

HB

222

<TARGET><BILL>HB 222</BILL><SUBJECT>HB
222</SUBJECT><COMM>HFIN29</COMM></TARGET>

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: January 19, 2016

FURTHER REFERRALS:

Date of Committee Action: 03.24.2016

The FINANCE Committee considered:

HB 222

HOUSE BILL NO. 222

"An Act relating to increases of appropriation items."

HB 222 INCREASE OF APPROPRIATION ITEM

Recommends it be replaced with HCS or CS for HB 222 (FIN)

For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of
Abbrev
for
Depts.:

- ADM
- AJS
- CED
- COR
- EED
- DEC
- DFG
- GOV
- DHS
- LWF
- LAW
- LEG
- MVA
- DNR
- DPS
- REV
- DOT
- UA

<u>NEW FISCAL NOTES</u>				
*FN# is assigned by Chief Clerk's Office				
*FN#	List by Dept(s):	Fiscal	Indet.	Zero
	LEG			✓

<u>PREVIOUS FISCAL NOTES</u>				
FN#	List by Dept(s):	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>Pa. Saldia</i>	SALDIA	x			
<i>Kawagaki</i>	Kawagaki				★
<i>Pruth</i>	Pruth	x			
<i>Bammie Wilson</i>	Wilson	x			
<i>Gene</i>	Gene		x		
<i>GATTENBERG</i>	GATTENBERG		x		
<i>Gattis</i>	Gattis	x			
<i>Murphy</i>	Murphy	✓			
Chair: <i>Star M. Thompson</i>	Thompson	x			
Chair:					

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: HB 222
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB 222 LBA 3-16-16
Title: INCREASE OF APPROPRIATION ITEM
Sponsor: HAWKER
Requester: House Finance

Department: Alaska Legislature
Appropriation: Budget and Audit Committee
Allocation: Committee Expenses
OMB Component Number: 775

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates				
			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2016) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial version - no fiscal impact anticipated therefore a one-page, zero fiscal note is submitted.

Prepared By: Kris Curtis
Division: Legislative Budget & Audit
Approved By: Kris Curtis
Agency: Legislative Budget & Audit

Phone: (907)465-4199
Date: 03/16/2016 02:20 PM
Date: 03/16/2016

CS FOR HOUSE BILL NO. 222(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE HAWKER

A BILL
FOR AN ACT ENTITLED

1 **"An Act relating to increases of appropriation items."**

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

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

4 (h) Unless expressly prohibited by the language of the appropriation, the
5 [THE] increase of an appropriation item based on additional federal or other program
6 receipts not specifically appropriated by the full legislature may be expended in
7 accordance with the following procedures:

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

10 (2) 90 [45] days shall elapse before commencement of expenditures
11 under the revised program unless the Legislative Budget and Audit Committee earlier
12 recommends that the state take part in the federally or otherwise funded activity;

13 (3) should the Legislative Budget and Audit Committee recommend
14 within the 90-day [45-DAY] period that the state not initiate the additional activity,
15 the governor shall again review the revised program and if the governor determines to

1
2
3
4

authorize the expenditure, the governor shall provide the Legislative Budget and Audit Committee with a statement of the governor's reasons and may not commence [BEFORE COMMENCEMENT OF] expenditures under the revised program until the 90-day period has elapsed.

2016 HOUSE FINANCE COMMITTEE VOTE SHEET

Moved
out

DATE: _____

Amendment: HB 222

MEMBER

Favor

Oppose

REP. EDGMON		
REP. GARA		X
REP. GATTIS	X	
REP. GUTTENBERG		X
REP. KAWASAKI		X
REP. MUNOZ	X	
REP. PRUITT	X	
REP. SADDLER	X	
REP. WILSON	X	
REP. NEUMAN		
REP. THOMPSON	X	

YEA 6
NAY 3

ADOPTED
3/24/16

29-LS1045\H
Martin/Wallace
3/23/16

CS FOR HOUSE BILL NO. 222(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE HAWKER

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14 within the 90-day [45-DAY] period that the state not initiate the additional activity,
15 the governor shall again review the revised program and if the governor determines to

1 authorize the expenditure, the governor shall provide the Legislative Budget and Audit
2 Committee with a statement of the governor's reasons **and may not commence**
3 **[BEFORE COMMENCEMENT OF]** expenditures under the revised program **until**
4 **the 90-day period has elapsed.**



REPRESENTATIVE MIKE HAWKER

ALASKA STATE LEGISLATURE • DISTRICT 28

Anchorage • Glen Alps • Rainbow • Indian • Bird • Girdwood • Portage

House Bill 222 Sponsor Statement

Short Title: Increase of Appropriation Item

House Bill 222 closes a loophole in the process for accepting additional funds for items in the budget when the legislature is not in session and protects Alaska's constitutional balance of powers.

Specifically, the bill codifies a process for the legislature to expressly prohibit the Governor from accepting and spending additional federal or other program receipts for an existing appropriation item.

This bill essentially gives substance to legislative intent language placed in a budget bill to restrict the Governor from accepting and spending certain additional receipts.

Currently, the Governor is allowed to accept and spend any and all additional federal or other program receipts without restriction or limitation; simply by complying with specified procedures for notifying the Legislative Budget and Audit Committee through the Revised Program Legislative (RPL) process. If the Committee votes affirmatively to approve the RPL, the Governor may immediately receive and spend those additional monies. If the committee does not act on the notification or recommends against the proposed expenditure, the Governor may still receive and expend those monies when 45 days have elapsed.

Additionally, the proposed legislation clarifies that, unless the committee approves the RPL, the Governor must wait 45 days from the date of the notification before authorizing the proposed expenditures.

PUBLISHED: 3/8/16

SESSION: State Capitol, Juneau, Alaska 99801 • (907) 465-4949
INTERIM: 716 W. 4th Avenue, Anchorage, Alaska 99501 • (907) 269-0244
Rep.Mike.Hawker@akleg.gov • www.housemajority.org/hawker

1 (j) The sum of \$19,623,350 is appropriated from the general fund to the Department
2 of Administration for payment of obligations and fees for the following facilities for the fiscal
3 year ending June 30, 2016:

4 FACILITY AND FEES	ALLOCATION
5 (1) Anchorage Jail	\$ 1,806,000
6 (2) Goose Creek Correctional Center	17,813,150
7 (3) Fees	4,200

8 (k) The amount necessary for state aid for costs of school construction under
9 AS 14.11.100, estimated to be \$123,423,009, is appropriated to the Department of Education
10 and Early Development for the fiscal year ending June 30, 2016, from the following sources:

11 (1) \$23,900,000 from the School Fund (AS 43.50.140);

12 (2) the amount necessary, after the appropriation made in (1) of this
13 subsection, estimated to be \$99,523,009, from the general fund.

14 (l) The amounts appropriated to the Alaska fish and game revenue bond redemption
15 fund (AS 37.15.770) during the fiscal year ending June 30, 2016, estimated to be \$5,300,000,
16 are appropriated to the state bond committee for payment of debt service, accrued interest,
17 and trustee fees on outstanding sport fish hatchery revenue bonds and for early redemption of
18 those bonds.

19 * **Sec. 24. FEDERAL AND OTHER PROGRAM RECEIPTS.** (a) Federal receipts,
20 designated program receipts under AS 37.05.146(b)(3), information services fund program
21 receipts under AS 44.21.045(b), Exxon Valdez oil spill trust receipts under
22 AS 37.05.146(b)(4), receipts of the Alaska Housing Finance Corporation, receipts of the
23 Alaska marine highway system fund under AS 19.65.060(a), receipts of the University of
24 Alaska under AS 37.05.146(b)(2), and receipts of commercial fisheries test fishing operations
25 under AS 37.05.146(c)(21), that are received during the fiscal year ending June 30, 2016, and
26 that exceed the amounts appropriated by this Act, are appropriated conditioned on compliance
27 with the program review provisions of AS 37.07.080(h).

28 (b) Federal designated program receipts under AS 47.07.060 for the proposed
29 expansion of the state's Medicaid program may not be accepted or expended without an
30 acceptable reformation plan and appropriation approved by the legislature.

31 (c) If federal or other program receipts under AS 37.05.146 and AS 44.21.045(b) that

Revised Program Legislative (RPL) Process Overview

The Constitution outlines the duties and responsibilities of the three branches of Government. The Governor, as head of the Executive branch, is responsible for submitting a budget, but the power of appropriation is reserved for the Legislative branch. The Legislature cannot delegate this power to the Executive branch nor to any Legislative committee. To do so would violate the separation of powers doctrine and be an unconstitutional delegation of authority. This means that the Executive branch can only spend what was approved by the full Legislature during the budget process.

Since the Legislature is only in session for part of the year, the intent of the RPL Process, codified in the late 1970s, was to provide a constitutional method to accept additional funds for items already approved in the budget from non-state sources that became available after the session concluded.

There are two steps necessary to accept RPLs:

1. The current fiscal year budget must include language specifying which funds can be accepted; and
2. The governor must follow the process outlined in AS 37.07.080 (h) to submit the RPL to the Legislative Budget and Audit committee for review.

If the additional funds are for an existing budget item, the RPL language was included in the budget, and the statutory process is followed, the Legislative Budget and Audit committee can offer a recommendation on the RPL, but it is non-binding, and the Governor can accept the funds after a 45 day waiting period.

Title 37. PUBLIC FINANCE
Chapter 37.07. EXECUTIVE BUDGET ACT
Sec. 37.07.080. Program execution.

(h) The increase of an appropriation item based on additional federal or other program receipts not specifically appropriated by the full legislature may be expended in accordance with the following procedures:

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

(2) 45 days shall elapse before commencement of expenditures under the revised program unless the Legislative Budget and Audit Committee earlier recommends that the state take part in the federally or otherwise funded activity;

(3) should the Legislative Budget and Audit Committee recommend within the 45-day period that the state not initiate the additional activity, the governor shall again review the revised program and if the governor determines to authorize the expenditure, the governor shall provide the Legislative Budget and Audit Committee with a statement of the governor's reasons before commencement of expenditures under the revised program.