agency _____	

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SENATE FINANCE COMMITTEE
1999 COMMITTEE ACTION

1/26/98

Bill Number	CS SB 27
Amendment	
Motion	
<u>Motion by</u>	Phillips
<u>Objection</u>	
<u>Objection by</u>	Adams
<u>Removed</u>	
<u>Second Objection by</u>	
<u>Committee Member</u>	<u>Vote</u>
Senator Loren Lemar	Y
Senator Al Adams	N
Senator Gary Wilken	Y
Senator Pete Kelly	Y
Senator Lyda Green	Y
Senator Randy Phillips	Y
Senator Dave Donley	Y
Co-Chair Sean Parnell	Y
Co-Chair John Torgerson	Y
<u>Tally</u>	
Yea	0 8
Nay	0 1
Absent	0
<u>MOTION</u>	Pass from Committee

SENATE FINANCE COMMITTEE
1999 COMMITTEE ACTION

1/26/98

Bill Number	SB 28
Amendment	Adopt CS "D"
Motion	
<u>Motion by</u>	Parnell
<u>Objection</u>	
<u>Objection by</u>	Adams
<u>Removed</u>	yes
<u>Second Objection by</u>	
<u>Committee Member</u>	<u>Vote</u>
Senator Dave Donley	/
Senator Loren Leman	
Senator Al Adams	
Senator Gary Wilken	
Senator Pete Kelly	
Senator Lyda Green	
Senator Randy Phillips	
Co-Chair Sean Parnell	
Co-Chair John Torgerson	
<u>Tally</u>	
Yea	0
Nay	0
Absent	0
<u>MOTION</u>	Adopt w/out Objection

1-LS0236\D ✓
Cook
1/26/99

CS FOR SENATE BILL NO. 28(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

**Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE BUDGET AND
AUDIT COMMITTEE**

A BILL

FOR AN ACT ENTITLED

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

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

4 *** Section 1.** AS 37.07.080(h) is amended to read:

5 (h) The increase of an appropriation item based on additional federal or other
6 program receipts not specifically appropriated by the full legislature may be **obligated**
7 **and** expended in accordance with **an appropriation that is conditioned upon**
8 **compliance with this subsection and in accordance with** the following procedures:

9 (1) the governor shall submit a revised program to the Legislative
10 Budget and Audit Committee for review;

11 (2) **if** [45 DAYS SHALL ELAPSE BEFORE COMMENCEMENT OF
12 EXPENDITURES UNDER THE REVISED PROGRAM UNLESS] the Legislative
13 Budget and Audit Committee [EARLIER] recommends that the state take part in the
14 federally or otherwise funded activity **under the revised program, obligations of the**

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program receipts may be incurred and expenditures of the program receipt; may commence at any time after the recommendation is received by the governor;

(3) if [SHOULD] the Legislative Budget and Audit Committee recommends [RECOMMEND WITHIN THE 45-DAY PERIOD] that the state not initiate the additional activity or if the committee makes no recommendation within 90 days after the governor submits the revised program to the committee, the governor shall again review the revised program, and, if the governor determines to authorize the revised program,

(A) [EXPENDITURE,] the governor shall provide the Legislative Budget and Audit Committee with a statement of the governor's reasons; and

(B) [BEFORE COMMENCEMENT OF EXPENDITURES] under the revised program obligations may be incurred and expenditures may commence only after the legislature has been convened in regular session for at least 30 days after the committee receives the governor's statement of reasons for authorizing the revised program.



Official Business

Alaska State Legislature

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

State Capitol

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 full legislature and will allow the full 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.

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

Hi Llewellyn,

I finally located Mike's SB 347 file, I knew there had to be one around somewhere... In any case, according to the file there have five instances in which the "45 day rule" has been invoked by the executive:

- 1) ADF&G - Red Sea Urchin test fishery receipts *F+G 6/91*
- 2) DOT&PF - Sitka Airport program receipts *DOT 6/94*
- 3) DC&ED - ASMI overobligation of GF program receipts *CEP 2/96*
- 4) DC&RA - payment in lieu of taxes (PILT) *DVR DCRA 10/97*
- 5) DNR/EVOS Trustee Council - Homer Spit land parcel acquisition *1/96*

As I recall, the first two occurred in 1993, the phase out of the second Hickel administration, all others have occurred during the current administration.

You had also asked for some examples of questionable RPLs that have submitted by the administration. Item 4 above is one of those and is illustrative 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 item based on additional federal or other program receipts not specifically appropriated by the full legislature...." our interpretation of this language is that an appropriation (or allocation) must exist in the budget in order for an RPL to submitted/approved by the Committee. In the case of the PILT RPL there was a question as to whether there was an existing appropriation to increase. This has been the case in a number of RPLs over the years. In other words, some of the RPLs submitted to the Committee have requested the creation of new appropriation and/or allocation items.

Another of the major issues has to do with the definition of "additional" for the purposes of 37.07.080(h). Again, our interpretation 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.

The 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

+ 2 recent EVOS Adognak Island
Kenai River land

SENATE FINANCE COMMITTEE

SIGN-IN

SB INCREASE IN PROGRAM RECEIPTS

NAME: Jim Spencer Sub./Bill No: _____

Co./Dept./Title: OLYB Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions

NAME: Jim Baldwin Sub./Bill No: _____

Co./Dept./Title: LAW Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions