

LEG. FINANCE - BILLS 1977 - 1978 875

HCR 91 cont., thru HCR 97 (875)

Mr. Gerald V. Neubert  
March 30, 1976  
Page 2

I'm sure the University very seldom runs into a project that can save several million dollars for the University and pay for itself at the same time. Good luck on your presentation!!

Sincerely yours,  
MOWER & ASSOCIATES

*Michael G. Mower*  
Michael G. Mower

MGM/lo

enc.

## Golden Valley Wants Electric Rate Increase

Special To The Times

**FAIRBANKS** — Golden Valley Electric Association has asked for authority to increase electric rates for all customers, in an effort to generate about \$2.3 million more than the company earned in 1975.

The electric company imposed rate surcharges on its customers last year, and the proposed new rates would cost local homeowners almost 20 per cent more than 1975 rates with surcharges. The proposed rates represent a 45.7 per cent rate increase over base 1975 rates (without surcharges).

Commercial customers would pay 11.5 per cent more than they did in 1975, and industrial users would pay 21 per cent more than last year, including the 1975 surcharge

rates. Without the surcharge rates, the proposed increases amount to 39.3 per cent for commercial and 37.2 per cent for industrial users.

The utility also proposed to increase most other fees, such as connection charges and repair charges.

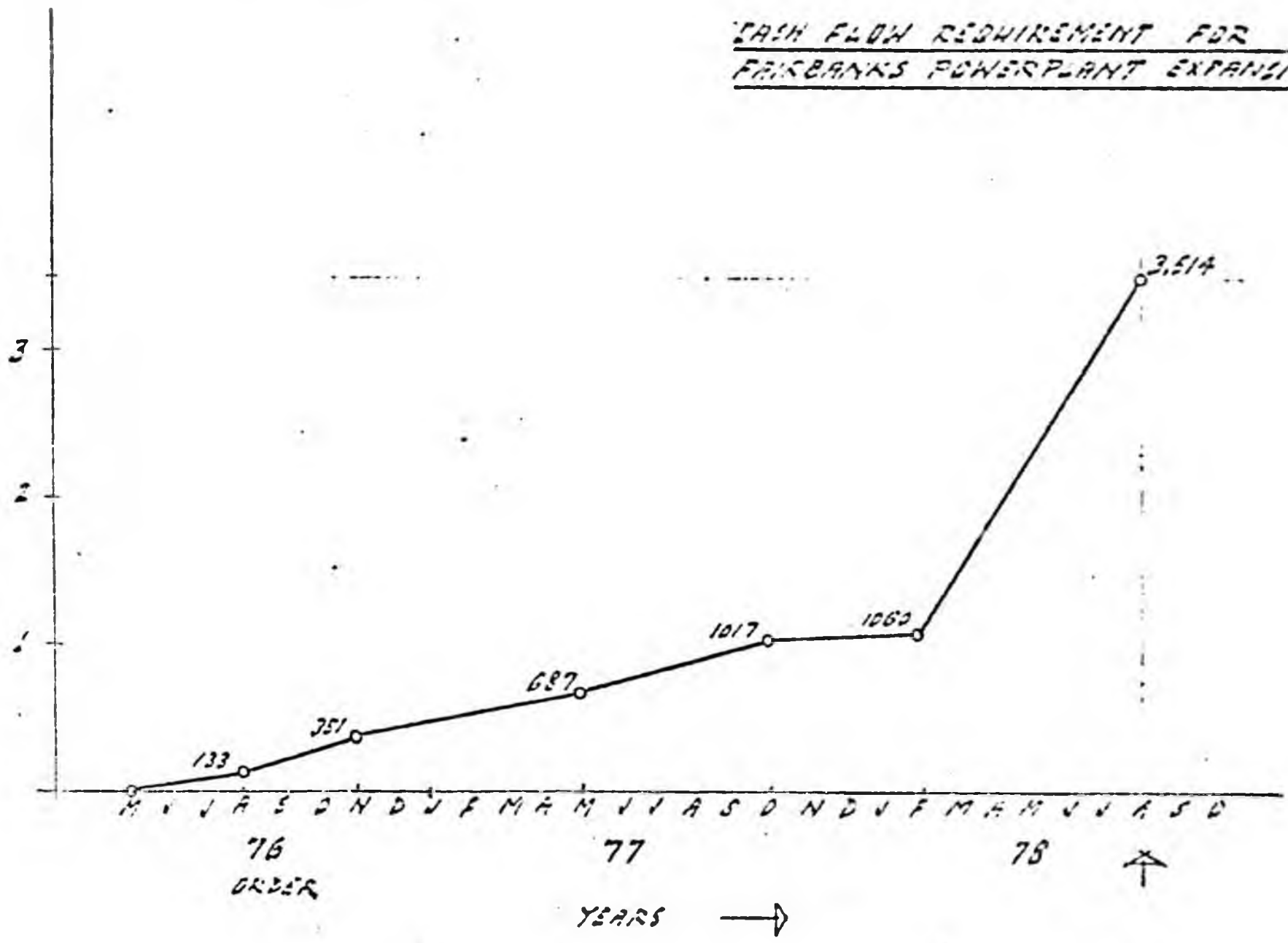
In its application with the Alaska Public Utilities Commission, Golden Valley said the increases are necessary "to allow GVEA to eliminate the unpopular fuel surcharge, which is not generating sufficient revenue," and to "maintain its financial integrity and meet the debt service criteria established by its bankers."

Interested persons may file objections with the commission by April 23.

March 30, 1978

CASH FLOW REQUIREMENT FOR  
FRISBANKS POWERPLANT EXPANSION

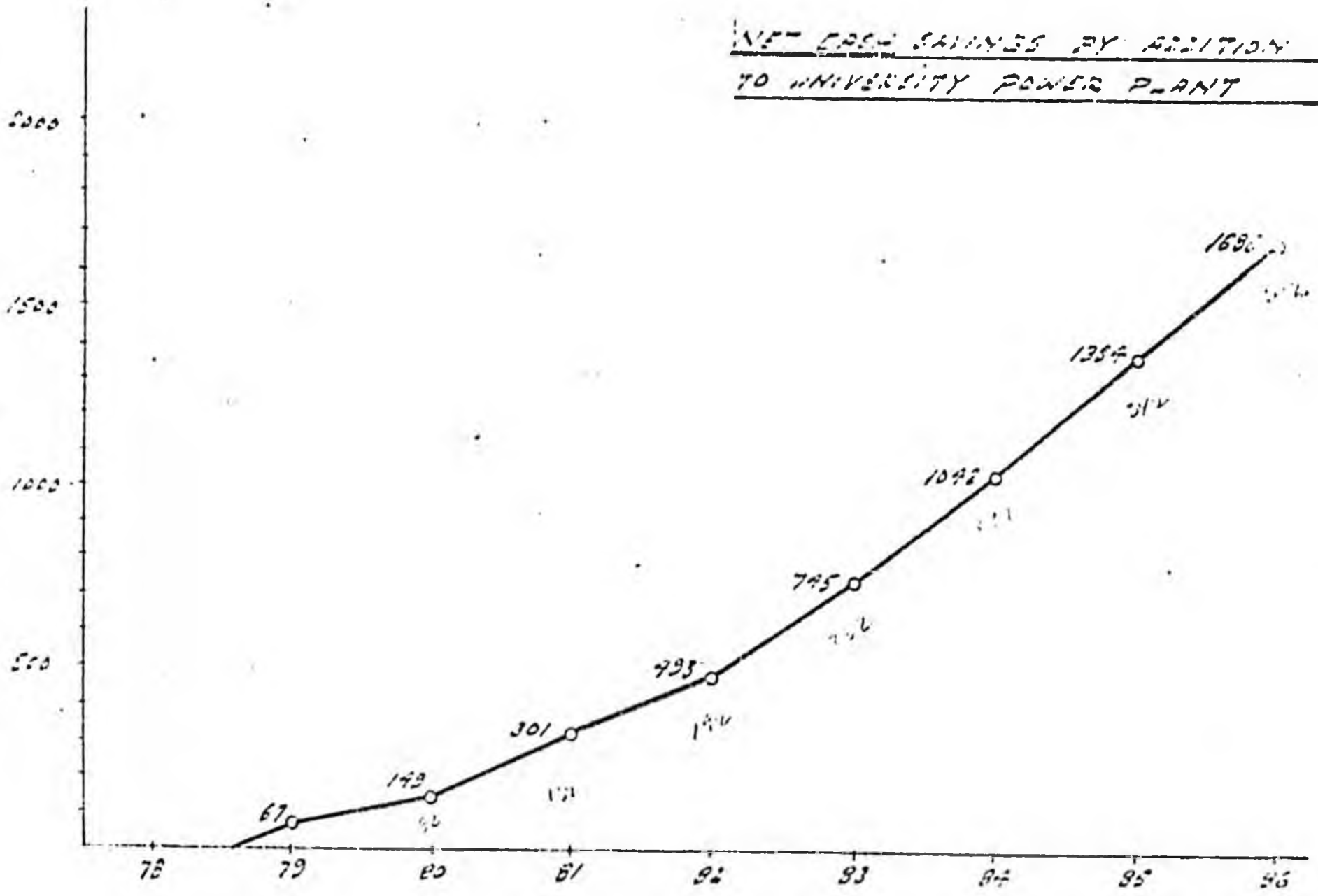
Millions (Thousands)



**MOWER & ASSOCIATES**  
Anchorage, Alaska  
BOX 6418

March 23, 1977

NET GROSS SALES BY ADDITION  
TO UNIVERSITY POWER PLANT



YEARS →

**MOWER & ASSOCIATES**  
Anchorage, Alaska  
BOX 6418

Introduced: 1/20/78  
Referred: Finance

1 IN THE HOUSE

BY COWPER

2 HOUSE CONCURRENT RESOLUTION NO. 91

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 Relating to the financing of an addition  
6 to the University of Alaska power plant.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS the Legislature, with the passage of House Concurrent Resolution  
9 No. 45 in the Second Legislature, Second Session, recognized the needs of the  
10 University of Alaska for adequate heating facilities and made it possible for  
11 the Board of Regents of the University of Alaska to proceed with the establish-  
12 ment of a nonprofit corporation designed to finance the construction of the  
13 heating plant needed by the University of Alaska; and

14 WHEREAS the production of power is an integral part of the heating plant;  
15 and

16 WHEREAS, since the construction of the heating plant by the nonprofit  
17 corporation, power needs of the university have grown substantially and;

18 WHEREAS the cost of purchasing power is anticipated to continue growing  
19 at a substantial rate in the years to come; and

20 WHEREAS the present needs of the University of Alaska for power are such  
21 that it has critical need for expansion of the existing power plant; and

22 WHEREAS it has been established that it is feasible for such an expansion  
23 of the power plant to be constructed by the University of Alaska Heating  
24 Corporation through the sale of bonds to obtain necessary construction funds  
25 and through the amortization of the debt from rental or power service fees  
26 charged to the university over a period of years; and

27 WHEREAS this method of financing would assure expansion of the power  
28 plant to provide adequate power generation to meet the total needs of the  
29 University for the foreseeable future; and

1       WHEREAS this method of financing would eliminate the need for immediate  
2 financing of capital construction from current revenues of the general fund;  
3 and

4       WHEREAS as a result of this expansion the Fairbanks campus will provide  
5 increased facilities for public shelter in times of disaster;

6       BE IT RESOLVED by the Alaska State Legislature that the Board of Regents  
7 of the University of Alaska, in its sound discretion, is requested to proceed  
8 immediately through the University of Alaska Heating Corporation with any  
9 needed expansions to the existing power plant, the financing of which shall  
10 be through the sale of bonds by the corporation, and the corporation shall  
11 amortize the debt from rentals or heating service fees charged to the univer-  
12 sity over a period of years.

13       COPIES of this resolution shall be sent to all members of the Board of  
14 Regents of the University of Alaska.

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UNIVERSITY OF ALASKA

FAIRBANKS

ENERGY UTILIZATION UPDATE

April 10, 1978

Prepared For:  
University of Alaska

By:  
Mower & Associates, Inc.  
P.O. Box 6415  
Anchorage, Alaska 99502  
Telephone: (907) 272-5335

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III. DISCUSSION

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## I. INTRODUCTION

The University of Alaska, Fairbanks campus, is faced with a continuing upwards spiral of fuel and utility costs. The University of Alaska's power plant has the ability to provide a portion of the electrical power and all the heating required for the existing campus.

The objectives of this update are to review the projections made in the 1975 study and to refine the projections associated with a plant expansion.

## II. SUMMARY AND CONCLUSIONS

### A. SUMMARY

This study has examined the future campus growth of the University of Alaska, Fairbanks. The campus steam heating and electrical usages for the next ten years were projected based on historical data and predicted University growth. From these projections, a determination was made on the heating plant required to meet the projected steam heating loads. From these projections, our earlier determination that a self-sufficient power plant was recommended is reaffirmed. Typical operation modes and expected efficiencies were predicted based on a self-sufficient electrical power. From this information and the campus growth, annual costs were determined to compare continued operation of the present plant with the proposed self-sufficient plant. From the projected annual costs, a pay-off period for the construction of the self-sufficient plant was determined.

### B. CONCLUSIONS

1. There is not going to be as much growth on the University of Alaska, Fairbanks campus, as there has been in the recent past. The next ten years should have an annual average increase in physical plant of 1.5%.
2. The present University power plant is adequate to meet the projected steam heating demands for the next ten years. A longer time period of higher steam demand is required before a new coal-fired boiler can be justified. Steam usages in the next ten years can be met by the existing coal-fired boilers and utilization of the existing oil-fired boiler to meet peaks.
3. The present University power plant is capable of generating about 85% of present needs. It is the maximum generation capacity of which the plant is capable. Any additional power requirements must be made up by purchasing from G.V.E.A. In order to be self-sufficient, the University would need additional generation capabilities. The most economical form would be a condensing-type steam-turbine generator. A steam-turbine generator capable of meeting the University's anticipated electrical demands for the next ten years could be purchased and installed for approximately \$4,000,000. Such a steam-turbine generator, even utilizing oil to produce the peak steam required, would be substantially less expensive over the next ten years than purchasing power from Golden Valley Electric Assoc.

3. Continued

The investment in a steam-turbine generator should be paid off in six to seven years after construction through elimination of electrical purchases.

The Univeristy should plan immediately for the addition of a steam-turbine generator to the existing power plant so they can eliminate paying for the high cost of electricity. Projected growth over the next thirty or forty years should be investigated to determine the economics of adding a coal-fired steam boiler or converting the oil-fired boiler to natural gas when it becomes available.

### III. DISCUSSION

#### A. Fuel/Utility Costs and Projection

The University of Alaska utilizes either coal or oil as a source of thermal energy, although the use of oil is not a significant figure in the annual budget. The projection of oil costs is significant, however, since G.V.E.A. has become an oil-based electric utility. The projections made in 1975 compared to actual increases to date are quite accurate and are shown on Figure 1.

##### 1. Coal

The predicted range of increases in coal costs ranged from a low of 1% per year to a high of 10% per year. The actual increase was 7% per year. For the purposes of the projections in this report, 7% will be used as the escalation rate. Figure 1 uses a range of 3% to 12%.

##### 2. Oil

The predicted range of increases in oil costs ranged from a low of 6% per year to 17% per year. The actual increase was 10% per year. For the purposes of the projections in this report, 11% will be used as the escalation rate. Figure 1 uses a range of 6% per year to 17% per year. This projection is highly sensitive to OPEC activity and could experience instant increases of 25% to 50% in the next two years. Governmental regulations can also have pronounced effects.

##### 3. Electricity

The predicted range of increases in electrical costs ranged from a low of 7% per year to a high of 20% per year. Using a consumption of 18.1 million KWH and a demand of 2800 KW, the rate of increase was 18% per year. This compares with GVEA estimates of no increases for 5 years and 8% per year thereafter. Figure 1 also shows the purchase rates experienced by the University and reflects the effect of low consumption, high demand. For the purposes of the projections in this report the KWH rate will increase at 14% per year for the next five years and 9% thereafter. The demand charge was escalated at a constant 9%. If the reader is concerned that the future rates are unrealistic, the present rates in effect for Consolidated Edison, New York City, New York, in March 1978 are:

Demand Charge	\$9.51/KW (\$11.01/KW in Summer)
KWH Charge	5.95¢/KWH

### 3. Continued

These are the charges for a high capacity oil-based electric utility, today. Figure 1 uses a minimum rate of increase of 9% per year and a maximum of 20% per year.

### 4. Summary

Figure 1 has borne out the philosophy that the cost of electricity is highly sensitive to the fuel used to generate that electricity. As GVEA becomes more dependant on oil, the cost per therm for electricity with respect to the cost per therm for coal becomes higher. In 1975, electricity cost 6 to 9 times the coal cost per therm. In 1978, the electrical rate ballooned to 12 to 15 times the cost of coal; an increase of 100%. As long as the cost of oil is volatile, the cost of electricity is as uncertain. The use of a fuel surcharge was a specific acknowledgement of the uncertain nature by the APUC and made passing on additional costs easy.

## B. Existing Plant Operations

The purpose of this section is to review the changes in the past few years in the plant operation and to explain the severe changes in Figures 1, 2, and 3.

### 1. Electrical Use

The readers attention is directed to Figure 2. Please notice the pronounced increase in University generated power and the corresponding reduction in purchased power from GVEA. Also notice the effects of the energy conservation efforts in reducing overall consumption. By July of 1978, the University will be generating all of the power it possibly can and any increase in consumption will be purchased. The University, although having reduced the purchased power significantly, still has a high demand rate and is paying a premium for this. Figure 1 shows the cost per therm that the University has paid to date and also reflects the premium.

### 2. Coal Use

Figure 3 indicates the recent past and projected coal consumption for both the present plant and the self-sufficient plant. There is an increased coal usage that is directly related to the increased electrical generation of the plant until 1979. The increase beyond 1979 reflect the increases in coal used for heating. Note that in 1980, the self-sufficient plant consumption is markedly less. Figure 7 gives the explanation. For the same amount of electricity generated, the high efficiency condensing steam turbine uses  $\frac{1}{2}$  the steam. The self-

2. Continued

sufficient plant can provide the normal electrical demand running only one boiler instead of two.

3. Oil Use

The historical usage of oil has been biannual bulk purchases of 10,000 and 20,000 gallons. The use of the oil-fired boiler has been restricted to peaks and back up during maintenance. The University staff is firmly committed to not using the oil-fired boiler unless there is an emergency.

4. Condenser Use

The increased production of University generated electricity is attributable to the use of the air-cooled steam condensers. These enable the steam to be condensed when there is no heat demand from the campus. Their effect is clearly shown in Figure 2.

C. Economic Review of Alternatives

1. Continue Present Plant Operations

The readers attention is directed to Chart 3 and Figure 4. These are based on the utility cost projections, increases in operational costs based on 9% per year inflation. The current debt service is to continue.

2. Expansion of the Existing Generation Plant

The readers attention is now drawn to Chart 4 and Figure 5. Again, the utility cost projections are the ones previously stated. The operations cost presently attributable to the turbines is 10%. We would expect a 10% increase in that cost. Escalation was taken at a 9% inflation factor. A 1978 cost of \$60,000 per year for a standby charge to GVEA. This would compare to a tariff of \$350,000 per year. Negotiations on this point need to be conducted. It would be to both GVEA's advantage as well as the University's to continue interconnect. The University has never in its history had a University caused outage compared to 8 unscheduled outages in the last year by GVEA.

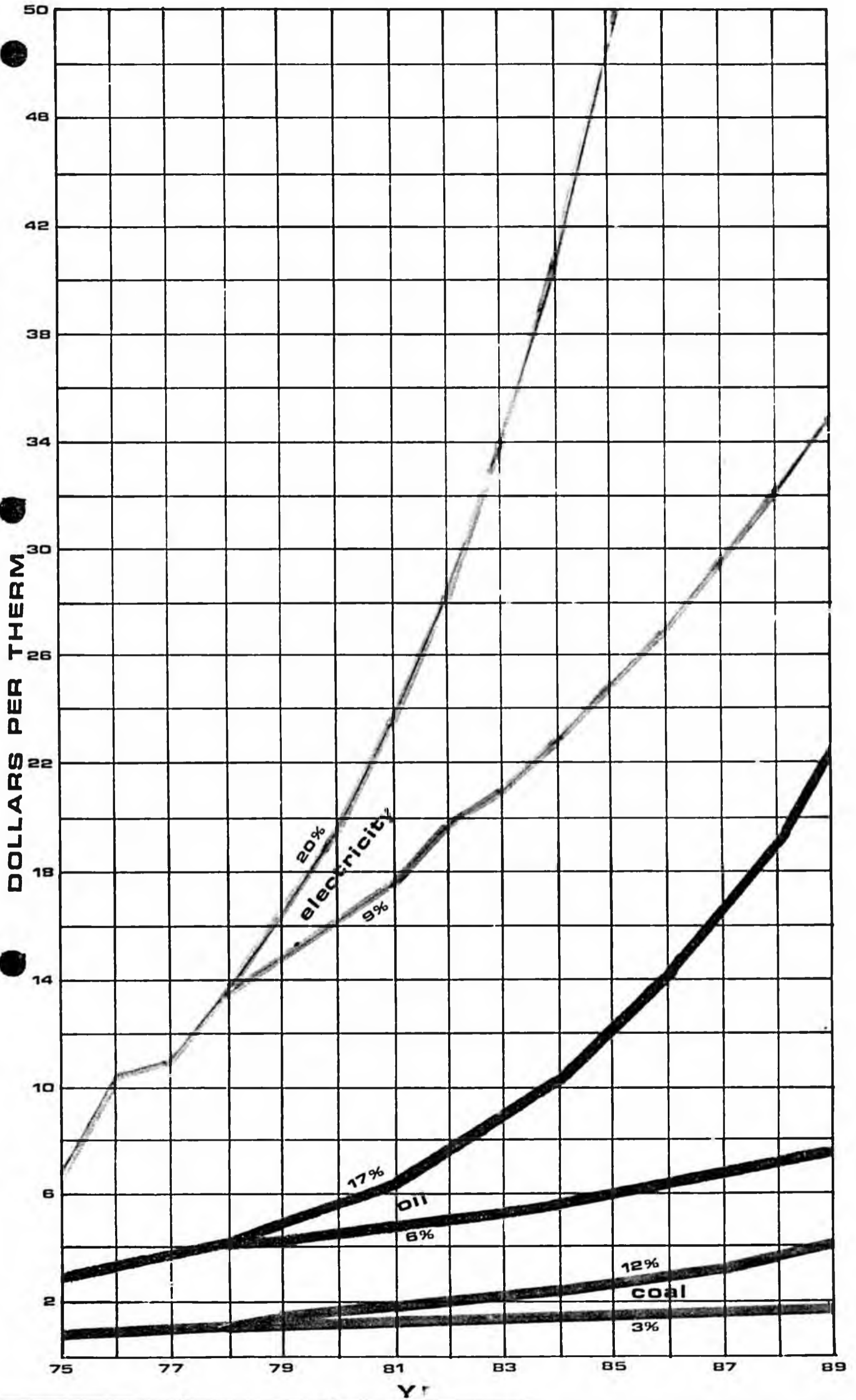
3. Conclusions on Economics

Chart 5 indicates the cumulative savings at 6%. Payoff occurs in the seventh year of operation. This payoff is based on the most conservative position in every consideration. It is recommended that the

3. Continued

University proceed immediately in the expansion of the generation capability at the Fairbanks Campus.

FUEL COST HISTORY AND PROJECTIONS



# PRESENT PLANT ELECTRICAL CONSUMPTION

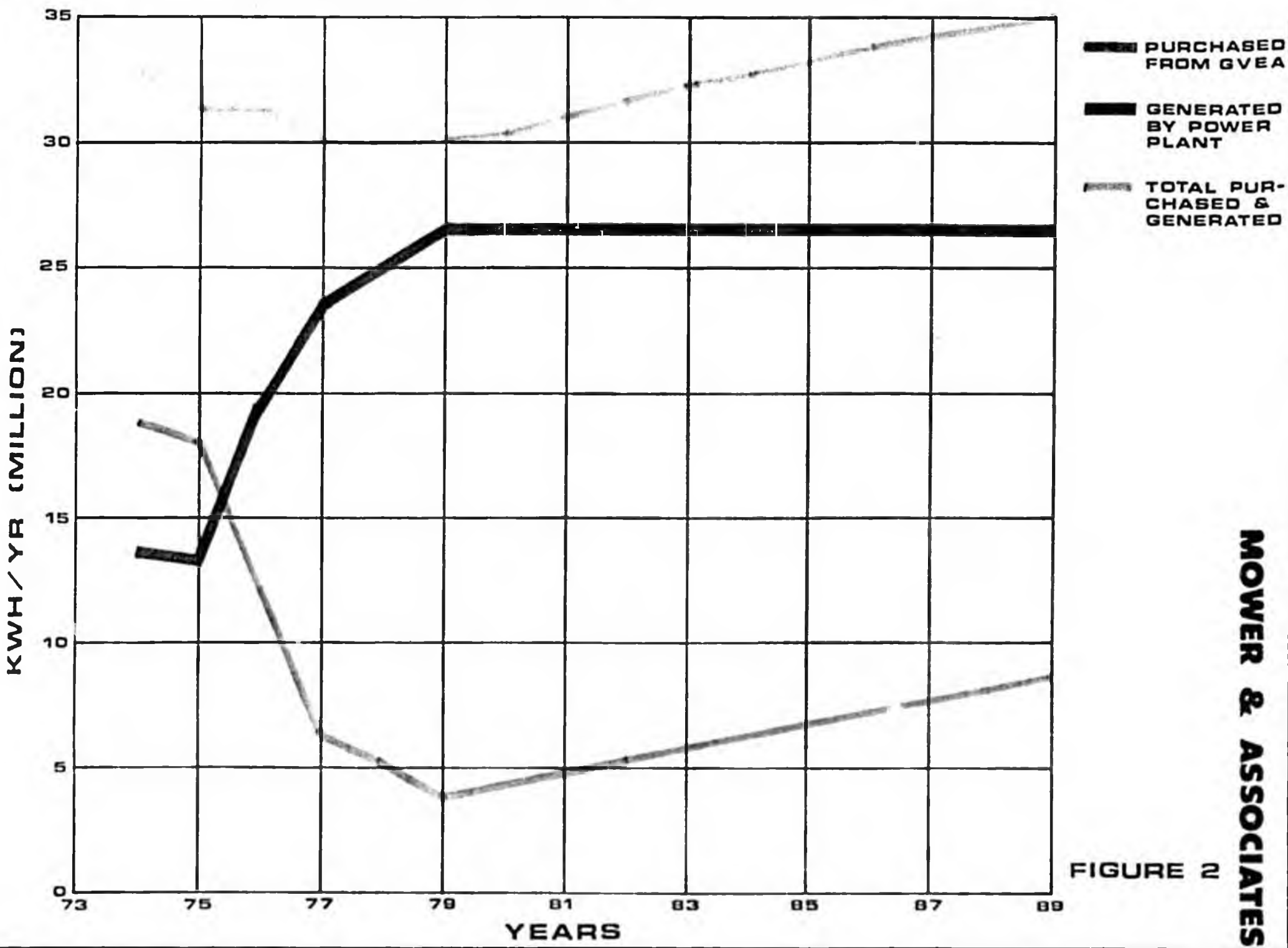


FIGURE 2

MOWER & ASSOCIATES

# STEAM PLANT COAL CONSUMPTION PER YEAR

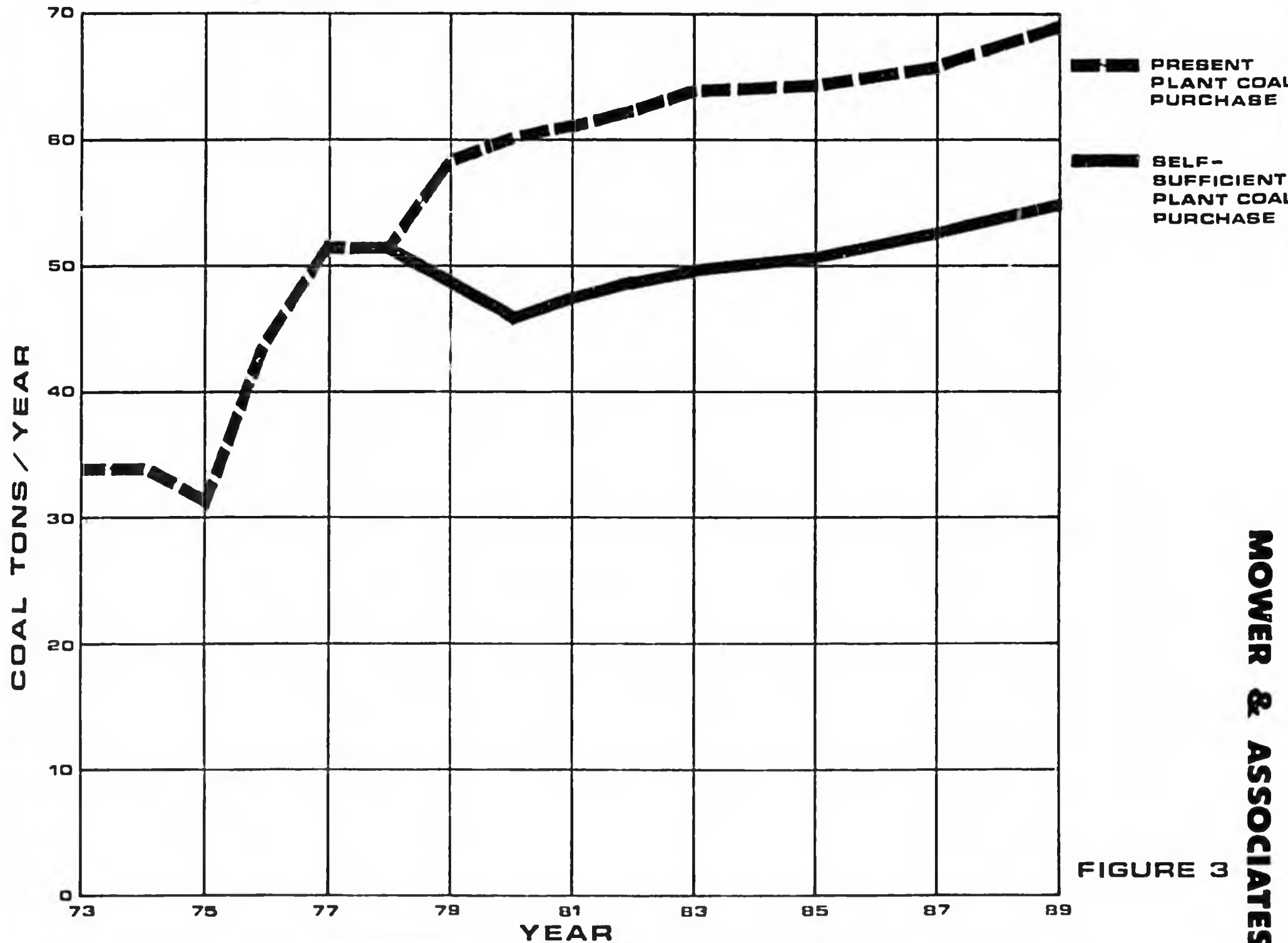


FIGURE 3

MOWER & ASSOCIATES

COST OF OPERATION BREAKDOWN FOR  
PRESENT PLANT

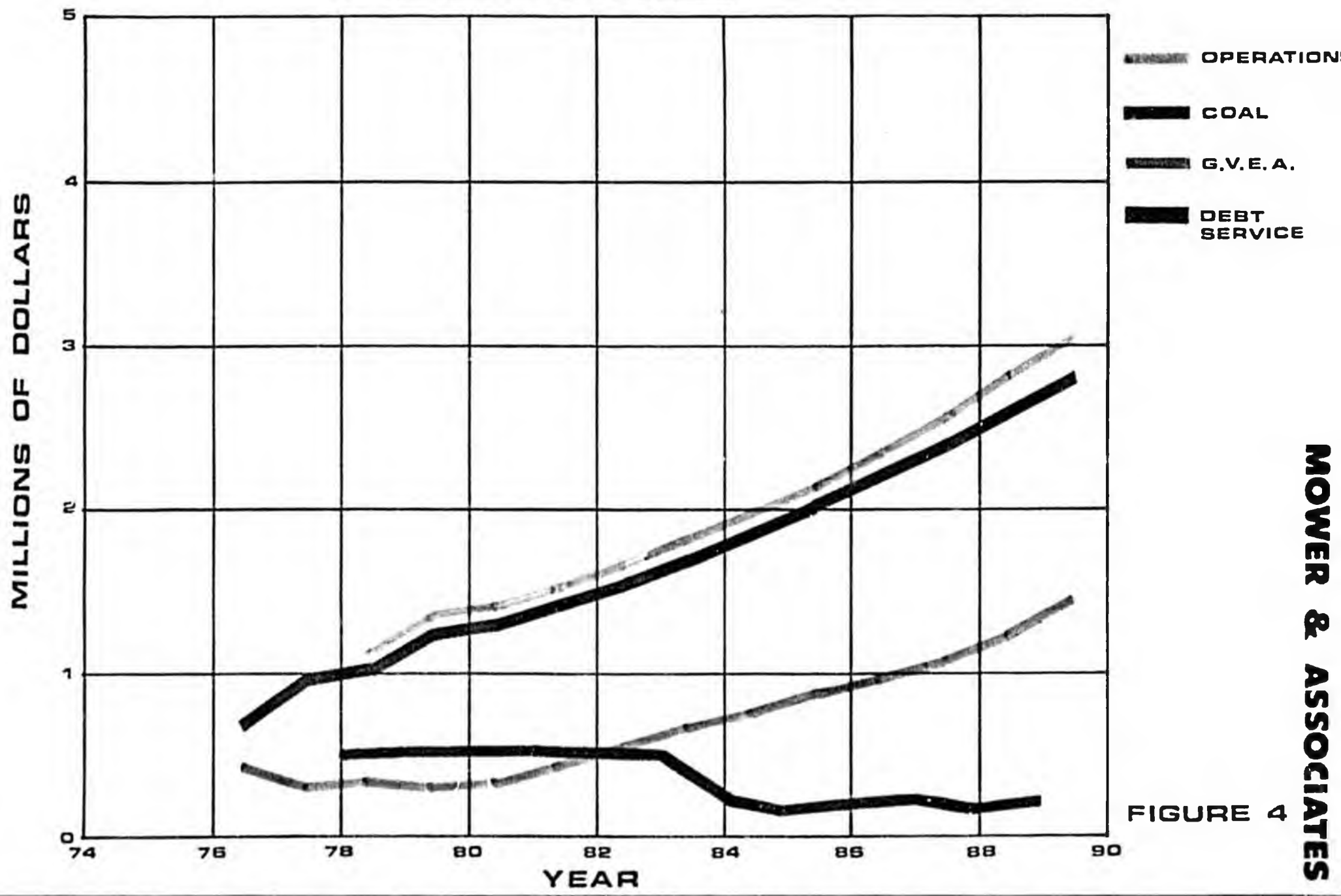


FIGURE 4

MOWER & ASSOCIATES

PO BOX 6415 ANCHORAGE, ALASKA

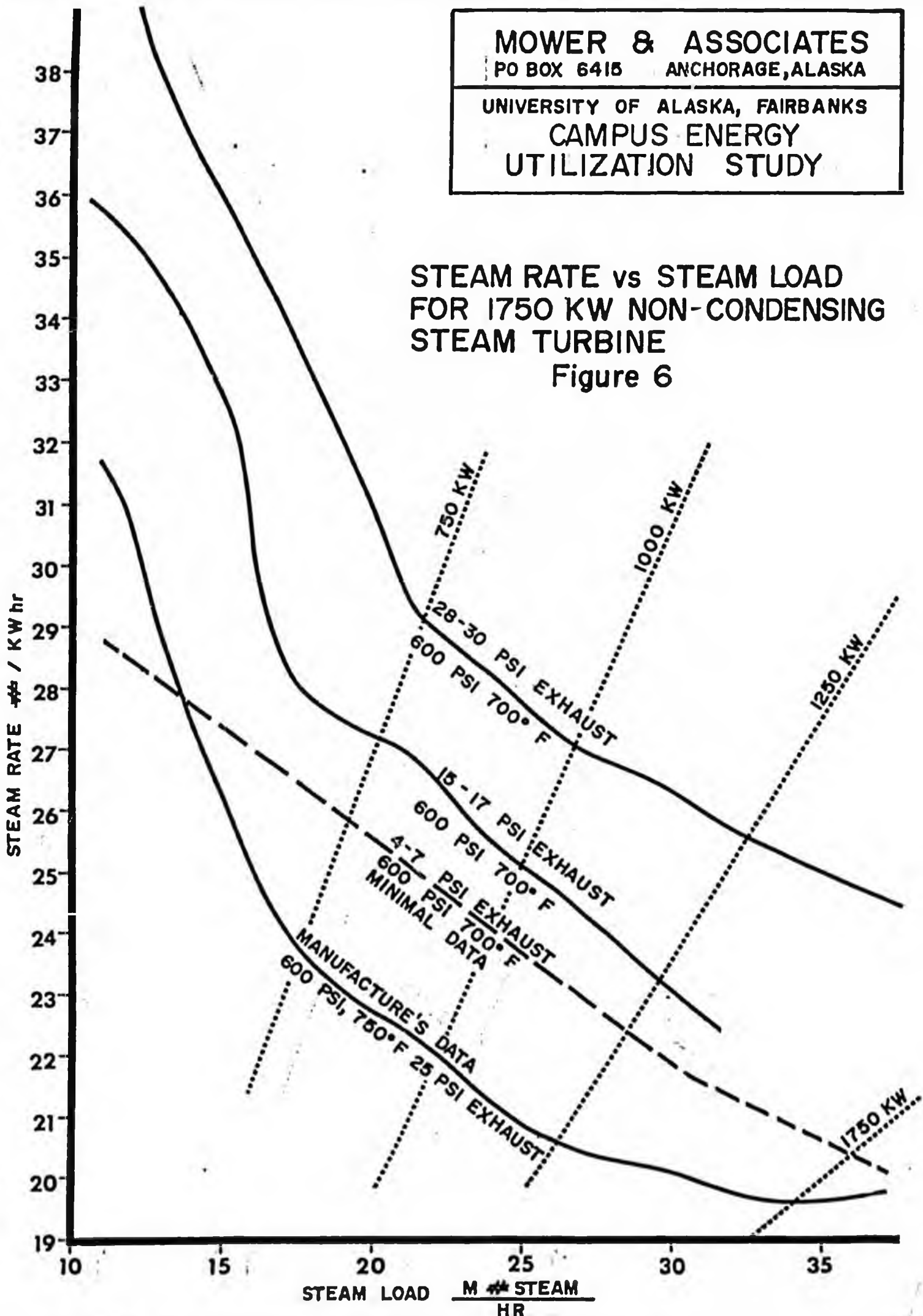
UNIVERSITY OF ALASKA, FAIRBANKS

CAMPUS ENERGY

UTILIZATION STUDY

### STEAM RATE vs STEAM LOAD FOR 1750 KW NON-CONDENSING STEAM TURBINE

Figure 6

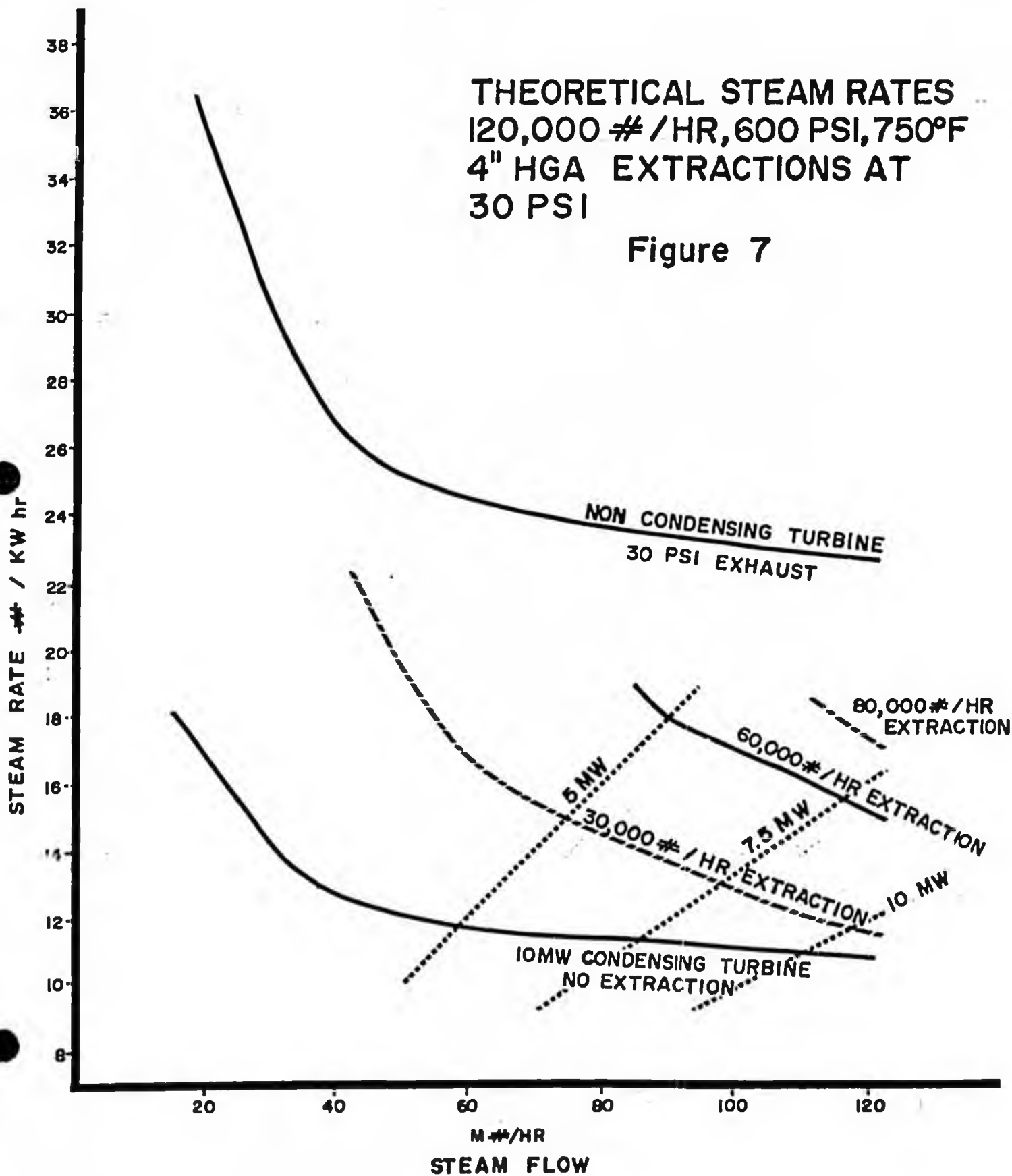


**MOWER & ASSOCIATES**  
PO BOX 6415 ANCHORAGE, ALASKA

UNIVERSITY OF ALASKA, FAIRBANKS  
CAMPUS ENERGY  
UTILIZATION STUDY

**THEORETICAL STEAM RATES  
120,000 # / HR, 600 PSI, 750°F  
4" HGA EXTRACTIONS AT  
30 PSI**

Figure 7



TOTAL COST OF OPERATION

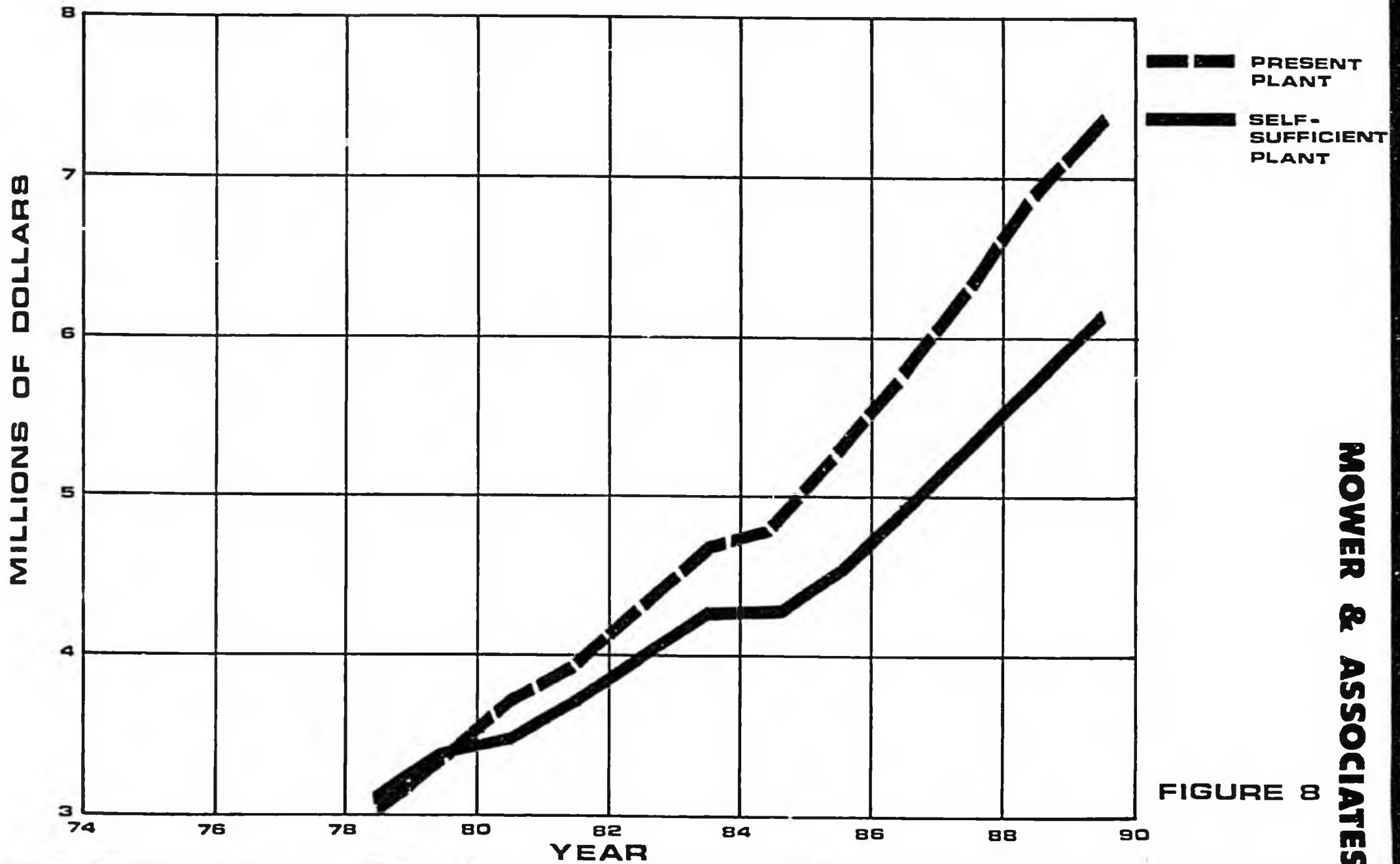


FIGURE 8

**MOWER & ASSOCIATES**

PROJECTED ELECTRICAL USAGE AND DEMAND COSTS AND CONSUMPTION

YEAR	AVERAGE COST PER KW(¢)	DEMAND IN KW	PURCHASED KWH	TOTAL KWH	DEMAND CHARGE (\$/KW)	TAIL RATE (¢/KWH)	DEMAND CHARGE (\$)	USAGE CHARGE (\$)
1978	6.50	2500	5.1	30.10	4.75	3.75	142,500	191,250
1979	8.35	2500	3.8	30.30	5.17	4.27	155,100	162,260
1980	8.94	2537	4.2	30.70	5.63	4.86	171,399	204,120
1981	9.50	2575	4.7	31.20	6.13	5.54	189,417	260,380
1982	10.39	2614	5.2	31.70	6.68	6.31	209,538	328,120
1983	11.20	2653	5.7	32.20	7.28	7.19	231,766	409,830
1984	12.00	2693	6.1	32.60	7.93	7.83	256,265	477,630
1985	12.80	2733	6.6	33.13	8.64	8.53	283,357	562,980
1986	13.70	2774	7.1	33.60	9.41	9.29	313,240	659,590
1987	14.60	2816	7.6	34.10	10.25	10.12	346,368	769,120
1988	15.70	2858	8.1	34.60	11.17	11.03	383,086	893,430
1989	16.90	2901	8.6	35.10	12.17	12.02	423,662	1,003,720

CHART 1

PROJECTED COAL USAGE AND COST OF PRESENT AND SELF-SUFFICIENT PLANT

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Present * Plant Consumption	34.0	31.2	43.1	51.9	52.0	58.0	58.9	59.7	60.6	61.5	62.4	63.4	64.4	65.3	66.3	67.3
Self-Sufficient * Plant Consumption							47.9	48.7	49.6	50.5	51.4	52.4	53.4	54.3	55.3	56.3
\$/Ton Coal Price		14.64	16.38	18.98	19.97	21.36	22.86	24.46	26.17	28.00	29.96	32.06	34.30	36.70	39.27	42.02

\* By 1000 Tons Per Year

PRESENT PLANT

OPERATION COST

	<u>GVEA PURCHASE</u>	<u>COAL PURCHASE</u>	<u>OPERATIONS &amp; MAINTENANCE</u>	<u>DEPT/SERVICE</u>	<u>TOTAL COST</u>
1978	333,750	1,038,440	1,180,000	500,400	3,052,590
1979	317,360	1,238,880	1,290,000	504,872	3,351,112
1980	375,519	1,352,340	1,410,000	503,511	3,641,370
1981	449,797	1,460,260	1,530,000	501,303	3,941,360
1982	537,658	1,585,900	1,670,000	503,142	4,296,700
1983	641,596	1,722,000	1,820,000	498,991	4,682,587
1984	733,895	1,869,500	1,990,000	201,055	4,794,450
1985	848,411	2,032,600	2,170,000	199,585	5,250,596
1986	972,830	2,209,560	2,360,000	202,187	5,744,577
1987	1,115,480	2,397,160	2,580,000	203,737	6,296,377
1988	1,276,516	2,604,260	2,810,000	199,800	6,890,576
1989	1,457,382	2,828,610	3,060,000	200,375	7,546,367

SELF-SUFFICIENT PLANT

OPERATION COST

	<u>GVEA PURCHASE</u>	<u>COAL PURCHASE</u>	<u>OPERATIONS &amp; MAINTENANCE</u>	<u>DEPT/SERVICE</u>	<u>TOTAL COST</u>
1978	333,750	1,038,440	1,180,000	500,400	3,052,590
1979	317,360	1,238,880	1,290,000	504,872	3,351,112
1980	71,286	1,094,994	1,420,000	861,511	3,447,791
1981	77,701	1,191,202	1,550,000	859,303	3,678,206
1982	84,694	1,298,032	1,690,000	861,142	3,933,868
1983	92,317	1,414,000	1,840,000	856,991	4,203,308
1984	100,625	1,539,940	2,010,000	559,055	4,209,620
1985	109,682	1,679,944	2,190,000	557,585	4,537,611
1986	119,553	1,832,154	2,390,000	560,187	4,901,894
1987	130,313	1,993,353	2,600,000	561,737	5,285,403
1988	142,041	2,172,184	2,830,000	557,800	5,703,025
1989	154,825	2,366,289	3,090,000	558,375	6,169,489

CUMMULATIVE ANNUAL SAVINGS @ 6 %

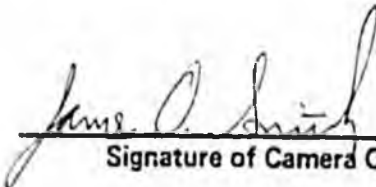
<u>YEAR</u>	<u>ACCUMULATIVE</u>
1978	-0-
1979	-0-
1980	193,579
1981	468,347
1982	859,279
1983	1,390,114
1984	2,058,350
1985	2,894,836
1986	3,911,209
1987	5,156,855
1988	6,654,817
1989	8,430,984

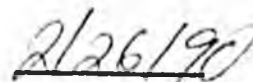


# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

  
\_\_\_\_\_  
Signature of Camera Operator

  
\_\_\_\_\_  
Date

# Committee Report

S E N A T E

Mr. President:

\_\_\_\_\_ Date

The Committee on \_\_\_\_\_ has had 97  
under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that  
CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- (other) \_\_\_\_\_

## MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

## MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:

\_\_\_\_\_ CHAIRMAN

# MEMORANDUM

## State of Alaska

TO:

Legislative Affairs

DEPT. \_\_\_\_\_

DIV. \_\_\_\_\_

SEC. \_\_\_\_\_

DATE 2/2/78

FROM: Becky Fritz  
House Finance

SUBJECT

Would you please prepared the attached House Concurrent Resolution to be sponsored by the House Finance Committee, and return to me as soon as possible.

*By The Finance Committee*

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IN THE HOUSE

HOUSE CONCURRENT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

Establishing general funds available  
for appropriation for fiscal year 1979  
and making tentative allocations to  
program categories.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS Chapter 66 of the 1977 Session Laws of Alaska requires that by the 45th legislative day, the legislature shall have established by concurrent resolution the total amount of state general funds that shall be available for appropriation for the budget year and the tentative allocation of the funds among program categories in both the operating and capital budgets; and

WHEREAS the legislature finds that best available estimate of unrestricted revenue for fiscal year 1979 is \$946,600,000 which is inclusive of the estimated \$18,100,000 to be deposited in the Renewable Resources Development Fund; and

WHEREAS these estimates are predicated on no legislative action on new revenue measures except for passage of either House Bill 662 or Senate Bill 427 providing for refunding unanticipated Alaska personal income tax increases resulting from changes in the Federal tax code; and

WHEREAS the legislature finds that the best available estimate of the liquid surplus general fund balance for June 30, 1979 is \$273,600,000;

BE IT RESOLVED by the Alaska State Legislature that the total amount of state general funds including renewable resources development funds that shall be available for appropriation for the 1979 budget year operating and capital expenditures is \$946,600,000; and be it

1 FURTHER RESOLVED that a tentative allocation of the \$946,600,000 avail  
 2 able for appropriation shall be made to the various program categories in  
 3 terms of the following percentages:

	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
4 Education	44%		44%
5 Social Services	7		7
6 Health	5		5
7 Natural Resources	6	1%	7
8 Public Protection	2		2
9 Administration of Justice	9		9
10 Development	6	1	7
11 Transportation	13		13
12 General Government	6		6

13 and be it

14  
 15 FURTHER RESOLVED that if the legislature clearly changes its policy  
 16 regarding capital projects and makes a major shift to fund such projects by  
 17 direct appropriation from the general fund in lieu of authorizing general  
 18 obligation bonds and if the legislature also passes new revenue measures  
 19 sufficient to fund these direct appropriations, an additional \$150,000,000  
 20 shall be available for capital appropriations; and be it

21 FURTHER RESOLVED that this resolution may be amended because of major  
 22 unforeseen events or genuine emergencies.  
 23  
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HOUSE CONCURRENT RESOLUTION NO.  
TENTATIVE BUDGET ALLOCATIONS COMPARED TO GOVERNOR'S RECOMMENDATIONS  
(\$ millions)

	OPERATING			CAPITAL			TOTAL		
	Governor	Resolution	Difference	Governor	Resolution	Difference	Governor	Resolution	Difference
Education	380.8	411.4	30.6	2.9	3.0	.1	383.7	414.4	30.7
Social Services	59.1	62.1	3.0	-	-	-	59.1	62.1	3.0
Health	41.4	43.5	2.1	.2	.2	-	41.6	43.7	2.1
Natural Resources	58.9	61.9	3.0	5.9	6.2	.3	64.8	68.1	3.3
Public Protection	21.0	22.1	1.1	.7	.7	-	21.7	22.8	1.1
Administration of Justice	81.2	85.4	4.2	.7	.7	-	81.9	86.1	4.2
Development	49.0	51.5	2.5	12.3	12.9	.6	61.3	64.4	3.1
Transportation	115.4	121.3	5.9	2.5	2.6	.1	117.9	123.9	6.0
General Government	53.5	56.2	2.7	3.8	4.0	.2	57.3	60.2	2.9

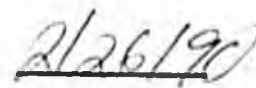


# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

  
\_\_\_\_\_  
Signature of Camera Operator

  
\_\_\_\_\_  
Date

COMMITTEE REPORT  
SENATE

FURTHER: \_\_\_\_\_

Date: \_\_\_\_\_

Mr. President:

The Committee on FINANCE has had OCR 97

*GENERAL FUNDS AVAILABLE FOR APPROPRIATION FOR FY 1978 - MAKING TENTATIVE ASSIGNMENTS TO PROGRAM CATEGORIES*

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass                       recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_

and \_\_\_\_\_  new title               same title

- AND attaches a Letter of Intent               New Fiscal Note
- reports it back without recommendation
- and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_  
Chairman

A M E N D M E N T

Offered in the SENATE

By \_\_\_\_\_

To: \_\_\_\_\_ SENATE BILL NO. \_\_\_\_\_

\_\_\_\_\_ HOUSE BILL NO. \_\_\_\_\_

AMENDMENT: Page \_\_\_\_\_ Line \_\_\_\_\_

*Finance  
Jones*

A M E N D M E N T

Offered in the SENATE

By \_\_\_\_\_

To: \_\_\_\_\_ SENATE BILL NO. \_\_\_\_\_

\_\_\_\_\_ HOUSE BILL NO. \_\_\_\_\_

AMENDMENT: Page \_\_\_\_\_ Line \_\_\_\_\_

Original sponsor: Cowper

Offered: 2/7/77  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 117

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the legislative appropriation  
7 process; and providing for an effective date."

8

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

9

\* Section 1. AS 37.07.070 is amended to read:

10

Sec. 37.07.070. LEGISLATIVE REVIEW. The legislature shall con-  
11 sider the governor's proposed comprehensive program and financial plan,  
12 evaluate alternatives to the plan, make program selections among the  
13 various alternatives and determine, subject to available revenues, the  
14 level of funding required to support authorized state services. During  
15 each regular session of the legislature, legislative review of the plan  
16 shall be accomplished according to the following schedule:

17

(1) By the 45th legislative day, the legislature shall have  
18 established by concurrent resolution the total amount of state general  
19 funds that shall be available for appropriation for the budget year and  
20 the tentative allocation of the funds among program categories in both  
21 the operating and capital budgets. The resolution shall be introduced  
22 by the finance committee of the house in which the general appropriations  
23 bill was introduced.

24

(2) By the 90th legislative day, the house in which the  
25 general appropriations bill was introduced by the governor shall have  
26 calendared for second reading a version of the general appropriations  
27 bill. The bill shall be supported with documentation to explain the  
28 proposed appropriations and related statements of intent. In addition,  
29 a list of other appropriations or measures with fiscal implications

P. 2 line 17 - 2<sup>3</sup>. Strike and  
replace with the following:

#### AMENDMENT

FURTHER RESOLVED that if the legislature changes its policy regarding capital projects and makes a shift to fund a portion of total capital projects by direct appropriation from the general fund in order to supplant in part general obligation bonds, an additional amount may be directly appropriated for capital projects; provided that such appropriation shall not reduce the liquid general fund balances below \$250,000,000.

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

Original sponsor: Cowper

Offered: 2/7/77  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 117

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

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28 proposed appropriations and related statements of intent. In addition,  
29 a list of other appropriations or measures with fiscal implications

1 pending before the legislature shall be included with the documentation  
2 for the calendared bill.

3 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
4 070(c).  
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*Proposed.*  
A M E N D M E N T

Offered in the SENATE

By Senate Finance Committee

To: \_\_\_\_\_ SENATE BILL NO. \_\_\_\_\_

HCR 97 HOUSE BILL NO. \_\_\_\_\_

AMENDMENT: Page 2 Line 17 - 23  
Delete lines 17 - 23 and replace with the  
following:

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FURTHER RESOLVED that this resolution may be amended.

Introduced: 2/6/78  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE CONCURRENT RESOLUTION NO. 97

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 Establishing general funds available  
6 for appropriation for fiscal year  
7 1979 and making tentative allocations  
8 to program categories.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 WHEREAS Chapter 66 of the 1977 Session Laws of Alaska requires that by  
11 the 45th legislative day, the legislature shall have established by concur-  
12 rent resolution the total amount of state general funds that shall be avail-  
13 able for appropriation for the budget year and the tentative allocation of  
14 the funds among program categories in both the operating and capital budgets;  
15 and

16 WHEREAS the legislature finds that best available estimate of unre-  
17 stricted revenue for fiscal year 1979 is \$946,600,000 which is inclusive of  
18 the estimated \$18,100,000 to be deposited in the Renewable Resources Develop-  
19 ment Fund; and

20 WHEREAS these estimates are predicated on no legislative action on new  
21 revenue measures except for passage of either House Bill No. 662 or Senate  
22 Bill No. 427 providing for refunding unanticipated Alaska personal income tax  
23 increases resulting from changes in the Federal tax code; and

24 WHEREAS the legislature finds that the best available estimate of the  
25 liquid surplus general fund balance for June 30, 1979 is \$273,600,000;

26 BE IT RESOLVED by the Alaska State Legislature that the total amount of  
27 state general funds including renewable resources development funds that  
28 shall be available for appropriation for the 1979 budget year operating and  
29 capital expenditures is \$946,600,000; and be it

1 FURTHER RESOLVED that a tentative allocation of the \$946,600,000 avail-  
2 able for appropriation shall be made to the various program categories in  
3 terms of the following percentages:

	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
4			
5 Education	44%		44%
6 Social Services	7		7
7 Health	5		5
8 Natural Resources	6	1%	7
9 Public Protection	2		2
10 Administration of Justice	9		9
11 Development	6	1	7
12 Transportation	13		13
13 General Government	6		6

14 and be it

15 FURTHER RESOLVED that if the legislature clearly changes its policy re-  
16 garding capital projects and makes a major shift to fund such projects by  
17 direct appropriation from the general fund in lieu of authorizing general  
18 obligation bonds and if the legislature also passes new revenue measures  
19 sufficient to fund these direct appropriations, an additional \$150,000,000  
20 shall be available for capital appropriations; and be it

21 FURTHER RESOLVED that this resolution may be amended because of major  
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Introduced: 2/6/78  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE CONCURRENT RESOLUTION NO. 97

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4 TENTH LEGISLATURE - SECOND SESSION

5 Establishing general funds available  
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7 Health	5		5
8 Natural Resources	6	17	7
9 Public Protection	2		2
10 Administration of Justice	9		9
11 Development	6	1	7
12 Transportation	13		13
13 General Government	6		6

14 and be it

15 FURTHER RESOLVED that if the legislature clearly changes its policy re-  
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A M E N D M E N T

Offered in the SENATE

By Senate Finance Committee

To: \_\_\_\_\_ SENATE BILL NO. \_\_\_\_\_

SCS HCR 97 HOUSE BILL NO. \_\_\_\_\_

AMENDMENT: Page 2 Line 17 - 23  
Delete lines 17 - 23 and replace with the following:

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FURTHER RESOLVED that this resolution may be amended.

*Financially irresponsible.*

Original sponsor: Finance Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

SENATE CS FOR HOUSE CONCURRENT RESOLUTION NO. 97

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - SECOND SESSION

5

Establishing general funds available

6

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7

1979 and making tentative allocations

8

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7 Health	5	0	5
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9 Public Protection	2	0	2
10 Administration of Justice	9	0	9
11 Development	5	1	6
12 Transportation	13	0	13
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15 FURTHER RESOLVED that these percentages are rounded to the nearest  
16 whole, and that 0 per cent is anything less than .5 per cent; and be it

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Introduced: 2/6/78  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE CONCURRENT RESOLUTION NO. 97

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

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Original sponsor: Finance Committee

IN THE HOUSE

BY THE FINANCE COMMITTEE

SENATE CS FOR HOUSE CONCURRENT RESOLUTION NO. 97

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

Establishing general funds available for appropriation for fiscal year 1979 and making tentative allocations to program categories.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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WHEREAS the legislature finds that best available estimate of unrestricted revenue for fiscal year 1979 is \$946,600,000 which is inclusive of the estimated \$18,100,000 to be deposited in the Renewable Resources Development Fund; and

WHEREAS these estimates are predicated on no legislative action on new revenue measures except for passage of either House Bill No. 662 or Senate Bill No. 427 providing for refunding unanticipated Alaska personal income tax increases resulting from changes in the Federal tax code; and

WHEREAS the legislature finds that the best available estimate of the liquid surplus general fund balance for June 30, 1979 is \$273,600,000;

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	Operating	Capital	Total
Education	44%	0%	44%
Social Services	7	0	7
Health	5	0	5
Natural Resources	7	1	7 - 8 ✓
Public Protection	2	0	2
Administration of Justice	9	0	9
Development	5	1	7 - 6 ✓
Transportation	13	0	13
General Government	6	0	6

and be it

FURTHER RESOLVED that these percentages are rounded to the nearest whole, and that 0 per cent is anything less than .5 per cent; and be it

FURTHER RESOLVED that if the legislature changes its policy regarding capital projects and makes a shift to fund <sup>projects of total capital</sup> such projects by direct appropriation from the general fund in <sup>order to replace in part</sup> addition to authorizing general obligation bonds, an additional <sup>amount may</sup> \$150,000,000 shall be <sup>directly</sup> available for capital appropriations; <sup>and be it</sup> ~~and be it~~ <sup>provided that such appropriation shall not reduce the liquid general fund balance below \$250,000,000.</sup>

FURTHER RESOLVED that this resolution may be amended, ~~because of unforeseen events or emergencies.~~

GEORGE --

John Sackett came in with two requests --

First, that you chair Tuesday's Finance meeting at 9:00. There are three bills scheduled, all of which Pete Meland is the subcommittee for. If there's time, Joe Orsini also is ready with another bill. HB-611

Second, he wants you to carry SCSHCR 97 on the floor Tuesday. It's not on the calendar, because John thought he had until Wednesday. He was, however, wrong, and it has to be taken up Tuesday, so it's going to be taken up as a special order of business, bypassing the Rules Committee. There is a Senate committee substitute, which will be okay with the House with the addition of an amendment, which is attached to all the information Sackett sent over. The rest of the Senate Finance Committee hasn't seen the amendment, so you might want to bring it up at the meeting. With the inclusion of that amendment, the bill will go back over to the House and be okayed with no problem.

SB-414

Don - this is what  
I wanted you to tell  
George about. Thanks.  
- S.

HB-611

## STATE OF ALASKA

AUDIT DIVISION  
POUCH W—ALASKA OFFICE BUILDING

## THE LEGISLATURE

FINANCE DIVISION  
POUCH WF—STATE CAPITOL

BUDGET AND AUDIT COMMITTEE

JUNEAU 99801

MEMORANDUM

TO: Honorable Clark Gruening  
Chairman  
Ways & Means Subcommittee  
House Finance Committee

DATE: January 24, 1978

FROM: Milt Barker *MB*  
Fiscal Analyst  
Legislative Finance

SUBJ: Concurrent Resolution  
on Total Appropriations

This Memorandum attempts to outline some of the alternatives you may wish to examine in your deliberations on a concurrent resolution on total general fund appropriations.

1. The subcommittee might first wish to consider limiting appropriations to revenues expected in FY 79, avoiding a dipping into surplus.
  - (a) Unrestricted revenue for FY 79 is estimated at \$928.5 million.
  - (b) Revenue to the Renewable Resources Development Fund is estimated at \$18.1 million. These funds could be used to fund existing general funded programs, FRED, for example. For purposes of this analysis, then, total FY 79 revenues would be \$946.6.
  - (c) The Governor has recommended an operating budget of \$859.6 general funds and \$.8 renewable resources funds, a total of \$860.4. This leaves \$86.2 of General Fund and Renewable Resources Development Fund for capital, new legislation, special appropriations, and supplementals. As Table 1 indicates, the Free Conference Committee report for the General Fund operating budget has averaged 2.2% above the Governor's recommendation since FY 69. This would be an additional \$18.9, bringing total appropriations to \$879.3. The upper limit on the Free Conference Committee

# **CORRECTION**

THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY

GEORGE --

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SB-414

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I wanted you to tell  
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HB-611

SB-281

# 5-20 million

SB.414

# test marketing to orient

7 delinquent

5 in litigation

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HJR-32 (77) | ~~APUC~~ shall be \$50.0K  
 \$100.0K

(interim rate increase)

\* 135.0K

\* leg slip-up

## STATE OF ALASKA

AUDIT DIVISION  
POUCH W-ALASKA OFFICE BUILDING

THE LEGISLATURE

FINANCE DIVISION  
POUCH WF-STATE CAPITOL

BUDGET AND AUDIT COMMITTEE

JUNEAU 99901

MEMORANDUM

TO: Honorable Clark Gruening  
Chairman  
Ways & Means Subcommittee  
House Finance Committee

DATE: January 24, 1978

FROM: Milt Barker <sup>MB</sup>  
Fiscal Analyst  
Legislative Finance

SUBJ: Concurrent Resolution  
on Total Appropriations

This Memorandum attempts to outline some of the alternatives you may wish to examine in your deliberations on a concurrent resolution on total general fund appropriations.

1. The subcommittee might first wish to consider limiting appropriations to revenues expected in FY 79, avoiding a dipping into surplus.
  - (a) Unrestricted revenue for FY 79 is estimated at \$928.5 million.
  - (b) Revenue to the Renewable Resources Development Fund is estimated at \$18.1 million. These funds could be used to fund existing general funded programs, FRED, for example. For purposes of this analysis, then, total FY 79 revenues would be \$946.6.
  - (c) The Governor has recommended an operating budget of \$859.6 general funds and \$.8 renewable resources funds, a total of \$860.4. This leaves \$86.2 of General Fund and Renewable Resources Development Fund for capital, new legislation, special appropriations, and supplementals. As Table 1 indicates, the Free Conference Committee report for the General Fund operating budget has averaged 2.2% above the Governor's recommendation since FY 69. This would be an additional \$18.9, bringing total appropriations to \$879.3. The upper limit on the Free Conference Committee

increase over the Governor's operating budget has been about 5% except for the one extraordinary year following Prudhoc. This would be an additional \$43.0, bringing total appropriations to \$903.4.

- (d) If capital is considered, the Governor's total request is \$879.3 General Fund and \$10.0 Renewable Resources Development Fund, together \$889.3, leaving \$57.3 for new legislation, special appropriations, and supplementals. As Table 2 indicates, the Free Conference Committee report on the operating and capital budget has averaged 5.2% above the Governor since FY 69. This would be an additional \$46.2, bringing total appropriations to \$935.5. If the upper limit of 7.5% is used, an additional \$66.7 would be appropriated, \$9.4 above the amount available.
- (e) If one considers the total authorization for a given fiscal year (operating, capital, new legislation, special appropriations, and supplementals), the average is 12.6% above the Governor's request for operating and capital (see Table 3). This would be \$112.0 above the request, \$54.7 over the unallocated \$57.3.
- (f) Ignoring the average increases, one can look at what is actually expected to be required for FY 79 above and beyond the Governor's \$889.3 request for operating and capital. The Governor estimates this as follows and assumes lapses will cover supplementals:

Salary increases	\$15.0
Haul road	6.0
New legislation	11.0
RCA rate increase, AFDC, & other	3.5
	<u>\$35.5</u>

However, Mr. Dave Scott, Legislative Finance, estimates that education programs are underfunded by \$11.0, just offsetting the Governor's allowance for legislation. Thus, without including any new legislation, the total comes to \$924.8, only \$21.8 shy of estimated revenue.

2. If the subcommittee feels constrained by this allowance for new legislation and special appropriations, they might consider reducing the Governor's operating and capital recommendation, though this has been rarely accomplished in recent years, as seen in the tables.

Although Budget and Management has indicated that salary increases for General Government and Supervisory employees may be overfunded in the Governor's budget depending on inflation, they estimate less than \$1 million would possibly be in excess.

3. If the subcommittee feels constrained and also unable to reduce the Governor's request, they may consider appropriating beyond FY 79 revenues since there is estimated to be a surplus of \$583.0 available for appropriation for FY 79. However, as much as \$339.0 of this would be in illiquid assets by the end of FY 79, limiting the cash surplus available to \$273.6 including \$29.6 of float.
  - (a) The illiquid loans and mortgages could be disposed of at a substantial loss, but probably making at least \$200.0 additional cash available.
4. If the subcommittee wishes to allow total appropriations beyond \$928.5 General Fund, but still within FY 79 revenues, additional tax measures must be passed.
5. The Governor has offered bond proposals of \$240.0 with bond counsel recommending no more than \$275.0 to be put on the ballot for the next two years.
  - (a) If, instead, direct appropriations were to be used for financing these projects, major tax legislation would be necessary if appropriations are to stay within FY 79 revenues.
  - (b) It would be possible, though, to fund such projects out of surplus. Although appropriation of the total costs would occur in FY 79, the funds would actually be expended over a number of years, which would keep the cash requirements within the limits outlined in 3 above. Of course, directly funded capital appropriations need not observe the limits deemed proper for bonds; the hope of proponents of direct funding, though, is that total appropriations will be less with this approach by obviating the need to regionally balance each and every bond issue to gain voter approval.

Table 1

## GENERAL FUND (\$ millions)

FY	GOVERNOR'S OPERATING BUDGET REQUEST	FREE CONFERENCE COMMITTEE APPROPRIATIONS (OPERATING)	DIFFERENCE	
			\$	%
69	113.4	119.1	5.7	5.0
70	141.8	149.2	7.4	5.2
71	218.2	249.6	31.4	14.4
72	300.5	285.2	-15.3	- 5.1
73	306.3	311.0	4.7	1.5
74	351.2	333.0	-18.2	- 5.2
75	438.9	440.6	1.7	---
76	522.5	523.4	.9	--
77	637.5	666.2	28.7	4.5
78	750.6	761.6	11.0	1.5

Average FCC operating above Governor +2.2%

Table 2

## GENERAL FUND (\$ MILLIONS)

FY	Governor's Budget Request	Free Conference Report Appropriations Act (Operating & Capital)	Difference	
			\$	%
69	115.3	124.1	8.8	7.6
70	143.5	154.1	10.6	7.3
71	242.2	314.1	71.9	29.7
72	318.1	292.1	-26.0	- 8.2
73	311.7	330.4	18.7	6.0
74	357.3	353.0	- 4.3	- 1.2
75	444.4	453.0	8.6	1.9
76	536.9	539.6	2.7	.5
77	646.4	682.4	36.0	5.5
78	786.3	809.1	22.8	2.9

Average FCC above Governor +5.2%

Table 3

## GENERAL FUND (\$ MILLIONS)

<u>FY</u>	<u>Governor's Budget Request</u>	<u>Total Authorization</u>	<u>Difference</u>	
			<u>\$</u>	<u>¢</u>
69	115.3	127.8	12.5	10.8
70	143.5	172.8	29.3	20.4
71	242.2	310.8	68.6	28.3
72	318.1	310.5	- 7.6	- 2.4
73	311.7	342.1	30.4	9.8
74	357.3	370.4	13.1	3.7
75	444.4	512.2	67.8	15.3
76	536.9	628.0	91.1	17.0
77	646.4	716.2	69.8	10.8

Average Total above Governor +12.6¢

Introduced: 2/6/78  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE CONCURRENT RESOLUTION NO. 97

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 Establishing general funds available  
6 for appropriation for fiscal year  
7 1979 and making tentative allocations  
8 to program categories.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 WHEREAS Chapter 66 of the 1977 Session Laws of Alaska requires that by  
11 the 45th legislative day, the legislature shall have established by concur-  
12 rent resolution the total amount of state general funds that shall be avail-  
13 able for appropriation for the budget year and the tentative allocation of  
14 the funds among program categories in both the operating and capital budgets;  
15 and

16 WHEREAS the legislature finds that best available estimate of unre-  
17 stricted revenue for fiscal year 1979 is \$946,600,000 which is inclusive of  
18 the estimated \$18,100,000 to be deposited in the Renewable Resources Develop-  
19 ment Fund; and

20 WHEREAS these estimates are predicated on no legislative action on new  
21 revenue measures except for passage of either House Bill No. 662 or Senate  
22 Bill No. 427 providing for refunding unanticipated Alaska personal income tax  
23 increases resulting from changes in the Federal tax code; and

24 WHEREAS the legislature finds that the best available estimate of the  
25 liquid surplus general fund balance for June 30, 1979 is \$273,600,000;

26 BE IT RESOLVED by the Alaska State Legislature that the total amount of  
27 state general funds including renewable resources development funds that  
28 shall be available for appropriation for the 1979 budget year operating and  
29 capital expenditures is \$946,600,000; and be it

Introduced: 2/6/78  
Referred: Rules

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27 state general funds including renewable resources development funds that  
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29 capital expenditures is \$946,600,000; and be it

1 FURTHER RESOLVED that a tentative allocation of the \$946,600,000 avail-  
2 able for appropriation shall be made to the various program categories in  
3 terms of the following percentages:

	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
4			
5	Education	44%	44%
6	Social Services	7	7
7	Health	5	5
8	Natural Resources	6	7
9	Public Protection	2	2
10	Administration of Justice	9	9
11	Development	6	7
12	Transportation	13	13
13	General Government	6	6

14 and be it

15 FURTHER RESOLVED that if the legislature clearly changes its policy re-  
16 garding capital projects and makes a major shift to fund such projects by  
17 direct appropriation from the general fund in lieu of authorizing general  
18 obligation bonds and if the legislature also passes new revenue measures  
19 sufficient to fund these direct appropriations, an additional \$150,000,000  
20 shall be available for capital appropriations; and be it

21 FURTHER RESOLVED that this resolution may be amended because of major  
22 unforeseen events or genuine emergencies.

23  
24 *Provided, however, that direct*  
25 *appropriations for capital projects shall*  
26 *in no event exceed*  
27  
28  
29

1		395.0		44%	
2		62.0		7%	
3		42.0		5%	
4	5.0	60.0	1%	7%	(6)
5		21.0		2%	
6		82.0		9%	
7	7.0	48.0	1%	5%	(6)
8		121.0	(Haul Road)	13%	
9		<u>55.0</u>		6%	

12                      886      =      898

- 1. 5.0      road prog & underfunding
- 2. 3.0      slow program
- 3. 5.0      haul Road

Original sponsor: Finance Committee

IN THE HOUSE

BY THE FINANCE COMMITTEE

SENATE CS FOR HOUSE CONCURRENT RESOLUTION NO. 97

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

Establishing general funds available for appropriation for fiscal year 1979 and making tentative allocations to program categories.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS Chapter 66 of the 1977 Session Laws of Alaska requires that by the 45th legislative day, the legislature shall have established by concurrent resolution the total amount of state general funds that shall be available for appropriation for the budget year and the tentative allocation of the funds among program categories in both the operating and capital budgets; and

WHEREAS the legislature finds that best available estimate of unrestricted revenue for fiscal year 1979 is \$946,600,000 which is inclusive of the estimated \$18,100,000 to be deposited in the Renewable Resources Development Fund; and

WHEREAS these estimates are predicated on no legislative action on new revenue measures except for passage of either House Bill No. 662 or Senate Bill No. 427 providing for refunding unanticipated Alaska personal income tax increases resulting from changes in the Federal tax code; and

WHEREAS the legislature finds that the best available estimate of the liquid surplus general fund balance for June 30, 1979 is \$273,600,000;

BE IT RESOLVED by the Alaska State Legislature that the total amount of state general funds including renewable resources development funds that shall be available for appropriation for the 1979 budget year operating and capital expenditures is \$946,600,000; and be it

FURTHER RESOLVED that a tentative allocation of the \$946,600,000 available for appropriation shall be made to the various program categories in terms of the following percentages:

	Operating	Capital	Total
Education	44%	0%	44%
Social Services	7	0	7
Health	5	0	5
Natural Resources	7	1	8
Public Protection	2	0	2
Administration of Justice	9	0	9
Development	5	1	6
Transportation	13	0	13
General Government	6	0	6

and be it

FURTHER RESOLVED that these percentages are rounded to the nearest whole, and that 0 per cent is anything less than .5 per cent; and be it

FURTHER RESOLVED that if the legislature changes its policy regarding capital projects and makes a shift to fund <sup>such projects</sup> by direct appropriation from the general fund in addition <sup>to authorizing</sup> general obligation bonds, an additional <sup>amount</sup> \$150,000,000 <sup>may</sup> be available <sup>directly</sup> for capital appropriations; <sup>and be it</sup>

FURTHER RESOLVED that this resolution may be amended because of unforeseen events or emergencies.

Introduced: 2/6/78  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE CONCURRENT RESOLUTION NO. 97

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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23  
24  
25  
26  
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28  
29

*Sen Sackott*

Original sponsor: Finance Committee

Offered: 2/21/78  
Referred: Rules

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