

HB

199

<target><bill>HB 199</bill><subject>HB
199</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/13/09

FURTHER:

DATE TURNED
IN TO OFFICE: 4/15/09

Finance Committee considered CS FOR HOUSE BILL NO. 199(FIN) am

HB 199 APPROPS: NON-TRANSPORTATION STIMULUS

"An Act making appropriations, including supplemental appropriations and capital appropriations; amending appropriations; and providing for an effective date."

and recommends:

- be replaced with SCS or CS CS HB 199 (FIN)
- adopt previous SCS or CS _____
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Thomas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	JACKSON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	ELLIS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CO-CHAIR:		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CO-CHAIR:	STEADMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Adopted
9/15/09

Sen. Stelman

26-GH1260\PA.1
Kane
4/11/09

AMENDMENT #1

OFFERED IN THE SENATE

TO: CSHB 199(FIN) am

- 1 Page 19, line 11:
- 2 Delete "sec. 14002(a)"
- 3 Insert "sec. 14002(a)(3)"

Adopted 4/15/09

26-GH1260\PA.3
Kane
4/14/09

Senator Stedman

AMENDMENT #2

OFFERED IN THE SENATE

TO: CSHB 199(FIN) am

- 1 Page 7, line 26, following "2009":
- 2 Insert "Entitlement Fund and"

Funds

← tech am. to
amend.
moved + adopted

Adopted 4/15/09

Senator Stedman

AMENDMENT #3

OFFERED IN THE SENATE

TO: CSHB 199(FIN) am

1 Page 12, line 10:

2 Delete "679,900" *in both places?*

3 Insert "679,936" *in both places?*

4

5 Page 12, line 13:

6 Delete "3,960,000" in both places

7 Insert "3,962,501" in both places

8

9 Page 14, line 5:

10 Delete "4,639,900"

11 Insert "4,642,501"

12

13 Page 14, line 6:

14 Delete "\$4,639,900"

15 Insert "\$4,642,501"

16

17 Page 14, line 13:

18 Delete "\$63,262,600"

19 Insert "\$63,265,201"

20

21 Page 15, line 7:

22 Delete "63,262,600"

23 Insert "63,265,201"

*Jedh
← (changes moved + adopted)*

1

2 Page 15, line 8:

3 Delete "\$63,262,600"

4 Insert "\$63,265,201"

CS FOR HOUSE BILL NO. 199(FIN) am
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 4/8/09

Offered: 4/7/09

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act making appropriations, including supplemental appropriations and capital**
2 **appropriations; amending appropriations; and providing for an effective date."**

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

4 **(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)**

1 * **Section 1.** The following appropriation items are for operating expenditures associated with
 2 the American Recovery and Reinvestment Act of 2009 from the general fund or other funds
 3 as set out in section 2 of this Act.

	Appropriation	General	Other
	Allocations	Items	Funds
	*****	*****	
	*****	Department of Administration	*****
	*****	*****	
9	Centralized Administrative	1,489,000	1,489,000
10	Services		
11	Finance	1,489,000	
12	Violent Crimes Compensation	149,400	149,400
13	Board		
14	Violent Crimes	149,400	
15	Compensation Board		
16	*****	*****	
17	*****	Department of Commerce, Community and Economic Development	*****
18	*****	*****	
19	Serve Alaska	1,500,000	1,500,000
20	Serve Alaska	1,500,000	
21	*****	*****	
22	*****	Department of Education and Early Development	*****
23	*****	*****	
24	Teaching and Learning Support	78,227,500	78,227,500
25	Student and School	77,838,000	
26	Achievement		
27	Child Nutrition	389,500	
28	Commissions and Boards	300,000	300,000
29	Alaska State Council on the	300,000	
30	Arts		

	Appropriation	General	Other
	Allocations	Funds	Funds
		Items	
1			
2			
3	*****		*****
4	*****	Department of Health and Social Services	
5	*****		*****
6	Children's Services	2,139,800	2,139,800
7	Infant Learning Program	2,139,800	
8	Grants		
9	Health Care Services	2,040,000	40,000
10	Medical Assistance	2,040,000	
11	Administration		
12	Public Assistance	5,275,700	5,275,700
13	Child Care Benefits	4,036,000	
14	Public Assistance	462,000	
15	Administration		
16	Women, Infants and	777,700	
17	Children		
18	Public Health	2,000,000	2,000,000
19	Chronic Disease Prevention	2,000,000	
20	and Health Promotion		
21	Senior and Disabilities	485,000	485,000
22	Services		
23	Senior Community Based	485,000	
24	Grants		
25	*****		*****
26	*****	Department of Labor and Workforce Development	
27	*****		*****
28	Workforce Development	15,439,600	15,439,600
29	Employment and Training	5,162,000	
30	Services		
31	Unemployment Insurance	1,115,700	
32	Business Services	9,161,900	
33	Vocational Rehabilitation	2,046,200	2,046,200

1		Appropriation	General	Other
2		Allocations	Items	Funds
3	Client Services	1,800,000		
4	Independent Living	246,200		
5	Rehabilitation			
6	*****		*****	
7	***** Department of Public Safety *****			
8	*****		*****	
9	Alaska State Troopers		5,871,000	5,871,000
10	Special Projects	50,000		
11	Narcotics Task Force	5,821,000		
12	Council on Domestic Violence		1,348,600	1,348,600
13	and Sexual Assault			
14	Council on Domestic	1,348,600		
15	Violence and Sexual Assault			
16	(SECTION 2 OF THIS ACT BEGINS ON PAGE 5)			

1 * **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of
2 this Act.

3	Funding Source	Amount
4	Department of Administration	
5	1212 Federal Stimulus: ARRA 2009	1,638,400
6	*** Total Agency Funding ***	\$1,638,400
7	Department of Commerce, Community and Economic Development	
8	1212 Federal Stimulus: ARRA 2009	1,500,000
9	*** Total Agency Funding ***	\$1,500,000
10	Department of Education and Early Development	
11	1212 Federal Stimulus: ARRA 2009	78,527,500
12	*** Total Agency Funding ***	\$78,527,500
13	Department of Health and Social Services	
14	1003 General Fund Match	40,000
15	1212 Federal Stimulus: ARRA 2009	11,900,500
16	*** Total Agency Funding ***	\$11,940,500
17	Department of Labor and Workforce Development	
18	1212 Federal Stimulus: ARRA 2009	17,485,800
19	*** Total Agency Funding ***	\$17,485,800
20	Department of Public Safety	
21	1212 Federal Stimulus: ARRA 2009	7,219,600
22	*** Total Agency Funding ***	\$7,219,600
23	***** Total Budget *****	\$118,311,800

24 (SECTION 3 OF THIS ACT BEGINS ON PAGE 6)

1 * **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of
2 this Act.

3	Funding Source	Amount
4	General Funds	
5	1003 General Fund Match	40,000
6	***Total General Funds***	\$40,000
7	Federal Funds	
8	1212 Federal Stimulus: ARRA 2009	118,271,800
9	***Total Federal Funds***	\$118,271,800
10	Other Non-Duplicated Funds	
11	***Total Other Non-Duplicated Funds***	\$0
12	Duplicated Funds	
13	***Total Duplicated Funds***	\$0

14 (SECTION 4 OF THIS ACT BEGINS ON PAGE 7)

1 * **Sec. 4.** The following appropriation items are for capital projects and grants associated with
 2 the American Recovery and Reinvestment Act of 2009 from the general fund or other funds
 3 as set out in section 5 of this Act by funding source to the agencies named for the purposes
 4 expressed and lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other	
	Allocations	Items	Funds	
	*****	*****		
	*****	Department of Environmental Conservation		*****
	*****	*****		
10	American Recovery and	68,637,000	68,637,000	
11	Reinvestment Act of 2009			
12	Alaska Clean Water	23,637,000		
13	Stimulus (HD 1-40)			
14	Alaska Drinking Water	19,500,000		
15	Stimulus (HD 1-40)			
16	Leaking Underground Storage	1,000,000		
17	Tank Stimulus (HD 1-40)			
18	Village Safe Water	24,260,000		
19	Stimulus (HD 1-40)			
20	Water Quality Planning	240,000		
21	Stimulus (HD 1-40)			
22	*****	*****		
23	*****	Office of the Governor		*****
24	*****	*****		
25	American Recovery and	1,000,000	1,000,000	
26	Reinvestment Act of 2009			
27	Statewide Competitive,			
28	Discretionary, and			
29	Incentive Grants (HD 1-40)			

Entitlement Funds and

	Appropriation	General	Other
	Allocations	Funds	Funds
	Items		
1			
2			
3	*****	*****	
4	***** Department of Labor and Workforce Development *****		
5	*****	*****	
6	Economic Stimulus -	3,000,000	3,000,000
7	Additional Funding for		
8	AVTEC Culinary Building		
9	Replacement and Cafeteria		
10	Upgrade (HD 33-35)		
11	*****	*****	
12	***** Department of Natural Resources *****		
13	*****	*****	
14	Forestry and Fire Economic	2,500,000	2,500,000
15	Stimulus - Fire Fuels and		
16	Forest Management (HD		
17	1-40)		
18	*****	*****	
19	***** Department of Revenue *****		
20	*****	*****	
21	Alaska Housing Finance		
22	Corporation		
23	AHFC Capital Fund	1,200,500	1,200,500
24	Program (CFP) -		
25	Competitive (HD 1-40)		
26	AHFC Capital Fund	3,307,000	3,307,000
27	Program (CFP) - Formula		
28	(HD 1-40)		
29	AHFC Emergency Shelter	1,144,000	1,144,000
30	Grants (ESG) (HD 1-40)		
31	AHFC Home Investment	5,490,700	5,490,700
32	Partnerships (HD 1-40)		
33	AHFC Low-Income Housing	28,500,000	28,500,000

1	Appropriation	General	Other
2	Allocations	Funds	Funds
3	Grants in Lieu of Tax		
4	Credits (HD 1-40)		
5	*****	*****	
6	***** University of Alaska *****		
7	*****	*****	
8	UAF Alaska Region	116,000,000	116,000,000
9	Research Vessel Additional		
10	Receipt Authority (HD		
11	1-40)		
12	UA Economic Stimulus	1,000,000	1,000,000
13	Federal Receipt Authority		
14	Competitive, Discretionary,		
15	and Incentive Grants (HD		
16	1-40)		
17	(SECTION 5 OF THIS ACT BEGINS ON PAGE 10)		

1 * **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of
2 this Act.

3	Funding Source	Amount
4	Department of Environmental Conservation	
5	1212 Federal Stimulus: ARRA 2009	68,637,000
6	*** Total Agency Funding ***	\$68,637,000
7	Office of the Governor	
8	1212 Federal Stimulus: ARRA 2009	1,000,000
9	*** Total Agency Funding ***	\$1,000,000
10	Department of Labor and Workforce Development	
11	1212 Federal Stimulus: ARRA 2009	3,000,000
12	*** Total Agency Funding ***	\$3,000,000
13	Department of Natural Resources	
14	1108 Statutory Designated Program Receipts	1,000,000
15	1212 Federal Stimulus: ARRA 2009	1,500,000
16	*** Total Agency Funding ***	\$2,500,000
17	Department of Revenue	
18	1212 Federal Stimulus: ARRA 2009	39,642,200
19	*** Total Agency Funding ***	\$39,642,200
20	University of Alaska	
21	1212 Federal Stimulus: ARRA 2009	117,000,000
22	*** Total Agency Funding ***	\$117,000,000
23	***** Total Budget *****	\$231,779,200

24 (SECTION 6 OF THIS ACT BEGINS ON PAGE 11)

1 * **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of
2 this Act.

3	Funding Source	Amount
4	General Funds	
5	***Total General Funds***	\$0
6	Federal Funds	
7	1212 Federal Stimulus: ARRA 2009	230,779,200
8	***Total Federal Funds***	\$230,779,200
9	Other Non-Duplicated Funds	
10	1108 Statutory Designated Program Receipts	1,000,000
11	***Total Other Non-Duplicated Funds***	\$1,000,000
12	Duplicated Funds	
13	***Total Duplicated Funds***	\$0

14 (SECTION 7 OF THIS ACT BEGINS ON PAGE 12)

1 * Sec. 7. The following appropriation items are for capital projects and grants associated with
 2 the American Recovery and Reinvestment Act of 2009 from the general fund or other funds
 3 as set out in section 8 of this Act by funding source to the agencies named for the purposes
 4 expressed and lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other
	Allocations	Items	Funds

5
 6
 7 * * * * *

8 * * * * * **Department of Commerce, Community and Economic Development** * * * * *

9 * * * * *

10	Community Development	679,900	679,900
11	Block Grant Program (HD	679,936	
12	1-40)		
13	Community Services Block	3,960,000	3,960,000
14	Grant Program (HD 1-40)	3,962,565	3,962,565

15 * * * * *

16 * * * * * **Department of Environmental Conservation** * * * * *

17 * * * * *

18	Air Non-Point Mobile	2,000,000	2,000,000
19	Source Stimulus (HD 1-40)		

20 * * * * *

21 * * * * * **Department of Revenue** * * * * *

22 * * * * *

23	Alaska Housing Finance		
24	Corporation		
25	AHFC Energy Efficiency	9,593,500	9,593,500
26	and Conservation Block		
27	Grants (HD 1-40)		
28	AHFC State Energy	28,563,000	28,563,000
29	Program (HD 1-40)		
30	AHFC Weatherization	18,466,200	18,466,200
31	Program (HD 1-40)		

1
2
3

Appropriation	General	Other
Allocations	Funds	Funds
(SECTION 8 OF THIS ACT BEGINS ON PAGE 14)		

1 * Sec. 8. The following sets out the funding by agency for the appropriations made in sec. 7 of
2 this Act.

3	Funding Source	Amount
4	Department of Commerce, Community and Economic Development	
5	1212 Federal Stimulus: ARRA 2009	4,639,900 4,642,501
6	*** Total Agency Funding ***	\$4,639,900 4,642,501
7	Department of Environmental Conservation	
8	1212 Federal Stimulus: ARRA 2009	2,000,000
9	*** Total Agency Funding ***	\$2,000,000
10	Department of Revenue	
11	1212 Federal Stimulus: ARRA 2009	56,622,700
12	*** Total Agency Funding ***	\$56,622,700
13	***** Total Budget *****	\$63,262,600 63,265,201

14 (SECTION 9 OF THIS ACT BEGINS ON PAGE 15)

1 * Sec. 9. The following sets out the statewide funding for the appropriations made in sec. 7 of
2 this Act.

3	Funding Source	Amount
4	General Funds	
5	***Total General Funds***	\$0
6	Federal Funds	
7	1212 Federal Stimulus: ARRA 2009	63,262,600 63,265,201
8	***Total Federal Funds***	\$63,262,600 63,265,201
9	Other Non-Duplicated Funds	
10	***Total Other Non-Duplicated Funds***	\$0
11	Duplicated Funds	
12	***Total Duplicated Funds***	\$0

13 (SECTION 10 OF THIS ACT BEGINS ON PAGE 16)

1 * **Sec. 10. LEGISLATIVE INTENT.** (a) It is the intent of the legislature regarding P.L. 111-
2 5 (American Recovery and Reinvestment Act of 2009) that

3 (1) federal stimulus money not be expended for any purpose that creates an
4 obligation for the state to replace those funds after they have been exhausted and that stimulus
5 funds be used primarily to supplement or improve existing programs rather than create new
6 services or programs;

7 (2) all state agencies notify recipients of grants funded by federal stimulus
8 money of the limited and temporary nature of the grant funds, and that the state will not be
9 granting additional funds to continue the programs after the federal aid is exhausted;

10 (3) state agencies awarding grants funded in whole or in part by federal
11 stimulus money disclose in writing to all grant recipients that the program funding source will
12 expire;

13 (4) notwithstanding any other provision of this Act, federal stimulus money
14 may be expended to recruit, train, equip, and compensate new peace officers;

15 (5) the executive branch not use any federal stimulus money to enter into lease
16 obligations, equipment contracts, or professional services contracts that extend beyond the
17 end date of federal stimulus funding without a financial plan in place to use existing funds to
18 complete the obligation or contract;

19 (6) the executive branch refuse any federal stimulus money that would violate
20 the strong constitutional right to privacy enjoyed by Alaskans;

21 (7) the Department of Transportation and Public Facilities diligently pursue
22 any federal stimulus grant money that could be used for construction of new vessels for the
23 Alaska marine highway system fleet;

24 (8) the Department of Labor and Workforce Development, to the extent
25 practical, use federal stimulus money to extend or expand job training programs with existing,
26 proven contractors rather than start new programs with new contractors;

27 (9) each school district receiving federal stimulus money through the
28 Department of Education and Early Development be required to acknowledge, in a letter
29 signed by the school superintendent and school board president or their designees, that the
30 funding is a one-time addition and that the legislature makes no representation that it will
31 replace the federal stimulus money when it expires;

1 (10) the executive branch, to the fullest extent possible, minimize its
2 expenditure of federal stimulus money on administrative costs;

3 (11) the executive branch, to the fullest extent allowed by law, strive to ensure
4 that projects and programs funded with federal stimulus money hire Alaska workers and use
5 Alaska contractors and vendors and minimize the use of out-of-state consultants;

6 (12) federal stimulus money for energy or energy-related programs be used to
7 help reduce energy costs of Alaskans whenever possible and practical;

8 (13) federal stimulus money for education programs be spent for best-
9 practices improvements, training, equipment, services, and facility modernization, renovation,
10 and repair that do not expand programs or create continuing obligations for state funding
11 when federal stimulus money is exhausted;

12 (14) school districts focus on short-term investment with long-term gains for
13 student and teacher performance and pay particular attention to the advisory statement issued
14 by the United States Department of Education that "These funds should be invested in ways
15 that do not result in unsustainable continuing commitments after the funding expires."

16 (b) It is the intent of the legislature that the two positions funded in sec. 11 of this Act
17 coordinate compliance with the accounting and reporting requirements related to P.L. 111-5
18 (American Recovery and Reinvestment Act of 2009).

19 * **Sec. 11.** DEPARTMENT OF ADMINISTRATION. The sum of \$200,000 is appropriated
20 from the general fund to the Department of Administration, division of finance, to fund two
21 positions and related office expenses relating to accounting and reporting requirements of P.L.
22 111-5 (American Recovery and Reinvestment Act of 2009) for the fiscal year ending June 30,
23 2010.

24 * **Sec. 12.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. (a) Federal receipts
25 from the federal economic stimulus funding received by the state under the federal medical
26 assistance program (sec. 1905(b), Social Security Act) for the fiscal years ending June 30,
27 2009, and June 30, 2010, are appropriated to the Department of Health and Social Services for
28 Medicaid programs, as allowed by the federal medical assistance program.

29 (b) If federal receipts under (a) of this section that are received during the fiscal years
30 ending June 30, 2009, and June 30, 2010, exceed the amounts appropriated for Medicaid
31 programs by this Act or another Act making appropriations passed by the Twenty-Sixth

1 Alaska State Legislature in the First Regular Session and enacted into law, the appropriations
 2 from state funds for the affected programs shall be reduced by the excess if the reductions are
 3 consistent with applicable federal statutes.

4 * **Sec. 13. DEPARTMENT OF REVENUE.** (a) The sum of \$1,730,500 is appropriated to
 5 the Department of Revenue, child support services, for the fiscal year ending June 30, 2010,
 6 from the following sources:

7 SOURCE	8 AMOUNT
9 General fund match	\$ 400,000
10 Federal economic stimulus	1,330,500

11 (b) The federal receipts and receipt supported services appropriated to the Department
 12 of Revenue, child support services, in the version of HB 81, Twenty-Sixth Alaska State
 13 Legislature, that is enacted into law are amended to reduce the amount of the appropriation by
 \$1,730,500 for the fiscal year ending June 30, 2010, from the following sources:

14 SOURCE	15 AMOUNT OF REDUCTION
16 Federal receipts	\$ 612,400
17 Receipt supported services	1,118,100

18 (c) Section 3, ch. 27, SLA 2008, page 61, line 7, is amended to read:

		19 NEW	
20 FUNDING SOURCE	21 OPERATING	22 LEGISLATION	23 TOTAL
1002 Federal Receipts	<u>33,355,800</u>	0	<u>33,355,800</u>
	[34,153,800]		[34,153,800]

24 (d) Section 3, ch. 27, SLA 2008, page 62, lines 16 - 19, is amended to read:

		25 NEW	
26 FUNDING SOURCE	27 OPERATING	28 LEGISLATION	29 TOTAL
1156 Receipt Supported Services	<u>6,730,100</u>	0	<u>6,730,100</u>
	[7,315,600]		[7,315,600]
1169 Power Cost Equalization	211,000	0	211,000
29 Endowment Fund			
1192 Mine Reclamation Trust Fund	24,000	0	24,000
31 <u>1212 Federal Stimulus: ARRA 2009</u>	<u>1,383,500</u>	<u>0</u>	<u>1,383,500</u>

1 * **Sec. 14. OFFICE OF THE GOVERNOR.** (a) The sum of \$20,701,535 is appropriated
2 from federal economic stimulus funds received by the state under P.L. 111-5 (American
3 Recovery and Reinvestment Act of 2009) to the Office of the Governor to be distributed by
4 the Department of Commerce, Community, and Economic Development on a per capita basis
5 to entities that are eligible to receive community revenue sharing under AS 29.60.850 -
6 29.60.879 during the fiscal year ending June 30, 2009, to be used by the entity for purposes
7 consistent with sec. 14002(b), P.L. 111-5.

8 (b) The sum of \$93,043,200 is appropriated from federal economic stimulus funds
9 received by the state under P.L. 111-5 (American Recovery and Reinvestment Act of 2009) to
10 the Office of the Governor to be distributed by the Department of Education and Early
11 Development for purposes consistent with sec. 14002(a), P.L. 111-5.

12 * **Sec. 15. CONTINGENCY.** The appropriation reduction made in sec. 13(b) of this Act is
13 contingent on passage by the Twenty-Sixth Alaska State Legislature in the First Regular
14 Session and enactment into law of a version of HB 81 that appropriates not less than \$612,400
15 in federal receipts and \$1,118,100 in receipt supported services to the Department of
16 Revenue, child support services.

17 * **Sec. 16. LAPSE.** (a) The appropriations made in secs. 4 and 7 of this Act are for capital
18 projects and lapse under AS 37.25.020.

19 (b) The appropriations made in secs. 1 and 14 of this Act lapse June 30, 2010.

20 * **Sec. 17. RETROACTIVITY.** Sections 1 - 16 of this Act are retroactive to February 17,
21 2009.

22 * **Sec. 18.** This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

4/14/09

SARAH PALIN, GOVERNOR

P.O. BOX 110020
JUNEAU, ALASKA 99811-0020
TELEPHONE: (907) 465-4660
FAX: (907) 465-3008

April 14, 2009

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 518
Juneau, AK 99801-1182

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801-1182

The Honorable Mike Hawker
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 505
Juneau, AK 99801-1182

The Honorable Bill Stoltze
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 515
Juneau, AK 99801-1182

Dear Finance Committee Co-Chairs:

Please consider the enclosed amendments to HB 199, Federal Economic Stimulus appropriations bill currently in the Senate Finance Committee. These amendments will result in reducing the draw on reserves and provide funding for capital projects and increases in the K-12 school funding formula.

Given the projected revenue shortfall in FY2009 and FY2010, use of federal stimulus funds will help pay for needed projects and education increases while reducing general fund spending. Please contact me if you have additional questions.

Sincerely,



Karen J. Rehfeld
Director

Enclosures

cc: David Teal, Legislative Finance Division
House and Senate Finance Committee members

	A	B	C
1	Federal Economic Stimulus - General Fund Savings/Replacements		
2	State Fiscal Stabilization Funds		
3	School Major Maintenance	General Fund	Federal ES
4	Kaltag K-12 School Heating System Replacement	-1,078.8	1,078.8
5	Diomedea K-12 School Renovation	-15,890.6	15,890.6
6	Kodiak Schools Seismic Mitigation Project	-3,236.1	3,236.1
7	Craig Middle School Classroom Renovation	-83.6	83.6
8	St. Mary's Districtwide Fuel Tank Farm Replacement (partial funding of \$3.3 m)	-412.4	412.4
9	Total	-20,701.5	20,701.5
10	Public School Funding Program	General Fund	Federal ES
11	HB273 - FY10 Increase	-56,491.6	56,491.6
12	HB273 - FY11 Increase (partial funding of \$57.7m)	-36,551.6	36,551.6
13	Total	-93,043.2	93,043.2
14			
	Public Safety -		
15	Justice Assistance Grants**	General Fund	Federal ES
16	APSIN Redesign, Final Phase	-2,000.0	2,000.0
17	AST Mobile Data Computers - Phase II	-154.1	154.1
18	Alaska Law Enforcement Information Sharing System (ALIESS)	-220.0	220.0
19	DPS Computer replacements	-200.0	200.0
20	Network storage servers	-800.0	800.0
21	Crime Lab Equipment	-100.0	100.0
22	AST/AWT Law Enforcement Equipment Replacement	-900.0	900.0
23	Total	-4,374.1	4,374.1
24			
25	Operating Items	General Fund	Federal ES
26	Child Care Development Block Grants	-1,500.0	1,500.0
27	Child Support Enforcement	-1,500.0	1,500.0
28	Vocational Rehabilitation Soc Security Interface (to capital)	-275.4	275.4
29	Medicaid FY09 and FY10	-128,500.0	128,500.0
30	Total	-131,775.4	131,775.4
31			
32	Total Savings/Replacements*	-249,894.2	249,894.2
33	<i>*Reduces the amount of the draw on savings at the end of FY2009 and FY2010</i>		
34	<i>**Does not include \$1,446.9 for mandatory grants to local governments</i>		

CSHB 199(FIN) am Budget Amendment

Amend section 14(a), Office of the Governor, to read:

(a) The sum of \$20,701,535 is appropriated from federal economic stimulus funds received by the state under P.L. 111-5 (American Recovery and Reinvestment Act of 2009) to the Office of the Governor **for deposit into the major maintenance grant fund (AS 14.11.007) and allocated as shown for purposes consistent with sec. 14002(b), P.L. 111-5:**

	<u>Allocation</u>
<u>(1) St. Mary's – Districtwide Fuel Tank Farm</u>	<u>412,347</u>
<u>Replacement (HD 39)</u>	
<u>(2) Craig Middle School Classroom Renovation (HD 5)</u>	<u>83,588</u>
<u>(3) Kodiak Schools Seismic Mitigation Project (HD 36)</u>	<u>3,236,143</u>
<u>(4) Diomedea K-12 School Renovation (HD 39)</u>	<u>15,890,622</u>
<u>(5) Kaltag K-12 School Heating System</u>	<u>1,078,835</u>

Replacement (HD 6)[TO BE DISTRIBUTED BY THE DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT ON A PER CAPITA BASIS TO ENTITIES THAT ARE ELIGIBLE TO RECEIVE COMMUNITY REVENUE SHARING UNDER AS 29.60.850 – 29.60.879 DURING THE FISCAL YEAR ENDING JUNE 30, 2009, TO BE USED BY THE ENTITY FOR PURPOSES CONSISTENT WITH SEC. 14002(b), P.L. 111-5.]

Economic Stimulus funding may be used for these capital projects. This amendment replaces the use of this portion of the State Fiscal Stabilization Fund.

CSSB 75 could be amended by reducing the amount for the St. Mary's project from \$3,306,502 by \$412,347 down to \$2,894,155. The remaining four projects listed above could be deleted in their entirety from CSSB 75.

CSHB 199(FIN) am Budget Amendment

Amend section 14(b), Office of the Governor, to read:

(b) The sum of \$93,043,200 is appropriated from federal economic stimulus funds received by the state under P.L. 111-5 (American Recovery and Reinvestment Act of 2009) to the Office of the Governor **for deposit into the public education fund (AS 14.17.300)** [TO BE DISTRIBUTED BY THE DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT] for purposes consistent with sec. 14002(a), P.L. 111-5.

This amendment replaces the use of this portion of the State Fiscal Stabilization Fund by depositing the \$93 million into the public education fund. The FY10 increase in education funding of \$56,491,600 would come from the federal economic stimulus funds and \$36,551,600, a portion of the FY2011 increase of \$57.7 million, would come from the federal economic stimulus funds.

Conceptual amendment 1 to HB 199 to adjust FY10 and FY11 funding via the FY11 deposit to the public education fund:

Sec. --. CONSTITUTIONAL BUDGET RESERVE. The appropriation of \$1,111,914,700 from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to the public education fund (AS 14.17.300) in the version of HB 81, Twenty-Sixth Alaska State Legislature, that is enacted into law is reduced by \$93,043,200 to a new total of \$1,018,871,500.

Amend sec. 15, Contingency, by adding a new subsection to read:

(b) The appropriation reduction made in sec. -- of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature in the First Regular Session and enactment into law of a version of HB 81 that appropriates not less than \$1,111,914,700 from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to the public education fund (AS 14.17.300).

Conceptual amendment 1 needs a July 1, 2009 effective date.

-OR- (if the CBR deposit fails in HB 81)

Conceptual amendment 2 to HB 199 to reduce the FY10 funding by \$56,491,600:

Sec. --. FUND TRANSFERS. Sec. 22(r), ch. 27, SLA 2008, page 82, lines 6 - 7, is amended to read:

(r) The sum of **\$947,608,400** [\$1,004,100,000] is appropriated from the general fund to the public education fund (AS 14.17.300).

CSHB 199(FIN) am Budget Amendment

Amend section 1, to read:

	Department of Public Safety		General	Other
	Allocation	Appropriation Items	Funds	Funds
Alaska State Troopers		<u>1,496,100</u>		<u>1,496,100</u>
		[5,871,000]		[5,871,000]
Special Projects	50,000			
Narcotics Task Force	<u>1,446,900</u>			
		[5,821,000]		

Amend section 7, to read:

	Department of Public Safety		General	Other
	Allocation	Appropriation Items	Funds	Funds
<u>APSIN Redesign, Final</u>		<u>2,000,000</u>		<u>2,000,000</u>
<u>Phase (HD 1-40)</u>				
<u>Alaska Law Enforcement</u>		<u>220,000</u>		<u>220,000</u>
<u>Information Sharing</u>				
<u>System (ALIESS) (HD 1-40)</u>				
<u>Computer Replacements (HD 1-40)</u>		<u>200,000</u>		<u>200,000</u>
<u>Network Storage Servers</u>		<u>800,000</u>		<u>800,000</u>
<u>and Software (HD 1-40)</u>				
<u>Crime Laboratory Equipment</u>		<u>100,000</u>		<u>100,000</u>
<u>Replacement (HD 1-40)</u>				
<u>AST Mobile Data Computers -</u>		<u>154,100</u>		<u>154,100</u>
<u>Phase II (HD 1-40)</u>				
<u>AST Law Enforcement</u>		<u>500,000</u>		<u>500,000</u>
<u>Equipment Replacement (HD 1-40)</u>				
<u>AWT Law Enforcement</u>		<u>400,000</u>		<u>400,000</u>
<u>Equipment Replacement (HD 1-40)</u>				

Economic Stimulus funding may be used for these capital projects. This amendment transfers Economic Stimulus funds from the operating to the capital section of HB 199.

CSSB 75 could be amended to delete the appropriations for Crime Laboratory Equipment Replacement, \$50,000; AST Law Enforcement Equipment Replacement, \$250,000; AWT Law Enforcement Equipment Replacement, \$200,000; and reduce the appropriation for AST Mobile Data Computers – Phase II by \$154,100 from \$240,000 to \$85,900.

CSHB 199(FIN) am Budget Amendment

Amend section 12, Department of Health and Social Services, by adding a new subsection to read:

(c) The general fund appropriation to the Department of Health and Social Services, public assistance, child care benefits, in the version of HB 81 that is passed by the Twenty-Sixth Alaska State Legislature and enacted into law, is reduced by \$1,500,000, for the fiscal year ending June 30, 2010.

Amend sec. 15, Contingency, by adding a new subsection to read:

(--) The appropriation reduction made in sec. 12(c) of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature in the First Regular Session and enactment into law of a version of HB 81 that allocates not less than \$50,229,100 to the Department of Health and Social Services, public assistance, child care benefits,

These amendments need a July 1, 2009 effective date.

Economic Stimulus funding is used to replace the general fund increase in the child care benefits FY2010 operating budget.

CSHB 199(FIN) am Budget Amendment

Amend sec. 1, Department of Labor and Workforce Development, to read:

	Allocation	Appropriation Items	General Funds	Other Funds
Vocational Rehabilitation		<u>1,770,800</u> [2,046,200]		<u>1,770,800</u> [2,046,200]
Client Services	<u>1,524,600</u> [1,800,000]			

Amend sec. 4, Department of Labor and Workforce Development, to read:

	Allocation	Appropriation Items	General Funds	Other Funds
<u>Vocational Rehabilitation</u>		<u>275,400</u>		<u>275,400</u>
<u>Social Security / Employment</u>				
<u>Data Interface (HD 40)</u>				

Economic Stimulus funding may be used for the Social Security / Employment Data Interface capital project. This amendment transfers Economic Stimulus funds from the operating to capital section of HB 199.