

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672  
6650 SENATE STATE AFFAIRS

1054

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# WASHINGTON ASSOCIATION OF SCHOOL BUS DRIVERS

Local 1000

1000 1st Avenue, N.E.  
Washington, D.C. 20002

Phone: 202-555-1234

Our primary purpose is to represent the interests of school bus drivers in the District of Columbia. We are committed to providing excellent representation and services to our members.

We are currently seeking new members and are interested in anyone who works as a school bus driver in the District of Columbia.

For more information, please contact us at the address above or call our toll-free number.

We are a 501(c)(6) non-profit organization and are exempt from federal income tax.

Our dues are affordable and we offer a wide range of benefits to our members.

||

HOVER CONTROL BOARD  
INTER-OFFICE  
CORRESPONDENCE

NOV 1954



11

rough, rough draft

from Sharrock 4-6-89

[Notwith...]

SENATE BILL NO. 232

SECTION 1. The Department of Public Safety shall have the authority to issue licenses for the sale of alcoholic beverages to be consumed on the premises of a restaurant, tavern, or other place of public accommodation.

SECTION 2. The Department of Public Safety shall have the authority to issue licenses for the sale of alcoholic beverages to be consumed on the premises of a restaurant, tavern, or other place of public accommodation.

SECTION 3. The Department of Public Safety shall have the authority to issue licenses for the sale of alcoholic beverages to be consumed on the premises of a restaurant, tavern, or other place of public accommodation.

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over

NO ? [ ]

Because in enforceable -  
licenses

limit licensees liability

21,020

04.11.480

already have

every liquor license or transfer goes before city council, etc. - have ability to protest. Essentially same power after license effect.

ex: restaurant designations

04.11.560

may

added

15 APC 104 '95

like ABC's regs. - for authorizations rather than licenses

Bd could ~~with draw~~ suspend/ revoke auth. under existing authority. We'll add notice requirement.

if applicant going to improve or construct:

Must have: dining facility  
& so many rooms depending  
on population

*can't find a conflict*  
*are other provisions dealing with what is a licensed premises*

BY THE SENATE SPECIAL  
COMMITTEE ON INTERNATIONAL  
TRADE AND TOURISM

1 IN THE SENATE

2 SENATE BILL NO. 232

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to certain beverage dispensary  
7 licensees."

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

9 \* Section 1. FINDING AND PURPOSE. The legislature finds that interna-  
10 tional and domestic travelers are accustomed to receiving hospitality  
11 services in their rooms for business entertainment and personal enjoyment.  
12 The purpose of this Act is to enhance the accommodations and services  
13 available to travelers visiting Alaska.

14 \* Sec. 2. AS 04.11.090 is amended by adding a new subsection to read:

15 (g) <sup>??</sup> [Notwithstanding any other provision of law, a holder of a  
16 beverage dispensary license issued to a hotel, motel, resort, or  
17 similar business that caters to the traveling public may stock alco-  
18 holic beverages in guest rooms, for sale and consumption on the prem-  
19 ises only. Alcoholic beverages stocked under this subsection must be  
20 stored using a key or combination lock system within the guest room.  
21 The licensee may provide a key or combination enabling a person to  
22 obtain alcoholic beverages stocked in a guest room only to guests who  
23 occupy the room and who are 21 years of age or older.

*upon approval of the board (endorse current license; allow board to revoke)*

*in a refrigerated unit*

*?? Board's issuance of regs.*

*?? Restocking after-hours. - can't enforce anyway, says Shamrock*

*+ allow hotel to provide to guest upon request without locked box*

SBG232a

*Ford's legal opinion says room service - SB 232 with opened bottles - is OK.*

Pat Sharrock - will testify from Anch.

Sandria

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23 occupy the room and who are 21 years of age or older.

regularly  
no duplicate  
license if sell  
at more than  
one location  
on the premises  
permits  
does include  
guest rooms

Szymanski - may amend to allow  
rack of miniatures to be provided  
to hotel guest upon request (no  
actual locked box)

SB 232 MINI-BARS IN HOTEL ROOMS

TO TESTIFY

SEN. SZYMANSKI, SPONSOR (COMMITTEE ON INTERNATIONAL TRADE)

TELECONFERENCE FROM ANCHORAGE:

PAT SHARROCK, A.B.C. BOARD

~~SEN. JUDITH, ALASKA HOTEL/MOTEL ASSOCIATION BOARD~~

BILL ELANDER, ALASKA CONVENTION AND VISITORS BUREAU

MAX LOWE, CLARION HOTEL

(MAY BE OTHERS)

F.Y.I.

IN PAST, A.B.C. BOARD HAS OPPOSED. LICENSE LAWS ARE INTENDED TO CONTROL DRUNKS AND MINORS -- BOARD FEELS LICENSEE WOULD BE STICKING NECK OUT LIABILITY-WISE BY ALLOWING CONSUMPTION OUT OF THEIR SIGHT.

CURRENT LAW ON BEVERAGE DISPENSARY LICENSES REFERENCES ALCOHOL IN GUEST ROOMS. APPARENTLY THIS DOES NOT ALLOW FOR MINI-BARS.

SZYMANSKI IS CONSIDERING AMENDING TO ALLOW HOTELS TO PROVIDE A RACK OF MINIATURES TO GUESTS UPON REQUEST, RATHER THAN INSTALLING LOCKING BOXES IN EACH ROOM. IT IS APPARENTLY UNCLEAR WHETHER OR NOT THIS IS CURRENTLY ALLOWED.

WAITING FOR A REVIEW DONE OF OTHER STATES' LAWS. I'M TOLD THERE HAVE BEEN VERY FEW PROBLEMS, AND THAT MOST OF THE SALES FROM THE LOCKED BOXES ARE OF NON-ALCOHOLIC BEVERAGES.

rec 4-10-89 pm  
SB 232

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

1986 LEGISLATION

STATE OF CALIFORNIA  
DEPARTMENT OF  
ALCOHOLIC BEVERAGE CONTROL  
1501 BROADWAY  
SACRAMENTO, CA. 95818

The following are the sections of law which were enacted by the 1986 Session of the Legislature which directly affect the Department. They include both new statutes and amendments to the Alcoholic Beverage Control Act. Unless otherwise indicated they will become effective January 1, 1987.

\* \* \*

Section 23355.2 was amended to delete the requirement that the hotel or motel have an off-sale general license and would specifically authorize a hotel or motel having an on-sale general license, upon issuance of a permit from the Department of Alcoholic Beverage Control, to sell distilled spirits from its controlled access alcoholic beverage cabinets provided the distilled spirits are sold in containers of 50 milliliters or less or in containers of comparable size. The Department would be required to charge an annual fee for the permit equal to the annual fee of an off-sale general license. If the hotel or motel has both an on-sale general license and an off-sale general license it would not be required to obtain a permit from the Department. The Department is currently in the process of establishing a procedure for the implementation of the permit process. Section 23355.2 will read as follows:

23355.2. (a) For purposes of this section, "controlled access alcoholic beverage cabinet" means a closed container, either refrigerated, in whole or in part, or nonrefrigerated, and access to the interior of which is (1) restricted by means of a locking device which requires the use of a key, magnetic card, or similar device, or (2) controlled at all times by the licensee.

(b) Notwithstanding any other provision of this division; a hotel or motel having an on-sale license may sell alcoholic beverages to its registered guests by means of a controlled access alcoholic beverage cabinet located in the guestrooms of those registered guests, provided that each of the following conditions is met:

(1) Access to a controlled access alcoholic beverage cabinet in a particular guestroom is provided, whether by furnishing a key, magnetic card, or similar device, or otherwise, only to the adult registered guest, if any, registered to stay in the guestroom.

(2) Prior to providing a key, magnetic card, or other similar device required to attain access to the controlled access alcoholic beverage cabinet in a particular guestroom to the registered guest thereof, or prior to otherwise providing access thereto to the registered guest, the licensee shall verify, in accordance with Article 3 (commencing with Section 25657), of Chapter 16 of this division, that

each registered guest to whom a key, magnetic card, or similar device is provided, or to whom access is otherwise provided, is not a minor.

(3) All employees handling the alcoholic beverages to be placed in the controlled access alcoholic beverage cabinet in any guestroom, including, but not limited to, any employee who inventories or restocks and replenishes the alcoholic beverages in the controlled access alcoholic beverage cabinet, shall be at least 21 years of age.

(4) There is no replenishing or restocking of the alcoholic beverages in any controlled access alcoholic beverage cabinet between the hours of 2 a.m. and 6 a.m. of the same day.

(c) Notwithstanding any other provision of this division, a hotel or motel having an on-sale general license may, upon issuance of a permit from the department, sell from its controlled access alcoholic beverage cabinets distilled spirits in containers of 50 milliliters or less, or in containers of comparable size. The department shall charge an annual fee for a permit issued pursuant to this subdivision equal to the annual renewal fee applicable to an off-sale general license pursuant to Section 23320.

(d) Notwithstanding any other provision of this division, a hotel or motel having an on-sale general license and an off-sale general license may sell from its controlled access alcoholic beverage cabinets distilled spirits in containers of 50 milliliters or less, or in containers of comparable size, without having to obtain the permit specified in subdivision (c).

(e) A controlled access alcoholic beverage cabinet may be part of another cabinet or similar device, whether refrigerated, in whole or in part, or nonrefrigerated, from which nonalcoholic beverages or food may be purchased by the guests in hotel or motel guestrooms. However, in that event, the portion of the cabinet or similar device in which alcoholic beverages are stored shall be a controlled access alcoholic beverage cabinet, as defined in this section.

(f) For purposes of this section, "hotel" or "motel" shall mean an establishment which is licensed to sell alcoholic beverages and which contains guestroom accommodations with respect to which the predominant relationship existing between the occupants thereof and the owner or operator of the establishment is that of innkeeper and guest. For purposes of this subdivision, the existence of other legal relationships as between some occupants and the owner or operator thereof shall be immaterial.

\* \* \*

Section 23399.3 was amended to define a rest home as including an apartment building, whether licensed or unlicensed, which rents exclusively to persons age 62 and older, and provides 1 to 3 meals daily to tenants. Section 23399.3 will read as follows:

232mail.txt

ALASKA STATE LEGISLATURE

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman

Sen. Al Adams

Sen. Tim Kelly

Sen. Rick Uehling



P.O. Box V  
Juneau, AK 99811

907-465-3712

Senate State Affairs Committee

May 11, 1989

Deanna Murray-Wieskamp  
Mush-Inn Motel  
333 Concrete Street  
Anchorage, Alaska 99501

Dear Deanna:

Per your request, please find enclosed a copy of SB 232, which would authorize the use of mini-bars in hotel rooms.

SB 232 received the approval of the Senate State Affairs Committee in early April, but got stalled in the Senate Finance Committee where it will stay until the beginning of the next legislative session in January. I am convinced that mini-bars would enhance the tourism industry and, if properly controlled, would not encourage the inappropriate consumption of alcohol. Therefore, I supported the bill when it was in committee, and intend to vote for it if it makes it to the Senate floor.

Thanks again for sharing your views with me, Deanna. Please don't hesitate to contact me if you should have additional questions or comments.

Sincerely,

Senator Pat Pourchot  
Chairman

Enclosure  
PP/ss

MUSH-INN  
Motel



333 CONCRETE STREET • ANCHORAGE, AK 99501 • (907) 277-4554

May 1, 1989

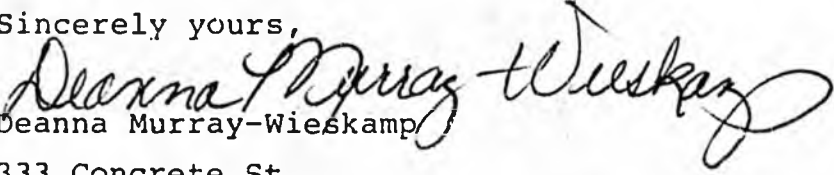
Mr. Pat Pourchot  
Alaska Senate  
P.O. Box V  
Juneau, Alaska 99811

Dear Mr. Pourchot,

I am very interested in the status of the bill that would allow mini-Bars in hotel-motel rooms. These are small refrigerators that would have snacks and beverages including wine and liquor, conveniently located in-room under lock and key. The key would be given only to the adult guest.

This concept interested me because I would like to offer our adult guest this option, without having the expense of a bar open to the public. The Mush Inn has more than enough rooms for a motel liquor license, but I do not know if we would comply with this bill. Please send a copy of the bill.

Sincerely yours,

  
Deanna Murray-Wieskamp

333 Concrete St.

Anchorage, Alaska 99501

Fax 277-5721

232mail.txt

Sen Fin  
and of 1989 session

**S B**

**237**

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 237

SPONSOR Pourchot

BILL TITLE Lapsing appropriations for capital projects

DATE REFERRED 3-~~24~~<sup>23</sup>-89

HEARING SCHEDULED 4-3-89

FISCAL NOTE PREPARED req 3/30/89 a.m.

SPONSOR CONTACTED ✓

INTERESTED PARTIES CONTACTED

DOT - Randy Simmons, 3900, Katy McHugh  
+ Alison  
↓ Mary Capobianco, OMB 3568  
yes DOA Keith Busch 2240  
Gov Finance  
Gottelmer - 2201

Dave Dardoff, Legal

Another advantage:  
Keep books clean -  
make sure every  
finding every \$  
available.

sb237.txt - hearing request  
sb237b.txt - Zharoff on alternative

OTHER

CIPLAPSA.TXT - summary sheet  
CIPSEC.TXT - sectional SB 237  
sb237.txt - request hearings

IL 6028

*JD*

**MEMORANDUM**

**State of Alaska**

Office of the Governor  
Division of Audit and Management Services  
465-3568

*Administrative  
Lapse*

March 30, 1990

TO: Alison Elgee, Director  
Division of Budget Review  
Office of Management & Budget

FROM: *JK* John Lucas, Director  
Division of Audit & Management Services  
Office of Management & Budget

SUBJECT: Capital Authorization Status Report/Project Lapses

The Capital Authorization Status Report (CP3) was used again this year to determine the status of existing projects as required by AS 37.25.020, to purge the system of any projects completed, and to lapse any available balances. In late December of 1989 and early January of this year, our Division took action to lapse to the general fund the available balances of a number of completed capital projects.

While the balances for these projects have already lapsed to the general fund, I'm providing a list of these projects for your reference. A staff member from Representative Mike Davis's office called requesting this same list. I'd appreciate your assistance in letting Representative Davis and other finance committee members know that these funds are not available for reappropriation.

Please let me know if you need additional information or further assistance.

cc: Representative Mike Davis

*interesting -  
muni grants!*

COMPLETED GRANTS WITH STATE BALANCES LAPSED			29-Dec-89		
Municipality	AR #	Description	CH/SLA/Pg/Ln	State Bal	Comments
<b>Anchorage</b>	4227-15	Girdwood Elemen Classrm	84/24/21/13	707	
	4233-15	Save 1 School Equipment	84/24/22/8	969	
<b>Aniak</b>	5795-15	Erosion Control Project	86/130/118/23	465	
<b>Chefornak</b>	6200-15	City Office Completion	87/3/64/10	106	
<b>Eiim</b>	6003-15	Back-up Phone & Radio	81/82/195/8	630	
<b>FNS Boro.</b>	6240-15	Fbx. Schools ITV Equip.	81/82/124/11	422	
	4545-15	Woodriver Elem. School	84/24/72/18	30	
	6241-15	Resource Educ. Project	81/82/23/13	130	
<b>Fairbanks</b>					
	6244-15	Chena River Improvements	80/50/61/22	2,366	
	6243-15	Heat Demo. Project	80/50/76/9	1,650	
	6242-15	Heat Demo. Project	81/82/163/8	20,733	
	5057-15	Arctic Park & Council Subd.	83/10/28/4	231	
	5219-15	Fire Hydrants	81/82/150/12	7,214	
	5261-15	17th Ave. Reconstruction	81/82/188/24	5,342	
	5301-15	Hamilton Ave. Reconstruc.	80/50/98/5	413	
<b>Ft. Yukon</b>	5467-15	Bridge Construction	85/96	25	
	4708-15	Upgrade Community Center	84/64/1/11	6	
	4249-15	Day Care Center	84/24/23/20	1,900	
<b>Kenai Pen. B.</b>	4765-15	Road Service Maint Area	84/22/5/5	4,626	

Municipality	AR #	Description	CH/SLA/Pg/Ln	State Bal	Comments
Port Lions	5920-15	Bay View Drive Completion	86/128/32/21	13	
Scammon Bay	6284-15	Street Lights	83/107/108/6	137	
Shungnak	4359-15	Water/Sewer Sys Impr	84/24/35/17	48,426	
Teller	5564-15	Airport Lighting, Improve.	85/105	195	
Tuluksak	5418-15	Generators/Bulk Fuel Storage	85/96	5,703	
<b>Total Municipal Grants</b>				<b>102,439</b>	
<b>Community &amp; Regional Affairs</b>					
	53184	Eagle Village Road Upgrade		10,000	
	53180	Chicken Well House		25,000	
	53151	Copper Center Fire Equip		20,000	
	53164	Eagle Road Maintenance		10,900	
	53104	Klukwan Development		839	
	53085	Copper Center Geothermal		4,837	
	53088	Birch Creek Electrical		3,000	
	53082	Egegik Road Upgrade		4,113	
	53036	Tok Clinic Equipment		855	
	52961	Chena Gold VFD		92	
	55356	Edna Bay Marine		195	
	55371	Levelock Dock		10,450	
	55376	Karluk Fire Equipment		461	
	55387	Telida Airport		5,400	
	55433	Mentasta Village Council Rd Impr		900	
	55438	Kenny Lk Community League		114	
	55444	Cooper Landing Restroom Fac		13,200	
	55386	ANF: Cape Beaufort Coal		5	
<b>Total: Department of Community &amp;</b>					

		<b>Regional Affairs</b>		<b>110,361</b>
		<b>Total Municipal &amp; DCRA</b>		<b>212,800</b>

Sen. Pourchot  
April 10, 1989

SB 237, LAPSING OF APPROPRIATIONS FOR CAPITAL PROJECTS

THE PRESENT

Under current law, appropriations for capital projects are valid for the life of the project and the unexpended balance is carried forward to subsequent fiscal years. The agency responsible for administering a capital project is to report to the Department of Administration each year any amount that will not be needed for project completion. Unneeded funds may be administratively lapsed but there is no requirement that the lapse actually occur.

THE PROBLEM

Generally, these funds are not lapsed but are reappropriated by legislators for projects of their choice. At a time when the state's budget needs exceed revenues and literally every revenue source is under debate, unused capital dollars need to undergo the same deliberation and scrutiny as do state general funds. Lapsing unused capital funds to the state's general fund would allow this to occur.

THE PROPOSAL

Within 30 days after the end of a month in which a project is completed or abandoned, the agency responsible for administering the project must file a statement with the Department of Administration that identifies the amount of the appropriation available for lapse. The amount would automatically lapse upon certification by the department.

In the case of projects not complete or abandoned, a report would be filed annually with the Department of Administration as required under current law. Failure to file the report would result in automatic lapsing of the unexpended and unobligated balance of the appropriation.

These provisions would apply only to direct appropriations for capital projects, not to grants to municipalities, unincorporated communities, or named recipients.

THE PROSPECT

For the first time since 1983, in September 1988 the Governor's Office of Management and Budget undertook an agency by agency review of capital appropriations and administratively lapsed \$1.6 million in general funds. (This amount is exclusive of the Department of Transportation and Public Facilities, whose capital project clean-up effort has identified over \$15 million as available for lapse.) Presumably the amount available for lapse would have been much greater, and would be much greater in future years, if project balances are not subject to reappropriation.

*Superseded*

Sen. Pourchot  
March 23, 1989

INTRODUCTION OF SB 237  
LAPSING OF APPROPRIATIONS FOR CAPITAL PROJECTS

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FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Department of Administration  
 Title: An Act relating to the lapsing of appropriations for capital projects. BRU: Finance  
 Sponsor: Pourchot, Adams, et al. Components: \_\_\_\_\_  
 Requestor: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER 1034 PERS/TRS	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

No cost to Finance assuming AKSAS can be used for reporting requirements, and computer reports are adequate for analysis required.

Prepared By: Keith Busch, Director *Don Wain for* Phone: 465-2240  
 Division: Finance Date: March 31, 1989  
 Approved by Commissioner: *James P. Andrews* Date: 3/31/89  
 Agency: Department of Administration

Distribution (by preparer):  
 Legislative Finance  
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 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

Offered: 4/4/89  
Referred: Finance

Sen Finance 4/25/89 -0859H

Original sponsors: Pourchot, Adams,  
Halford, et al.

Duncan - opportunity to reappropriate  
- include University  
- exclude muni. grants

Zhanoff - effect on CPC  
- some state agency appropri-  
ations are really muni. grants  
BY THE STATE AFFAIRS COMMITTEE  
- disagree: like reappropriations  
- delay effective date 3 yrs. -  
allow projects  
underway now to  
be completed

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 237 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL.

6 For an Act entitled: "An Act relating to the lapsing of appropriations for  
7 capital projects."

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

9 \* Section 1. AS 37.25.020 is amended to read:

10 Sec. 37.25.020. UNEXPENDED BALANCES OF APPROPRIATION FOR CAPITAL  
11 PROJECTS. An appropriation made for a capital project is valid for  
12 the life of the project and the unexpended balance may [SHALL] be  
13 carried forward to subsequent fiscal years. Unless a statement has  
14 been filed under (c) of this section during the preceding fiscal year,  
15 during July [BETWEEN JULY 1 AND AUGUST 31] of each fiscal year, a  
16 statement supporting the amount of the unexpended balance required to  
17 complete the projects for which the initial appropriation was made and  
18 the amount that may be lapsed shall be recorded with the Department of  
19 Administration.

20 \* Sec. 2. AS 37.25.020 is amended by adding new subsections to read:

21 (b) The agency responsible for administering a capital appro-  
22 priation shall file the report required under (a) of this section.  
23 The amount set out in the report as available for lapsing lapses upon  
24 certification under (e) of this section.

25 (c) Within 30 days after the end of a month in which a capital  
26 project is completed or abandoned, the agency responsible for admin-  
27 istration of the appropriation for that project shall file a statement  
28 with the Department of Administration stating that the project has  
29 been completed or abandoned and stating the amount of the unexpended

1 and unobligated balance of the appropriation that may be lapsed. The  
2 amount set out as available for lapsing lapses upon certification  
3 under (e) of this section.

4 (d) A project for which a statement has not been filed under (b)  
5 or (c) of this section before August 1 of each year is presumed to  
6 have been completed or abandoned during the preceding fiscal year and  
7 the unexpended and unobligated balance of the appropriation for that  
8 project lapses upon certification under (e) of this section.

9 (e) By October 15 of each fiscal year, the Department of Admin-  
10 istration shall certify to the Office of Management and Budget the  
11 amount that lapses under (b) - (d) of this section.

12 (f) Subsections (b) - (e) of this section do not apply to appro-  
13 priations in the form of grants under AS 37.05.315 - 37.05.317.

• to - WE CAN  
HEAR your  
BILL AS SOON

AS POSSIBLE - SB-237

3473 Michael  
DOES ZAROFF HAVE  
IT IN SUB-COMMITTEE?

Rich Lehman

Sen  
POURCHOT

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman

Sen. Al Adams

Sen. Tim Kelly

Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate State Affairs Committee

### MEMORANDUM

TO: Senator John Binkley, Co-Chair  
Senator Rick Uehling, Co-Chair  
Senate Finance Committee

FROM: Senator Pat Pourchot *Pat*

RE: Attached Legislation Regarding Lapse of Capital Appropriations

DATE: March 6, 1989

Please find attached draft legislation that would ensure the prompt lapsing of capital appropriations. I plan to introduce this bill later this week and would welcome your co-sponsorship and any comments you might have.

As you know, over the years the legislature has reappropriated millions of dollars in unused capital appropriations. At a time when we are in dire need of revenues to balance the State's budget and are debating literally every revenue source, I firmly believe that these dollars need to be used to meet general government expenses. Unused capital dollars need to undergo the same deliberation and scrutiny as do state general funds -- no longer should these monies be considered "my dollars" or "your dollars" subject almost entirely to the discretion of individual legislators.

Specifically, the attached draft would require that within 30 days of completion or abandonment of a project a report identifying the amount of the appropriation available for lapse be filed with the Department of Administration. The amount would physically lapse upon certification by the department.

In the case of projects not complete or abandoned, a report would be filed annually with the department as required under current law. Failure to file the report would result in lapsing of the unexpended and unobligated balance of the appropriation.

The provisions of the draft bill would apply only to direct appropriations for capital projects, not to grants to municipalities, unincorporated communities, or named recipients.

I urge your favorable consideration of this proposal and would be happy to discuss it with you further at your convenience.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 3-30-89  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

FIN

\*\*FISCAL NOTE(S) MUST BE ATTACHED  
IN ACCORDANCE WITH AS 24.08.035

3/23/89

DATE TURNED INTO OFFICE 4-3-89

Mr. President:

STATE AFFAIRS

Committee considered

SB 237

lapsing of appropriations for capital projects

and recommended:

replace with CS SB 237 (st aff)  same title  
[ ] attached amendment(s) and [ ] new title

[ ] \_\_\_\_\_ letter of intent adopted

do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

[ ] further referral to \_\_\_\_\_

FISCAL NOTE(S) attached  zero  
[ ] appropriation no FN attached

[ ] fiscal impact  
[ ] Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Jan Lids  
Tim Kelly  
\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_  
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\_\_\_\_\_

Pat Lumsden do pass  
Chair : signature and recommendation

[ ] Committee backup attached

3-20-89

Div Finance 2240, DOA

~~Keith Gilmore & Eric Swanson 2290~~

Kevin Brooks 2290 - DOA

May Capobianco, OMB - DIV Audit 3568

Some agencies do good job - doesn't happen automatically. <sup>can go into accounting system + change lapse date from 2015 to 1989 or whatever + will lapse</sup>  
Didn't do DOT or muni grants, named recipient grants. Only 1984 & prior.

has time done = 1983, until 9/89

Even for \$ that's real old, may still be legitimate encumbrances. <sup>like DEC - Phase 7 of a multi-phase project. Some projects require final audit.</sup>

Even if doesn't net you very much money, at least cleans up accounting system.

gleamed @ \$1.5 m this time. Last done '83. + individual lapses from time to time.

→ Boss out till Tuesday - will check w/him before sending over summary sheets.

Keith Busch <sup>DOA</sup> personally - OK <sup>want max 5yr limit, too</sup>  
workable approach  
already verify all approp. so  $\phi$  F/N

BY POURCHOT, ADAMS, HALFORD,  
FAIKS, FRANK, STURGULEWSKI, 10  
KELLY, COGHILL, FISCHER AND  
JONES

[Binkley, Jehling, Duncan,  
Fahrenkamp, Zharoff, Rodey,  
Szymanski

1 IN THE SENATE

2 SENATE BILL NO. 237

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

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13 carried forward to subsequent fiscal years. Unless a statement has  
14 been filed under (c) of this section during the preceding fiscal year,  
15 between [BETWEEN] July 1 and August 31 of each fiscal year, a state-  
16 ment supporting the amount of the unexpended balance required to  
17 complete the projects for which the initial appropriation was made and  
18 the amount that may be lapsed shall be recorded with the Department of  
19 Administration.

20 \* Sec. 2. AS 37.25.020 is amended by adding new subsections to read:

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23 The amount set out in the report as available for lapsing lapses upon  
24 certification under (e) of this section.

25 (c) Within 30 days after completion or abandonment of a capital  
26 project, the agency responsible for administration of the appropria-  
27 tion for that project shall file a statement with the Department of  
28 Administration stating that the project has been completed or aban-  
29 doned and stating the amount of the unexpended and unobligated balance

1 of the appropriation that may be lapsed. The amount set out as avail-  
2 able for lapsing lapses upon certification under (e) of this section.

3 (d) A project for which a statement has not been filed under (b)  
4 or (c) of this section before September 1 of each year is presumed to  
5 have been completed or abandoned during the preceding fiscal year and  
6 the unexpended and unobligated balance of the appropriation for that  
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8 (e) By October 1 of each fiscal year, the Department of Adminis-  
9 tration shall certify to the Office of Management and Budget the  
10 amount that lapses under (b) - (d) of this section.

11 (f) Subsections (b) - (e) of this section do not apply to  
12 appropriations in the form of grants under AS 37.05.315 - 37.05.317.

# Senate money search begins

## Bill would return unused project money to general fund

By ROBERT LAURIE  
Times Juneau Bureau

JUNEAU — Senators have begun their annual search for leftover money from previous capital projects to redirect to new construction projects in their districts, while half of their members have fallen behind a measure that would all but eliminate the practice in the future.

Each year the legislature reappropriates unused funds from previous year capital pro-

jects that have been completed or abandoned, using it for new projects. The reappropriation process has been criticized in the past for taking place behind closed doors with little or no review by other legislators, let alone the public.

As co-chairman of the Senate Finance Committee, Sen. Rick Uehling, R-Anchorage, says he has adopted guidelines to make sure everything happens in the open.

"It's going to be an open, public process from the beginning," said Uehling. "We do not want to make any last-minute kinds of decisions like have been made in the past."

Uehling says each legislator sponsoring a project in the bill will have to appear before the Finance Committee to justify it in public.

Meanwhile, Sens. Pat Pourchot, D-Anchorage, and Al Adams, D-Kotzebue, have intro-

duced a measure that would lapse the unused money directly back into the state's general fund. As vice chairman of the House Finance committee last year, Pourchot watched the process closely.

Under the measure, he said, the money would be treated just like any other state revenue, subject to full committee review. The current system short-circuits the process.

See Leftovers, page B-2

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## Leftovers: Spending

Continued from page B-1

"Those monies don't get funneled back through the capital projects budgeting process and prioritized," said Pourchot. "It just goes back to the same district for another project of importance to the legislator representing that district."

In past years when the state was flush with ready cash, it wasn't much of a concern, Pourchot said. Now the state barely has enough to cover key maintenance.

"I don't think we have the luxury anymore of not bringing

those unused monies back into the budget," Pourchot said.

With smaller capital budgets, Pourchot says the amount of money available in subsequent years is limited.

"My guess is that there's 1 to 2 million dollars annually for the next several years that probably could be lapsed," Pourchot said.

Eight senators jumped on the bill as co-sponsors after Pourchot introduced it this week, surprising the Anchorage Democrat.

"I've always thought it was a good idea, but apparently the body now feels like it's a good idea," said Pourchot.

Times - 3/25/89

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman

Sen. Al Adams

Sen. Tim Kelly

Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate State Affairs Committee

### MEMORANDUM

TO: Senate State Affairs Committee Members

FROM: Senator Pat Pourchot, Chairman

RE: April 3 Committee Hearing

DATE: April 1, 1989

On Monday, April 3 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will conduct a confirmation hearing on Dr. Rodman Wilson's appointment to the Alaska Public Offices Commission. Dr. Wilson will participate from Anchorage via the teleconference network.

In addition, the following bills will be heard:

SB 237, An Act relating to the lapsing of appropriations for capital projects

SB 237 would establish a procedure for the administrative lapse of capital appropriations upon completion or abandonment of a capital project. Current statute authorizes administrative lapse, but does not require that the lapse actually occur. Unused capital funds ~~funds~~ are generally reappropriated by the legislature. However, in September 1988 OMB lapsed approximately \$1.6 million in unneeded capital funds.

SB 237 would apply only to direct appropriations for capital projects, not to grants to municipalities, unincorporated communities, or named recipients.

A draft committee substitute that changes the reporting dates to align with preparation of the Annual Financial Report is attached. The change was requested by the Department of Administration.

SR 8, Requesting a hiring freeze for state employees

SB 232, An Act relating to certain beverage dispensary licensees

HB 74, An Act relating to the acquisition and financing of the Seward Student Service Center by the Alaska State Building Authority, and relating to the use of a lease-financing agreement for the project

The hearing on these bills was postponed from Friday, March 31. Back-up materials were distributed previously.

6-0859H  
Dierdorff  
3/31/89

Original sponsors: Pouchot, Adams,  
Halford, et al.

Changes in CS  
p. 1, l. 15  
p. 2, l. 4  
p. 2, l. 8

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

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13 carried forward to subsequent fiscal years. Unless a statement has  
14 been filed under (c) of this section during the preceding fiscal year,  
15 during July [BETWEEN JULY 1 AND AUGUST 31] of each fiscal year, a  
16 statement supporting the amount of the unexpended balance required to  
17 complete the projects for which the initial appropriation was made and  
18 the amount that may be lapsed shall be recorded with the Department of  
19 Administration.

added  
in CS

20 \* Sec. 2. AS 37.25.020 is amended by adding new subsections to read:

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24 certification under (e) of this section.

25 (c) Within 30 days after completion or abandonment of a capital  
26 project, the agency responsible for administration of the appropria-  
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28 Administration stating that the project has been completed or aban-  
29 doned and stating the amount of the unexpended and unobligated balance

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of the appropriation that may be lapsed. The amount set out as available for lapsing lapses upon certification under (e) of this section.

(d) A project for which a statement has not been filed under (b) or (c) of this section before <sup>[Sept. 1]</sup> August 1 of each year is presumed to have been completed or abandoned during the preceding fiscal year and the unexpended and unobligated balance of the appropriation for that project lapses upon certification under (e) of this section.

(e) By October <sup>[1]</sup> 15 of each fiscal year, the Department of Administration shall certify to the Office of Management and Budget the amount that lapses under (b) - (d) of this section.

(f) Subsections (b) - (e) of this section do not apply to appropriations in the form of grants under AS 37.05.315 - 37.05.317.

Senator Pourchot  
April 3, 1989

A M E N D M E N T

TO: CS SB 237 (St Aff), Relating to the lapsing of appropriations for capital projects

page 1, line 25

After "after" insert the end of a month in which a capital project is completed or abandoned. Delete "completion or abandonment of a capital project".

In context, the amendment would read as follows:

(c) Within 30 days after the end of a month in which a capital project is completed or abandoned [COMPLETION OR ABANDONMENT OF A CAPITAL PROJECT], the agency responsible for administration of the appropriation for that project shall file a statement with the Department of Administration ....

RATIONALE: The amendment would allow agencies to submit reports to DOA on a monthly basis, rather than having to report many times throughout the month as capital projects are completed or abandoned.

*Requested by DOT-PF*

*uf 3/8/89*

OMB GENERAL FUND CAPITAL PROJECT CLEANUP:

DEPARTMENT	APPROPRIATION #	GF AUTH TO LAPSE PER OMB & DEPT	OTHER FUNDS AUTH TO LAPSE PER OMB & DEPT	GF AUTH LAPSED FY 1989	OTHER FUNDS AUTH LAPSED FY 1989	COMMENTS
DEPT OF FISH & GAME	43008-89	54.54		54.54		
	43055-89	102.57		102.57		
	43115-89	1,079.20		1,079.20		
	43160-89	25.74		25.74		
	43275-89	19.66		19.66		
	43090-89	12,399.12		12,399.12		
	43280-89	12,048.97		12,034.97		\$5,800 ENC STILL VALID PER DEPT/OMB. AVAIL BAL TO LAPSE WAS \$14 LESS THAN REQUESTED.
	43080-89	229.17		229.17		
TOTAL DEPT OF FISH & GAME		25,958.97		25,944.97		
DEPT OF COMMUNITY & REGIONAL AFFAIRS	55384-89	35,104.00		0.00		NO BAL TO LAPSE. \$35,100 EXP AND RESTRICTED REC RECORDED AGAINST AR 55384-89 JAN 89.
	55375-89	1,000.00		1,000.00		
	52913-89	2,750.00		2,750.00		
	53400-89	1,153.84		1,153.84		
	53126-89	12,216.72		12,216.72		
	53133-89	1,243.11		1,243.11		
	53135-89	1,299.81		1,299.81		
	53175-89		15,365.41	15,401.56		ACTUAL BAL LAPSED IS \$15,401.56 GF AUTH. GF APPROP SO NO EST REST REC TO LAPSE.
	53176-89	12,298.71		12,298.71		
	53205-89	836.00		835.74		
	53220-89	4,500.00		4,500.00		
	53256-89		650,000.00	650,000.00		NO EST REST REC TO LAPSE
	53281-89	174,000.00		174,460.00		
	53295-89		78,399.64	78,399.64		NO EST REST REC TO LAPSE
	53058-89	4.86		4.86		
	53083-89	267.00		267.00		
	53407-89	31.41		31.41		
	53194-89	323.93		323.93		
	53195-89	0.34		0.34		
	53203-89	50.00		50.00		
	53231-89	362.50		362.50		
	53234-89	27.37		27.37		
	53248-89	0.45		0.45		
	53253-89	1.00		1.00		
	53255-89	454.77		454.77		
	53270-89	460.87		460.87		
	53273-89	142.96		142.96		
	53282-89	0.27		0.27		
TOTAL COMMUNITY & REGIONAL AFFAIRS		248,529.92	74,000.05	957,686.86		

*of 3/8/89*

OMB GENERAL FUND CAPITAL PROJECT CLEANUP:

DEPARTMENT	APPROPRIATION #	GF AUTH TO LAPSE PER OMB & DEPT	OTHER FUNDS AUTH TO LAPSE PER OMB & DEPT	GF AUTH LAPSED FY 1989	OTHER FUNDS AUTH LAPSED FY 1989	COMMENTS
DEPT OF HEALTH & SOCIAL SERVICES	22878-89	34,052.56	34,052.56			\$33,922.50 OF \$34,052.56 IS ENC - WAITING AGENCY RESPONSE BALANCE SHOWS \$0.80 OVEREXPENDITURE - WAITING AGENCY RESPONSE BALANCE SHOWS \$0.07 OVEREXPENDITURE - WAITING AGENCY RESPONSE  BALANCE ENCUMBERED - AWAITING AGENCY RESPONSE
	22885-89	1,072.00	1,072.00	0.00		
	23031-89	0.00		0.00		
	23134-89	101.65		101.65		
	22948-89	7,946.85				
TOTAL DEPT OF HEALTH & SOCIAL SERVICES		43,173.06	35,124.56	101.65		
DEPT OF ADMINISTRATION	3728-89	2,793.01		2,793.01		\$95,164.54 ENCUMBERED
	3761-89	5,162.98		5,162.98		\$4,795.37 ENCUMBERED
	3765-89	6,435.34		6,435.34		
	3794-89	23,533.78		23,876.71		\$23,876.71 BAL LAPSED PER DEPT. \$309,654.00 IS ENCUMBERED
	3781-89	0.10		0.10		
TOTAL DEPT OF ADMINISTRATION		37,925.21		38,268.14		
DEPT OF NATURAL RESOURCES	38905-89	150,000.00		150,000.00		
	39020-89	112,959.88		112,959.88		\$110,765.22 RESTRICTION RELEASED BY DNR SO THAT TOTAL OF \$112,959.88 COULD LAPSE.
	39240-89	251.13		251.13		
	38007-89	7,423.19		7,423.19		
TOTAL DEPT OF NATURAL RESOURCES		270,634.20		270,634.20		
DEPT OF REVENUE	15835-89	465,638.26				NO BALANCE IN AR. BALANCE WAS REAPPROPRIATED IN CH 173, SL/88, SEC 211(A)
DEPT OF MILITARY & VETERANS' AFFAIRS	34753-89		5,096,000.00		5,096,000.00	
	34791-89		1,417,700.00			\$43,314.58 OVEREXPENDITURE - WAITING AGENCY RESPONSE
TOTAL DEPT OF MILITARY & VETERANS' AFFAIRS			6,513,700.00		5,096,000.00	
DEPT OF ENVIRONMENTAL CONSERVATION	49179-89	15,000.00		15,000.00		
	49091-89	100,000.00		100,000.00		
	49109-89	8711.15		8,711.15		
	49110-89	700.78		700.78		
	48931-89	8,685.00		8,685.00		
	48984-89	1,007.00		1,009.00		
TOTAL DEPT OF ENVIRONMENTAL CONSERVATION		134,105.93		134,105.93		
DEPT OF EDUCATION	20588-89	1,352.05		1,352.05		

OMB GENERAL FUND CAPITAL PROJECT CLEANUP:

DEPARTMENT	APPROPRIATION #	GF AUTH TO LAPSE PER OMB & DEPT	OTHER FUNDS AUTH TO LAPSE PER OMB & DEPT	GF AUTH LAPSED FY 1989	OTHER FUNDS AUTH LAPSED FY 1989	COMMENTS
	20555-89	770.39		770.39		
	20556-89	820.69		820.69		
	19353-89	19,935.89		19,939.85		ACTUAL BALANCE LAPSED WAS \$19,939.85.
	19268-89	157,672.75		157,672.75		
TOTAL DEPT OF EDUCATION		180,551.77		180,555.73		
DEPT OF CORRECTIONS	51004-89	51.84		51.84		
COURT SYSTEM	77044-89	0.17		0.17		
DEPT OF COMMERCE & ECONOMIC DEVELOPMENT	32218-89	31.20		31.20		
	32156-89	0.00		0.00		\$0.09 BALANCE CREATED BY NEG EXPENDITURE. NO AUTH BAL TO LAPSE. AGENCY TO CORRECT.
	32159-89	0.50		0.50		
	32151-89	470.38		470.38		
TOTAL DEPT OF COMMERCE & ECON DEVELOPMENT		502.08		502.08		
TOTAL ALL DEPARTMENTS		1,407,071.41	7,292,589.61	1,607,851.57	5,096,000.00	

BY POURCHOT, ADAMS, HALFORD,  
FAIKS, FRANK, STURGULEWSKI,  
KELLY, COGHILL, FISCHER AND  
JONES

1 IN THE SENATE

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CS SENATE BILL NO. 237 (S.A.F.F.)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SIXTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the lapsing of appropriations for capital projects."

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

\* Section 1. AS 37.25.020 is amended to read:

Sec. 37.25.020. UNEXPENDED BALANCES OF APPROPRIATION FOR CAPITAL PROJECTS. An appropriation made for a capital project is valid for the life of the project and the unexpended balance may [SHALL] be carried forward to subsequent fiscal years. Unless a statement has been filed under (c) of this section during the preceding fiscal year, between [BETWEEN] July 1 and August 31 of each fiscal year, a statement supporting the amount of the unexpended balance required to complete the projects for which the initial appropriation was made and the amount that may be lapsed shall be recorded with the Department of Administration.

\* Sec. 2. AS 37.25.020 is amended by adding new subsections to read:

(b) The agency responsible for administering a capital appropriation shall file the report required under (a) of this section. The amount set out in the report as available for lapsing lapses upon certification under (e) of this section.

(c) Within 30 days after completion or abandonment of a capital project, the agency responsible for administration of the appropriation for that project shall file a statement with the Department of Administration stating that the project has been completed or abandoned and stating the amount of the unexpended and unobligated balance

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2 able for lapsing lapses upon certification under (e) of this section.

3 (d) A project for which a statement has not been filed under (b)  
4 or (c) of this section before <sup>August</sup> September 1 of each year is presumed to  
5 have been completed or abandoned during the preceding fiscal year and  
6 the unexpended and unobligated balance of the appropriation for that  
7 project lapses upon certification under (e) of this section.

8 (e) By October <sup>15</sup> 1 of each fiscal year, the Department of Adminis-  
9 tration shall certify to the Office of Management and Budget the  
10 amount that lapses under (b) - (d) of this section.

11 (f) Subsections (b) - (e) of this section do not apply to  
12 appropriations in the form of grants under AS 37.05.315 - 37.05.317.

Keith Busch

2240

p. 1, l. 15 July 1 - July 31 [Aug 31]

begin Annual Financial Report  
July 31 → Oct 15

DOA <sup>expecting</sup> computer report  
Most things already doing now.

p. 2, 8 Oct 1 [15] to make  
compatible w/ annual report



Official Business

# Alaska State Legislature

P.O. Box V  
State Capitol  
Juneau, Alaska 99811

## MEMORANDUM

TO: Kurt Dzinich, Director  
Senate Advisory Council

FROM: Senator Pat Pourchot *Pat*

RE: Research Request

DATE: February 17, 1989

I am writing to request information on how other states handle unused balances of capital appropriations.

Specifically, I would like to see statutory provisions governing the determination of a project's completion and the handling of appropriated funds that may be remaining upon completion. I would also like some first hand knowledge of how the statute is implemented, which I would think could be obtained from the people in each state who administer the appropriations.

I am particularly interested in whether remaining funds are automatically returned to the state's general fund, or whether balances must or can be reappropriated by the legislature as is done in Alaska.

I would request that Oregon be one of the states you contact, and that four or five other western states or states similarly situated to Alaska as far as size of budget and/or population also be contacted. I would also request that you provide information on the federal government's procedure.

Please contact Sandra Schubert of my staff at 465-3712 if you have any questions. If possible, I would like to receive the information from you by Wednesday, March 1.

# Alaska State Legislature

Senate Advisory Council



P.O. Box V  
State Capitol  
Juneau, Alaska 99811  
Phone: (907) 465-3114

## MEMORANDUM

TO: Senator Pat Pourchot  
Alaska State Senate

FROM: Sheila F. Helgath, PhD *SH*  
Legislative Analyst

DATE: March 1, 1989

SUBJECT: Procedures for Unused Balances of Capital Appropriations; Research Request #89-100022

The procedure used to reappropriate or account for lapsed or unused balances of capital construction appropriations in other states is variable. The following seven examples suggest that how these funds are handled depends upon the intent language attached to the original appropriation, or the type of fund from which the original money was appropriated, or in states where budget deficits may soon be a problem, such as in Wyoming, special "rainy day accounts" are created.

### California

California has a three step process for capital appropriations which usually takes about three years to complete funding for a capital construction project. Step one appropriates funds for the drawing up of the preliminary plans and a budget estimate (by the executive branch). Step two provides funds for the working drawings. Step three is the appropriation for construction. There is usually a three year construction time included in step three at the end of which unused funds are returned to the original fund from which they were appropriated. The legislature retains the right to revoke funds at steps one and two. If step one is not completed in the first year the appropriation automatically reverts back to the fund from which it was appropriated. California funds are generally bond funds (revenue and general obligation bonds) which are restricted to that project or type of project and title and oil dollars (royalty payments) which are less restricted. My contact was Dennis Hordyk 916-445-5332.

### Idaho

Idaho has a dedicated account for the capital budget. When the project is approved the money appropriated goes into the "Permanent Building Fund Account". Unused monies from this fund are reallocated every year at the discretion of the executive branch. Contact Bob Ford 208-334-3900.

Senator Pat Pourchot  
March 1, 1989  
Page 2

#### Minnesota

This question is "practically moot" in Minnesota because the appropriations legislation has transfer authority written into the appropriations bill. Unused portions of bond generated funds are transferred to the "bond service fund". Unused portions of a capital project from the general fund are usually funded on an "X" year basis and available until the project is completed. My contact was Dale Nelson 612-297-1321.

#### Montana

The Montana budget is developed on a biennial basis. Capital improvement projects are analyzed and sent to the legislature by the executive with a priority listing. The legislature determines the final priorities. Capital projects are funded for two years and unused funds are returned to the "Capital Project Fund" which then reappropriated depending on the priorities established. My contact was Roy Shackelford 406-444-3616.

#### New Mexico

Unused capital funds are treated differently depending upon the originating fund. State statute says that the money must revert back to the fund from which they came. New Mexico uses general funds, severance tax bonds, and general obligation bonds to pay for capital improvement projects. Specific projects are allowed to keep the money until the project is completed. Mr. Vaca couldn't recall any instances when funds had reverted. My contact was Max Vaca 505-827-3681.

#### Oregon

Oregon defines capital appropriation projects as those above \$100,000 that involve the acquisition of real property. Capital improvement projects (CIP) are those that are between \$5,000 and \$100,000 and involve projects such as remodeling a building. CIP projects are funded biennially and agencies are not allowed to carry over funds once the project is complete. Capital projects are funded for the life of the project. My contact was Jeff Gilfosi 503-378-3118.

#### Wyoming

Wyoming has set up a "Budget Reserve Account" which is a rainy day account that all unused funds are placed into and then reappropriated at the next session. Contact Mrs. Shirley Whittler or Bill Harris 303-777-6044.

As can be determined from above each state has an unique way of handling these monies. In addition to contacting the individual states I also contacted the National Council of State Legislators who said that normally funds revert back to the original source. If Senate Advisory Council can be of further help on this issue please contact us.

# Alaska State Legislature

Senate Advisory Council



PO. Box V  
State Capitol  
Juneau, Alaska 99811  
Phone: (907) 465-3114

## MEMORANDUM

TO: Senator Pat Pourchot  
Alaska State Senate

FROM: Sheila F. Helgath, PhD *SHH*  
Legislative Analyst

DATE: March 1, 1989

SUBJECT: Procedures for Unused Balances of Capital Appropriations:  
Request #89-10022

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Thank you for your recent request for assistance. Attached is the material you requested. This information will remain confidential unless we receive your approval for release.

Please check the appropriate box and return to Mail Stop 3100 or the above mailing address.

- I approve the release of this information.
- I approve the release of this information, but please remove my name.
- I do not approve the release of this information at this time.

If we can be of further service, please do not hesitate to contact us.

DATE \_\_\_\_\_

SENATOR \_\_\_\_\_

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# Capital Budgeting and Finance: The Legislative Role

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## Capital Budgeting and Finance Subcommittee

Representative Dean Conley (Ohio), Chair  
James C. Heckman (Michigan), Vice Chair

## Fiscal Affairs and Oversight Committee

Delegate Nancy Kopp (Maryland), Chair  
Representative Betty Jo Nelsen (Wisconsin), Vice Chair  
James C. Heckman (Michigan), Staff Chair  
James Zingale (Florida), Staff Vice Chair



Written by  
Barbara Yondorf and Barbara Puls  
Fiscal Affairs Program

National Conference of State Legislatures  
1050 Seventeenth Street, Suite 2100  
Denver, Colorado 80265  
303/623-7800

444 North Capitol Street, N.W., Suite 500  
Washington, D.C. 20001  
202/624-5400

*Funding for this report was provided by The First Boston Corporation,  
New York, and Moody's Investors Service Inc., New York.*

November 1987

## Recommendation 11

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### 11. Legislatures should play an active role in reviewing the transfer of capital funds after they have been appropriated and decisions to cancel, delay, or change funding for approved capital projects.

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By reviewing transfers of appropriated funds and cancellations, delays, or reductions in funding capital projects, legislators would play a central role in all budget decisions that involve a significant departure from what the appropriations act has specified. Plus, lawmakers would have access to timely, meaningful information about project implementation and costs. Thirty-one states require the governor to get the legislature's approval before transferring appropriated funds from one project to another (see Table 22). In more than two-thirds of the states, the governor is prohibited from making transfers between the capital and operating budgets without legislative sign-off. Twenty require such approval before cancelling an approved project, and six before delaying a project. In general, the Southwest, Rocky Mountain, and Far West states place greater restrictions on the governor's ability to shift or change capital appropriations than do states in the other regions.

The structure and extent of legislative oversight of capital projects once approved can take a variety of forms. A legislature may:

1. Give a budget oversight committee binding authority to monitor and settle certain budget issues arising after the budget has been enacted;
2. Grant to the executive limited authority to deal with contingencies (e.g., if the matter deals with \$X or Y percent of the project's budget or more, then legislative sign-off is required; otherwise, the executive can handle the matter);
3. Include contingency directives either in statute or in the budget act;
4. Require special sessions to be called or the full legislature to be consulted under specified circumstances;
5. Require the executive branch to seek the advice but not necessarily the approval of either a legislative committee or the legislative leadership before acting;
6. Set aside monies that may be used only in the event of a problem with project expenses, according to specific guidelines set out in statutes, with the advice and/or consent of a legislative committee and/or the full legislature if it appropriates the monies in the fund;
7. Allow the executive's actions in handling a major problem with the costs of an approved project to be effective only until the next session of the legislature, when it must sign off on these actions for them to be effective.

Unfortunately, all these alternatives have some limitations. Binding legislative committee oversight can raise legal problems, and both binding and strong advisory roles by a legislative committee may limit necessary executive flexibility. Legal problems also may arise with contingency directives to the executive branch, not only because some states severely limit the provisos legislatures can attach to appropriations but also because it is difficult to anticipate the particulars of every contingency. In addition, setting aside funds for specific circumstances can mean tying up money for contingencies that never occur. Requiring a special legislative session (which applies only to part-time legislatures) can be a costly alternative and also limits executive flexibility. Yet, allowing the executive to handle problems until the legislature meets again minimizes legislative budget oversight control.

Legislatures should consider the alternatives available for overseeing capital budget management and select those best suited to their concerns and constraints.

Table 22:

Gubernatorial Requirements to Advise or Get Approval of  
Legislature Before Transferring Capital Appropriations, Rolling Forward Funds,  
Cancelling a Project, or Delaying Spending (a) (b)

State	Gubernatorial Authority to Transfer Funds from:			Gubernatorial Authority to:		
	Capital to Operating	Operating to Capital	One Project to Another	Roll Forward Project Funds	Cancel a Project	Delay Capital Spending
<b>NEW ENGLAND</b>						
Connecticut	No Restrictions	Approval	Approval	No Restrictions	No Restrictions	No Restrictions
Maine	Not Allowed	Approval	No Restrictions	Approval	No Response	No Response
Massachusetts	Approval	Approval	Approval	Approval	Approval	No Response
New Hampshire	Not Allowed	Not Allowed	Approval	Approval	No Restrictions	No Restrictions
Rhode Island	Approval	Approval	Approval	No Restrictions	No Restrictions	No Restrictions
Vermont	Approval	Approval	No Restrictions	No Restrictions	Approval	No Restrictions
<b>MID ATLANTIC</b>						
Delaware	Approval	Approval	Approval	Approval	No Restrictions	No Restrictions
Maryland	No Restrictions	Not Allowed	No Restrictions	Not Allowed	No Restrictions	No Restrictions
New Jersey	Approval	Approval	Advise & Approval	Approval	Approval	Advise
New York	Approval	Approval	Advise	Approval	Advise	Advise
Pennsylvania	Not Allowed	Approval	Approval	Approval	No Restrictions	No Restrictions
<b>GREAT LAKES</b>						
Illinois	Approval	Approval	Approval	Approval	No Restrictions	No Restrictions
Indiana	No Restrictions	No Restrictions	No Restrictions	No Restrictions	No Restrictions	No Restrictions
Michigan	Approval	Approval	Approval	Advise	Advise	Advise
Ohio	Not Allowed	Approval	Approval	Reapprop.'s Bill	Approval	No Restrictions
Wisconsin	Approval	Approval	(1)	No Restrictions	(1)	(1)
<b>PLAINS</b>						
Iowa	Advise	Advise	Advise	Approval	Approval	Approval
Kansas	(2)	(2)	(2)	Approval	No Restrictions	No Restrictions
Minnesota	Not Allowed	Not Allowed	Approval	No Restrictions	No Restrictions	No Restrictions
Missouri	Not Allowed	Not Allowed	Approval	Approval	No Restrictions	No Restrictions
Nebraska	Approval	Approval	Approval	Approval	Approval	No Restrictions
North Dakota	Approval	No Restrictions	No Restrictions	Approval	Approval	Advise
South Dakota	Advise	Advise	Advise	Advise	Advise	Advise
<b>SOUTHEAST</b>						
Alabama	Advise	Advise	Advise	No Restrictions	Advise	No Restrictions
Arkansas	Approval	Approval	Advise	Approval	No Restrictions	No Restrictions
Florida	Not Allowed	Not Allowed	Approval	No Restrictions	Not Allowed	Advise
Georgia	Approval	Approval	Approval	Approval	Approval	No Response
Kentucky	Not Allowed	Approval	Not Allowed	Approval (3)	Advise	Advise
Louisiana	Approval	Approval	Approval	Approval	Approval	Approval
Mississippi	Approval	Approval	Approval	Approval	Approval	Advise
North Carolina	Approval	Approval	No Restrictions	No Restrictions	No Restrictions	No Restrictions
South Carolina	Not Allowed	Approval (4)	Approval	No Restrictions	Approval	Approval
Tennessee	Approval	Approval	No Restrictions	No Restrictions	No Restrictions	No Restrictions
Virginia	Advise	Advise	Advise	No Restrictions	Approval	Advise
West Virginia	Approval	Approval	Approval	Approval (5)	Approval	No Restrictions
<b>SOUTHWEST</b>						
Arizona	Approval	Approval	Approval	Advise	Approval	No Restrictions
New Mexico	Approval	Approval	Approval	Advise	Approval	Advise
Oklahoma	Approval	Approval	Approval	Approval	Approval	Approval
Texas	Approval	Approval	Approval	Approval	Approval	Approval

State	Gubernatorial Authority to Transfer Funds from:			Gubernatorial Authority to:		
	Capital to Operating	Operating to Capital	One Project to Another	Roll Forward Project Funds	Cancel a Project	Delay Capital Spending
<b>ROCKY MOUNTAIN</b>						
Colorado	Approval	Approval	Approval	Approval (5)	No Restrictions	No Restrictions
Idaho	Approval	No Restrictions	Approval	Approval	Approval	No Restrictions
Montana	Approval	Approval	No Restrictions	Approval	No Restrictions	No Restrictions
Utah	Approval	Approval	Approval	No Restrictions	No Restrictions	No Restrictions
Wyoming	Approval	Approval	Approval	Advise	Approval	No Response
<b>FAR WEST</b>						
Alaska	Approval	Approval	Approval	Approval	No Restrictions	Advise
California	Approval	Approval	Approval	Approval	Approval	Approval
Hawaii	Approval	Approval	No Restrictions	No Restrictions	No Restrictions	No Restrictions
Nevada	Approval	Approval	Approval	No Restrictions	Advise	Advise
Oregon	Approval	Approval	Approval	Approval	Advise	Advise
Washington	Approval	Approval	Advise	Approval	Advise	Advise

**Footnotes:**

- (1) WI: State Building Commission may make some transfers within agency's building program and may cancel or delay a project to reflect changing facilities' needs.
- (2) KS: Transfer authority limited to single agency and fund.
- (3) KY: Governor must get legislative approval to roll forward unspent funds for reauthorization if not obligated. If project under contract, legislative approval/advise is not necessary.
- (4) SC: The Joint Bond Review Committee must approve.
- (5) WV and CO: After initial three-year capital outlay appropriation period.

**Key:**

- (a) "Advise" means Governor must advise legislature of action.  
 "Approval" means Governor must get legislative approval for action.  
 "No Restrictions" means legislative approval/advise is unnecessary.  
 "Not Allowed" means this type of transfer is not allowed.
- (b) "Capital to Operating" means the transfer of funds from capital projects to operating budgets.  
 "Operating to Capital" means the transfer of funds from operating budgets to capital projects.  
 "One Project to Another" means the transfer of funds from one capital project to another project.  
 "Roll Forward Project Funds" means the rolling forward of unspent funds appropriated for a specific project from one fiscal period to the next.

Source: National Conference of State Legislatures survey, 1986.

## Recommendation 12

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**12. Legislatures should monitor capital projects as closely as they do department operating budgets to make sure that appropriated funds are being used efficiently and effectively; to make sure that they are being used as intended; and to guard against waste, fraud, and abuse.**

---

More often than not, legislatures give much less attention to project implementation than they give to project funding and selection. For the most part, once capital appropriations have been made, legislatures rely on the state building department and/or the state auditor to oversee capital construction, major renovations, and repairs. In some cases, legislatures hear little about a project after it has been approved, unless there is a cost overrun or a scandal relating to improper handling of the project.

While legislatures should not become involved in the executive function of project administration, they should be kept fully informed of the progress on and problems with construction, repairs, or remodeling. Where there is no strong legislative oversight of a capital project after its funding has been approved, the chances for waste, fraud, and abuse increase. As one capital expert has noted,

Waste, fraud and abuse increase the cost of construction, reduce the reliability of the product, and shake public confidence, an ingredient essential to garnering the support necessary to make serious inroads into the problems of deterioration and decay of public facilities. For the public to accept higher tax bills and bridge tolls to pay for facility construction and repair, it must be convinced that the project is essential and effectively managed.<sup>38</sup>

Hatry, Neary, and Allen in their report, "The Capital Investment and Maintenance Decision Process in the Public Sector," cite four main purposes of project monitoring: (1) to identify implementation problems as early as possible so that steps to alleviate problems can be taken; (2) to provide historical information for improving future planning; (3) to form the basis for performance and incentive contracting for projects; and (4) to help improve contractor performance by weeding out poor performers.<sup>39</sup>

There are at least four ways in which legislatures can be assured of strong legislative oversight of capital project implementation. First, as noted earlier, states can prohibit or otherwise restrict the transfer of funds to and from a particular capital project unless such transfers have been approved by the legislature. Second, the committee(s) that makes capital appropriations can request annual reports from the legislative auditor on the capital construction fund(s) and on any problems with particular projects. Third, the legislature can require the executive branch to prepare regular status reports on all capital projects. For example, the Louisiana Legislature receives a quarterly construction progress report, legislators in Virginia get a semiannual progress report on all active projects, and New Jersey and Hawaii obtain regular reports on the status of their bond funds (see Table 9 for more examples). Finally, legislatures may limit the period during which a capital appropriation may be spent. For instance, Maryland's capital appropriations run for three years; any money not spent at the end of that time must be either reappropriated or returned to the general fund.

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3600

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 16, 1989

SUBJECT: Lapsing of Capital Appropriations  
(W.O. 6-0859)

TO: Senator Pat Pourchot  
Attention: Sandra Schubert

FROM: David R. Dierdorff *DRD*  
Revisor of Statutes

Enclosed is a draft that amends AS 37.25.020 to tighten up the administration of capital appropriations, at least as to lapsing. You will note that an agency is required to report within 30 days of completion or abandonment, or, if the project is still alive, during the month following the end of each fiscal year. Failure to file either report will result in automatic lapsing of the appropriation.

This draft does not directly address the lapsing of grants. You may recall my 1986 memo (originally for then Representative Adams, but provided to many other members of the House and Senate Finance Committees), in which I discussed the various lapse dates. In that memo I said:

It should be noted that AS 37.25.010 and 37.25.020 do not distinguish between different forms of appropriation. It is our opinion that the two statutes apply to direct appropriations and to appropriations in the form of grants, unless specific provisions in other statutes set out other or different rules.

I also pointed out the desirability of amending AS 37.05.315 - 37.05.317 to provide a mechanism for enforcing AS 37.25.020 and AS 37.05.315(b).

If you want to expand this draft to ensure prompt lapsing of appropriations for grants as well as for direct appropriations, I could easily do so.

DRD:kb  
wkk2/016

Enclosure

OTHER POINTS TO REMEMBER:

STATEMENT THAT AGENCY MUST FILE WITH D.O.A. CAN SIMPLY BE A COMPUTER PRINT-OUT. WE'RE NOT EXPECTING ANYTHING FANCY.

"COMPLETION" IS PURPOSELY NOT DEFINED. REALIZE ALLOWS DISCRETION ON THE PART OF EACH AGENCY, BUT SOME FLEXIBILITY IS NEEDED. D.O.T. WILL INTERPRET TO MEAN WHEN ALL THE PAPERWORK ON A PROJECT IS DONE, NOT WHEN A PROJECT IS PHYSICALLY COMPLETE.

PAGE 2, LINE 3 (WHICH ADDRESSES "AUTOMATIC" LAPSE IF FAIL TO FILE A REPORT) -- "PROJECT" WOULD INCLUDE ALL PROJECTS INCLUDED IN A SINGLE APPROPRIATION. IN OTHER WORDS, D.O.T.'S SINGLE APPROPRIATION FOR CENTRAL REGION HIGHWAYS WOULD NOT BE SUBJECT TO LAPSE UNLESS ALL OF THE PROJECTS FUNDED BY THAT APPROPRIATION ARE COMPLETE.

# ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS,  
CHAIR

ETHICS COMMITTEE,  
CHAIR



ANCHORAGE

P.O. BOX 104836  
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JUNEAU

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(907) 465-3712

Senator Pat Pourchot

## MEMORANDUM

TO: Senator Rick Uehling, Co-Chairman  
Senate Finance Committee

FROM: Senator Pat Pourchot

RE: Scheduling of SB 237

DATE: April 12, 1989

SB 237, relating to the lapsing of appropriations for capital projects, has been referred to the Senate Finance Committee. I am writing to respectfully request that you schedule SB 237 for a hearing.

SB 237 would establish a procedure for the administrative lapse of capital appropriations upon completion or abandonment of a capital project. Current statute authorizes administrative lapse, but does not require that the lapse actually occur.

As you know, over the years the legislature has reappropriated millions of dollars in unused capital appropriations. At a time when we are in dire need of revenues to balance the State's budget and are debating literally every revenue source, I firmly believe that these dollars need to be used to meet general government expenses. Unused capital dollars need to undergo the same deliberation and scrutiny as do state general funds -- no longer should these monies be considered "my dollars" or "your dollars" subject almost entirely to the discretion of individual legislators.

SB 237 would require that any funds available after project completion lapse to the general fund within 30 days of completion. The bill would apply only to direct appropriations for capital projects, not to grants to municipalities, unincorporated communities, or named recipients.

Please note that there is a State Affairs Committee Substitute which changes the dates by which funds available for lapse must be reported to the Department of Administration. The changes were made to align with preparation of the state's Annual Financial Report.

I urge your favorable consideration of SB 237 and would be happy to discuss it with you at your convenience. The bill has a zero fiscal note.

Original sponsors: Pourchot, Adams,  
Halford, et al.

*Changes from original marked.*

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR SENATE BILL NO. 237 (State Affairs)

*Committee Report:*

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

*Fair's  
Kelly  
Pourchot } DO PASS*

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the lapsing of appropriations for capital projects."

7

8

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

9

\* Section 1. AS 37.25.020 is amended to read:

10

Sec. 37.25.020. UNEXPENDED BALANCES OF APPROPRIATION FOR CAPITAL

11

PROJECTS. An appropriation made for a capital project is valid for

12

the life of the project and the unexpended balance may [SHALL] be

13

carried forward to subsequent fiscal years. Unless a statement has

been filed under (c) of this section during the preceding fiscal year,

during July [BETWEEN JULY 1 AND AUGUST 31] of each fiscal year, a

statement supporting the amount of the unexpended balance required to

complete the projects for which the initial appropriation was made and

the amount that may be lapsed shall be recorded with the Department of

Administration.

18

19

20

\* Sec. 2. AS 37.25.020 is amended by adding new subsections to read:

21

(b) The agency responsible for administering a capital appro-

22

priation shall file the report required under (a) of this section.

23

The amount set out in the report as available for lapsing lapses upon

certification under (e) of this section.

(c) Within 30 days after the end of a month in which a capital

project is completed or abandoned, the agency responsible for admin-

istration of the appropriation for that project shall file a statement

with the Department of Administration stating that the project has

been completed or abandoned and stating the amount of the unexpended

29

*changed in AS  
to conform with  
development of  
State's annual  
financial plan.*

*added in CS 246  
allow agencies to  
submit monthly  
reports to D.O.A.  
(requested by Do.I.)*

*. Budgetary lapsing must occur*

1 and unobligated balance of the appropriation that may be lapsed. The  
2 amount set out as available for lapsing lapses upon certification  
3 under (e) of this section.

*changed in CS to conform with*

(d) A project for which a statement has not been filed under (b) or (c) of this section before <sup>[Sept.]</sup> August 1 of each year is presumed to have been completed or abandoned during the preceding fiscal year and the unexpended and unobligated balance of the appropriation for that project lapses upon certification under (e) of this section.

(e) By October <sup>[1]</sup> 15 of each fiscal year, the Department of Administration shall certify to the Office of Management and Budget the amount that lapses under (b) - (d) of this section.

(f) Subsections (b) - (e) of this section do not apply to appropriations in the form of grants under AS 37.05.315 - 37.05.317.

Sen. Pourchot  
4/3/89

SECTIONAL ANALYSIS

CSSB 237 (State Affairs)  
AN ACT RELATING TO THE LAPSING OF APPROPRIATIONS FOR CAPITAL  
PROJECTS

Sec. 1 Requires that for ongoing capital projects, the agency administering the project file a statement with the Department of Administration in July of each year indicating any balance available for lapse.

Sec. 2 (b) Provides for lapse, upon certification by DOA, of the amount indicated in Sec. 1 as available for lapse.

(c) Requires that for capital projects that have been completed or abandoned, the agency administering the project file a statement with DOA within 30 days after the month in which a project is completed/abandoned indicating any balance available for lapse. The amount lapses upon certification by DOA.

(d) Provides that failure to file the required statement with DOA (either for ongoing projects or completed/abandoned projects) will result in the lapse of the unexpended and unobligated balance of the appropriation.

(e) Requires that DOA certify to OMB by October 15 of each year the amount lapsed.

(f) Clarifies that the lapse provisions apply only to direct appropriations, not to grants to municipalities, unincorporated communities, or named recipients.

Sen. Pourchot  
April 10, 1989

SB 237, LAPSING OF APPROPRIATIONS FOR CAPITAL PROJECTS

THE PRESENT

Under current law, appropriations for capital projects are valid for the life of the project and the unexpended balance is carried forward to subsequent fiscal years. The agency responsible for administering a capital project is to report to the Department of Administration each year any amount that will not be needed for project completion. Unneeded funds may be administratively lapsed but there is no requirement that the lapse actually occur.

THE PROBLEM

Generally, these funds are not lapsed but are reappropriated by legislators for projects of their choice. At a time when the state's budget needs exceed revenues and literally every revenue source is under debate, unused capital dollars need to undergo the same deliberation and scrutiny as do state general funds. Lapsing unused capital funds to the state's general fund would allow this to occur.

THE PROPOSAL

Within 30 days after the end of a month in which a project is completed or abandoned, the agency responsible for administering the project must file a statement with the Department of Administration that identifies the amount of the appropriation available for lapse. The amount would automatically lapse upon certification by the department.

In the case of projects not complete or abandoned, a report would be filed annually with the Department of Administration as required under current law. Failure to file the report would result in automatic lapsing of the unexpended and unobligated balance of the appropriation.

These provisions would apply only to direct appropriations for capital projects, not to grants to municipalities, unincorporated communities, or named recipients.

THE PROSPECT

For the first time since 1983, in September 1988 the Governor's Office of Management and Budget undertook an agency by agency review of capital appropriations and administratively lapsed \$1.6 million in general funds. (This amount is exclusive of the Department of Transportation and Public Facilities, whose capital project clean-up effort has identified over \$15 million as available for lapse.) Presumably the amount available for lapse would have been much greater, and would be much greater in future years, if project balances are not subject to reappropriation.

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Department of Administration  
 Title: An Act relating to the lapsing BRU: Finance  
of appropriations for capital projects.  
 Sponsor: Pourchot, Adams, et al. Components: \_\_\_\_\_  
 Requestor: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER 1034 PERS/TRS	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

No cost to Finance assuming AKSAS can be used for reporting requirements, and computer reports are adequate for analysis required.

Prepared By: Keith Busch, Director *Keith Busch* Phone: 465-2240  
 Division: Finance Date: 4/4/89  
 Approved by Commissioner: John M. Andrews *JM Andrews* Date: 4/5/89  
 Agency: Department of Administration

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

### OFFICE OF MANAGEMENT AND BUDGET DIVISION OF AUDIT & MANAGEMENT SERVICES

STEVE COWPER, GOVERNOR

P.O. BOX AM  
JUNEAU, ALASKA 99811-0199  
PHONE: (907) 465-3568

March 21, 1989

The Honorable Pat Pourchot  
Alaska State Senator  
P. O. Box V  
Juneau, Alaska 99811

Dear Senator Pourchot:

Your staff member, Sandra Schubert-Pence, requested information on the types of projects and amounts of funds administratively lapsed during the Capital Improvement Cleanup Project this past year. The attached list provides the details requested. To date, a total of \$6.7 million has been lapsed as a result of the CIP cleanup project. Of this total amount, \$1.6 million is general funds and the remainder of \$5.1 is unrealized federal receipts. Steps were also taken to remove approximately 400 capital projects (with no balance and no activity) from the accounting system so that the file of capital projects will reflect only active projects. Our Division also reviewed construction bond funds. Twenty-four bond projects were reviewed, and approximately \$6.9 million was recommended for transfer to the bond redemption fund.

The original memorandums sent to the agencies this past August is attached for your information.

I'd be happy to answer any additional questions you or your staff may have.

Sincerely,



John Lucas  
Director

cc: Sandra Schubert-Pence

attachments

Ed 7/10/01

OMB GENERAL FUND CAPITAL PROJECT CLEANUP:

DEPARTMENT	APPROPRIATION #	GF AUTH TO LAPSE PER OMB & DEPT	OTHER FUNDS AUTH TO LAPSE PER OMB & DEPT	GF AUTH LAPSED FY 1989	OTHER FUNDS AUTH LAPSED FY 1989	COMMENTS
DEPT OF FISH & GAME	43008-89	54.54		54.54		
	43055-89	102.57		102.57		
	43115-89	1,079.20		1,079.20		
	43160-89	25.74		25.74		
	43275-89	19.66		19.66		
	43090-89	12,399.12		12,399.12		
	43280-89	12,048.97		12,034.97		
	43080-89	229.17		229.17		\$5,800 ENC STILL VALID PER DEPT/OMB. AVAIL BAL TO LAPSE WAS \$14 LESS THAN REQUESTED.
TOTAL DEPT OF FISH & GAME		25,958.97		25,944.97		
DEPT OF COMMUNITY & REGIONAL AFFAIRS	55384-89	35,104.00		0.00		NO BAL TO LAPSE. \$35,100 EXP AND RESTRICTED REC RECORDED AGAINST AR 55384-89 JAN 89.
	55375-89	1,000.00		1,000.00		
	52913-89	2,750.00		2,750.00		
	53400-89	1,153.84		1,153.84		
	53126-89	12,216.72		12,216.72		
	53133-89	1,243.11		1,243.11		
	53135-89	1,299.81		1,299.81		
	53175-89		15,365.41	15,401.56		ACTUAL BAL LAPSED IS \$15,401.56 GF AUTH. GF APPROP SO NO EST REST REC TO LAPSE.
	53176-89	12,298.71		12,298.71		
	53205-89	836.00		835.74		
	53220-89	4,500.00		4,500.00		
	53256-89		650,000.00	650,000.00		NO EST REST REC TO LAPSE
	53281-89	174,000.00		174,460.00		
	53295-89		78,399.64	78,399.64		NO EST REST REC TO LAPSE
	53058-89	4.86		4.86		
	53083-89	267.00		267.00		
	53407-89	31.41		31.41		
	53194-89	323.93		323.93		
	53195-89	0.34		0.34		
	53203-89	50.00		50.00		
	53231-89	362.50		362.50		
	53234-89	27.37		27.37		
	53248-89	0.45		0.45		
53253-89	1.00		1.00			
53255-89	454.77		454.77			
53270-89	461.87		460.87			
53273-89	142.96		142.96			
53282-89	0.27		0.27			
TOTAL COMMUNITY & REGIONAL AFFAIRS		248,529.92	743,765.05	957,686.86		

OMB GENERAL FUND CAPITAL PROJECT CLEANUP:

DEPARTMENT	APPROPRIATION #	GF AUTH TO LAPSE PER OMB & DEPT	OTHER FUNDS AUTH TO LAPSE PER OMB & DEPT	GF AUTH LAPSED FY 1989	OTHER FUNDS AUTH LAPSED FY 1989	COMMENTS
DEPT OF HEALTH & SOCIAL SERVICES	22878-89 22885-89 23031-89 23134-89 22948-89	34,052.56 1,072.00 0.06 101.65 7,946.85	34,052.56 1,072.00	0.00 0.00 101.65		\$33,922.50 OF \$34,072.56 IS EMC - WAITING AGENCY RESPONSE BALANCE SHOWS \$0.90 OVEREXPENDITURE - WAITING AGENCY RESPONSE BALANCE SHOWS \$0.07 OVEREXPENDITURE - WAITING AGENCY RESPONSE  BALANCE ENCUMBERED - WAITING AGENCY RESPONSE
TOTAL DEPT OF HEALTH & SOCIAL SERVICES		43,173.06	35,124.56	101.65		
DEPT OF ADMINISTRATION	3728-89 3761-89 3765-89 3794-89 3781-89	2,793.01 5,162.98 6,435.34 23,533.78 0.10		2,793.01 5,162.98 6,435.34 23,876.71 0.10		\$95,164.54 ENCUMBERED \$4,795.37 ENCUMBERED  \$23,876.71 BAL LAPSED PER DEPT. \$309,654.00 IS ENCUMBERED
TOTAL DEPT OF ADMINISTRATION		31,925.21		38,268.14		
DEPT OF NATURAL RESOURCES	38905-89 39020-89 39240-89 38007-89	150,000.00 112,959.88 251.13 7,423.19		150,000.00 112,959.88 251.13 7,423.19		\$110,765.22 RESTRICTION RELEASED BY DNR SO THAT TOTAL OF \$112,959.88 COULD LAPSE.
TOTAL DEPT OF NATURAL RESOURCES		270,634.20		270,634.20		
DEPT OF REVENUE	15835-89	465,638.26				NO BALANCE IN AR. BALANCE WAS REAPPROPRIATED IN CH 173, SLAB8, SEC 211(A)
DEPT OF MILITARY & VETERANS' AFFAIRS	34753-89 34791-89		5,096,000.00 1,417,760.00		5,096,000.00	\$43,316.58 OVEREXPENDITURE - WAITING AGENCY RESPONSE
TOTAL DEPT OF MILITARY & VETERANS' AFFAIRS			6,513,760.00		5,096,000.00	
DEPT OF ENVIRONMENTAL CONSERVATION	49179-89 49091-89 49109-89 49110-89 48931-89 48984-89	15,000.00 100,000.00 8711.15 706.78 8,685.00 1,009.00		15,000.00 100,000.00 8,711.15 760.78 8,685.00 1,009.00		
TOTAL DEPT OF ENVIRONMENTAL CONSERVATION		134,105.93		134,105.93		
DEPT OF EDUCATION	20588-89	1,352.05		1,352.05		

ny 71

OMB GENERAL FUND CAPITAL PROJECT CLEANUP:

DEPARTMENT	APPROPRIATION #	CF AUTH TO LAPSE PER OMB & DEPT	OTHER FUNDS AUTH TO LAPSE PER OMB & DEPT	CF AUTH LAPSED FY 1989	OTHER FUNDS AUTH LAPSED FY 1989	COMMENTS
	20555-89		770.39		770.39	
	20556-89		820.69		820.69	
	19353-89		19,939.89		19,939.85	
	19268-89		157,672.75		157,672.75	
TOTAL DEPT OF EDUCATION			180,551.77		180,555.73	
DEPT OF CORRECTIONS	51004-89		51.84		51.84	
COURT SYSTEM	77044-89		0.17		0.17	
DEPT OF COMMERCE & ECONOMIC DEVELOPMENT	32218-89		31.20		31.20	
	32156-89		0.00		0.00	
	32159-89		0.50		0.50	
	32151-89		470.38		470.38	
TOTAL DEPT OF COMMERCE & ECON DEVELOPMENT			502.08		502.08	
						ACTUAL BALANCE LAPSED WAS \$19,939.85.
						\$0.09 BALANCE CREATED BY NEG EXPENDITURE. NO AUTHS BAL TO LAPSE. AGENCY TO CORRECT.
TOTAL ALL DEPARTMENTS		1,407,071.41	7,292,579.61	1,407,851.57	5,096,000.00	

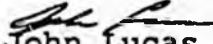
# MEMORANDUM

# State of Alaska

Division of Audit and Management Services  
465-3568

July 20, 1988

TO: All Cabinet Members

FROM:   
John Lucas, Director  
Division of Audit & Management  
Office of Management & Budget

SUBJECT: Capital Project Cleanup

Chief of Staff Garrey Peska distributed a memo requesting your assistance in a capital projects cleanup to be completed by this August 31. The report attached to this memo displays the information you will need to review. All state agency projects, with the exception of the Department of Transportation and Public Safety, will be reviewed. Municipal and unincorporated community grants and bond projects will also be excluded from this review.

Review your projects to see which can be lapsed either because they are complete or cannot be completed. Pay special attention to projects prior to FY 1984. Keep the following criteria in mind: if the project is complete and a balance is left, lapse the remaining funds; if the project is not complete, and no additional work is taking place to complete the project, lapse the remaining funds, or provide additional information explaining why the funds should remain with the project.

Your agency's capital projects, developed from the State of Alaska accounting system, are attached to this memo. The report breaks out expenditures and revenues and contains the following information:

\* entity number and description: AKSAS entity number and description grouped by chapter and SLA. Do not report on capital projects funded by general obligation bonds or projects from SLA 1988. These projects are included only to present a complete list of your agency's capital project file.

\* authorized budget: total inception to date authorization: original budget, plus any supplementals or revised programs.

\* lapse balance: any lapses of funds made during prior periods.

- \* amount expended: amount expended, inception to date.
- \* amount encumbered: indicates the remaining encumbrances, inception to date.
- \* amount restricted: shows any restrictions placed on the appropriation.
- \* balance: the unobligated and unexpended balance (the sum of the previous five columns.)
- \* revenue estimate: amount of estimated revenue, inception to date.
- \* revenue received: actual amount of revenue received to date.
- \* balance: uncollected revenues (estimated vs actual).

You will need to provide the following information. An example of the format to be used is attached. Please include the AKSAS entity number and description:

(1) Project status: If the project shows a balance, and is not lapsing, describe why the funds should not lapse. Be clear and succinct. A statement of "project underway" does not tell the reader why the agency should keep the funds for the project.

If the project is active, show the estimated date of completion and cost of completion.

If there is an available balance to be lapsed, indicate the amount, by funding source.

For projects with a zero balance, indicate if the project is complete, or any special conditions.

Please indicate those projects reappropriated in Chapter 178 SLA 1988, and the amount of the reappropriation. No adjustments for these projects have been made in this report.

(2) Lapse Amount: If the remaining balance on the project can be lapsed because the project is complete, or cannot be completed (as described above), indicate the amount of the lapse, by funding source. Use the revenue source columns to help determine your funding sources. Indicate this number to dollars and cents.

(3) Comments: Provide any special comments you feel necessary to better understand the specific project.

Please complete the information requested and return the work sheets to the Division of Audit & Management by Wednesday, August 10th. The projects will be reviewed with each agency prior to any lapse action. If you have any questions, please contact Mary Capobianco at 465-3568.

Enclosure

cc: Garrey Peska, Chief of Staff  
Alison Elgee, Director D&M

**Chapter 25. Miscellaneous Provisions.**

Section 10. Unexpended balances of one-year appropriations	Section 20. Unexpended balances of appropriation for capital projects
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**Opinions of attorney general.** — The provisions of AS 37.25.010 and 37.25.020 regarding unexpended balances of appropriations are applicable to the University of Alaska. February 28, 1977 Op. Att'y Gen.

There is no constitutional obstacle making the University of Alaska to the provisions contained in February 28, 1977 Op. Att'y Gen.

**Sec. 37.25.010. Unexpended balances of one-year appropriations.** (a) The unexpended balance of a one-year appropriation authorized in an appropriation bill lapses on June 30 of the fiscal year for which appropriated. However, a valid obligation (encumbrance) existing on June 30 is automatically reappropriated for the fiscal year beginning on the succeeding July 1 if it is recorded with the Department of Administration by August 31 of the succeeding fiscal year.

(b) An indebtedness arising from a prior year for which the appropriation has lapsed shall be paid from the current year's appropriations, if (1) this expenditure does not exceed the balance lapsed; and (2) the original obligation date is not more than two years from the requested date of disbursement.

(c) University receipts received on or before June 30 of a fiscal year in excess of the amount expended for that year may be expended in the succeeding fiscal year if an appropriation of university receipts has been made for the succeeding fiscal year. The amount of university receipts expended in a fiscal year may not exceed the amount of university receipts appropriated for that year.

(d) The University of Alaska shall report the amount of university receipts received in one year and expended in the succeeding fiscal year to the Department of Administration and the Legislative Budget and Audit Committee by September 30 of the succeeding fiscal year.

(e) In this section, "university receipts" has the meaning given in AS 14.40.491. (§ 1 ch 113 SLA 1962; am § 8 ch 143 SLA 1986)

**Effect of amendments.** — The 1986 amendment added subsections (c) — (e).

**Sec. 37.25.020. Unexpended balances of appropriation for capital projects.** An appropriation made for a capital project is valid for the life of the project and the unexpended balance shall be carried forward to subsequent fiscal years. Between July 1 and August 31 of each fiscal year, a statement supporting the amount of the unex-

pendent balance required to complete the projects for which the initial appropriation was made and the amount that may be lapsed shall be recorded with the Department of Administration. (§ 2 ch 113 SLA 1962)

**Opinions of attorney general.** — Appropriations that are available for expenditure in a fiscal year should be counted only against the appropriation limit of § 16, art. IX, of the state constitution, for the first fiscal year during which they could be completely expended, even if an unexpended balance is carried forward into the next fiscal year. 1983 Op. Att'y Gen. No. 01.

**Sec. 37.25.030. Appropriations for projects of the Alaska energy center.** [Repealed, § 65 ch 14 SLA 1987.]

**Sec. 37.25.040.** [Renumbered as AS 37.05.530.]

**Chapter 30. Local Government Bonding.**

Section 100. Prohibited bidding on bonds
---

**Secs. 37.30.010 — 37.30.090. Anticipatory borrowing.** [Repealed, § 1 ch 118 SLA 1972.]

**Sec. 37.30.100. Prohibited bidding on bonds.** (a) A person who provides financial programming or marketing assistance to a political subdivision of the state, whether home rule or otherwise, in connection with the issuance or sale of general obligation bonds, revenue bonds, or bond anticipation notes of the political subdivision may not bid on the bonds or notes if offered at public sale, or negotiate for their purchase if sold at private sale.

(b) The sale of general obligation, revenue bonds, or bond anticipation notes of a political subdivision to a person prohibited from bidding on, or negotiating for the sale of bonds or notes under (a) of this section is against public policy and the sale is void.

(c) In this section "person" means an individual, firm, agent, factor, intermediary, partnership, corporation, association, bond house, stockbroker, or bond broker. (§ 2 ch 102 SLA 1974)

direct appropriations

**Sec. 37.05.289. State insurance catastrophe reserve account.**  
 (a) There is established in the general fund a state insurance catastrophe reserve account consisting of assets appropriated to it by the legislature and assets allocated to the account by the Department of Administration as provided in (b) of this section. Assets of the account may be used to obtain insurance, to establish reserves for the self-insurance program, and to satisfy claims or judgments arising under the program. Interest earned on money in the account shall be remitted to the Department of Revenue in accordance with AS 37.10.050.

(b) The Department of Administration may allocate to the state insurance catastrophe reserve account, from the appropriations to all state agencies for insurance-related purposes, an amount that the commissioner of administration determines to be necessary to provide an adequate insurance program for the operations of state government. Money remaining in the account at the end of a fiscal year is not a one-year appropriation under AS 37.25.010 and does not lapse, except for amounts determined by the commissioner of administration to be unnecessary to maintain this account at an appropriate level and not to exceed \$5,000,000. If the amount necessary to satisfy claims or judgments for which payment may be due under the state insurance program in a fiscal year exceeds the unexpended balance of the amounts allocated to the account, the department may charge an additional amount from the unencumbered balance of any appropriation that is determined by the commissioner of administration to be available for lapse at the end of the fiscal year. (§ 1 ch 28 SLA 1987)

*Sec. 37.05.290. Purpose of chapter. [Repealed, § 67 ch 106 SLA 1986.]*

*Sec. 37.05.300. [Renumbered as AS 37.05.900.]*

*Sec. 37.05.305. [Renumbered as AS 37.05.910.]*

*Sec. 37.05.310. [Renumbered as AS 37.05.920.]*

**Article 5. Administration of Grants.**

Section  
 315. Grants to municipalities  
 316. Grants to named recipients  
 317. Grants to unincorporated communities

Section  
 318. Further regulations prohibited  
 321. Restriction on use  
 325. Definitions for AS 37.05.315 — 37.05.317

**Sec. 37.05.315. Grants to municipalities.** (a) When an amount is appropriated or allocated as a grant to a municipality, the Department of Administration shall promptly notify the municipality of the availability of the grant. When the Department of Administration receives an agreement executed by the municipality which provides that the municipality (1) will spend the grant for the purposes specified in the appropriation or allocation; (2) will allow, on request, an audit by the state of the uses made of the grant; and (3) assures that, to the extent consistent with the purpose of the appropriation or allocation, the facilities and services provided with the grant will be available for the use of the general public, the Department of Administration shall pay the grant directly to the municipality. The agreement executed by a municipality under this section shall be on a form furnished by the Department of Administration and shall be executed within 60 days after the effective date of the appropriation or allocation.

(b) An appropriation or allocation for a grant to a municipality for construction of a public facility lapses if substantial, ongoing work on the project has not begun within five years after the effective date of the appropriation or allocation.

(c) In accepting a grant of money for construction of a public facility, a municipality covenants with the state that it will operate and maintain the facility for the practical life of the facility and that the municipality will not look to the state to operate or maintain the facility or pay for its operation or maintenance. This requirement does not apply to a grant of money for repair or improvement of an existing facility operated or maintained by the state at the time the grant is accepted if the repair or improvement for which the grant is made will not substantially increase the operating or maintenance costs to the state.

(d) Not less than 20 percent of a grant shall be paid to a municipality within 10 days of the effective date of the agreement under (a) of this section. The remainder of the grant shall be paid either in monthly installments equal to the amount of grant money the municipality expended in the previous month or in a lump sum as determined by the Department of Administration.

(e) The Department of Labor shall require a municipality awarded a grant for a public works project under (a) of this section to comply with the hiring preferences under AS 36.10.150 — 36.10.175 for employment generated by the grant. (§ 1 ch 156 SLA 1980; am § 1 ch 4 SLA 1982; am § 7 ch 33 SLA 1986)

**Cross references.** — For applicability of subsection (e) to contracts entered into before May 25, 1986, see sec. 10, ch. 33, SLA 1986 in the Temporary and Special Acts.

**Effect of amendments.** — The 1986 amendment added subsection (e).

*muni-grants*

# ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS,  
CHAIR

ETHICS COMMITTEE,  
CHAIR



ANCHORAGE  
P.O. BOX 104836  
ANCHORAGE, AK 99510  
(W) (907) 561-7623  
(H) (907) 338-2425

JUNEAU  
P.O. BOX V  
STATE CAPITOL  
JUNEAU, AK 99811  
(907) 465-3712

Senator Pat Pourchot

## M E M O R A N D U M

TO: Senator Uehling, Co-Chairman  
Senate Finance Committee

FROM: Senator Pat Pourchot *Pat*

RE: Scheduling of SB 237, An Act relating to the lapsing  
of appropriations of capital projects

DATE: March 28, 1990

SB 237 has been in the Senate Finance Committee for almost a year, and I have made several requests for hearings on it. I am once again writing to request that you schedule the bill for final committee action.

Thank you for your consideration.

cc: Senator Zharoff  
Senator Kelly

# ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS,  
CHAIR

ETHICS COMMITTEE,  
CHAIR



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(907) 465-3712

## Senator Pat Pourchot

### MEMORANDUM

TO: Senator Uehling, Co-Chairman  
Senate Finance Committee

FROM: Senator Pat Pourchot

RE: Scheduling of SB 237, An Act relating to the lapsing  
of appropriations of capital projects

DATE: March 22, 1990

As you prepare your hearing schedule for next week, I am once again writing to request that SB 237 be scheduled for final committee action. The changes it proposes would greatly improve the budgeting process. I feel strongly that we must not avoid dealing with this issue simply because of the objections of one member, and hope that you agree.

cc: Senator Zharoff  
Senator Kelly

# ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS,  
CHAIR

ETHICS COMMITTEE,  
CHAIR



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(907) 465-3712

Senator Pat Pourchot

## M E M O R A N D U M

TO: Senator Uehling, Co-Chairman  
Senate Finance Committee

FROM: Senator Pat Pourchot *Pat*

RE: Scheduling of SB 237, An Act relating to the lapsing  
of appropriations of capital projects

DATE: March 13, 1990

As you and I have discussed several times, I am very interested in SB 237 being scheduled for final committee action. The bill has ten co-sponsors and, as you know, one known opponent. I would appreciate your assistance in getting the bill back before the full committee.

cc: Senator Zharoff  
Senator Kelly

hand delivered

# ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS,  
CHAIR

ETHICS COMMITTEE,  
CHAIR



ANCHORAGE  
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JUNEAU  
P.O. BOX V  
STATE CAPITOL  
JUNEAU, AK 99811  
(907) 465-3712

Senator Pat Pourchot

## M E M O R A N D U M

TO: Senator Uehling, Co-Chairman  
Senate Finance Committee

FROM: Senator Pat Pourchot

RE: Scheduling of SB 237, An Act relating to the lapsing  
of appropriations of capital projects

DATE: March 6, 1990

SB 237 has been in the Senate Finance Committee since April of last year, more specifically in a subcommittee of Finance chaired by Senator Zharoff. As you and I have discussed several times, I am very interested in the bill receiving final committee action.

SB 237 would make what I feel are essential improvements to the reappropriations process and it has wide support among our colleagues. I would greatly appreciate your help in getting this bill up quickly. If Senator Zharoff or other members of the committee have concerns, I would be happy to work with the committee to address them.

cc: Senator Zharoff  
Senator Kelly



# Alaska State Legislature

SENATE

Official Business

P.O. Box V  
State Capitol  
Juneau, Alaska 99811

*date?*

Memo

To: Sen. Uehling, Chair Senate Finance

From: Sen. Pourchot *Pat*

Subject: Bill Scheduling--SB 237 Lapse of Cap Projects;  
SCR 36 Conference on Aging

I would again respectfully request scheduling of the above two bills. SB 237 was heard in Finance last year and has not received any further attention. The bill has numerous co-sponsors and would make long-needed changes in the reappropriations process.

SCR 36 was heard in the Senate Special Committee on Seniors and I waived the bill through State Affairs. It has widespread support of seniors and our colleagues.

I would greatly appreciate your help in getting these bills up quickly. Thank you.

# ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS,  
CHAIR

ETHICS COMMITTEE,  
CHAIR



Senator Pat Pourchot

ANCHORAGE  
P.O. BOX 104836  
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JUNEAU  
P.O. BOX V  
STATE CAPITOL  
JUNEAU, AK 99811  
(907) 465-3712

## MEMORANDUM

DATE: January 11, 1990

TO: Senator Rick Uehling  
Chair, Senate Finance Committee

FROM: Senator Pat Pourchot *Pat*

RE: Request for Hearing

As you know, SB 237, lapsing of appropriations for capital projects, is currently in Senate Finance.

I very much appreciated the committee's first hearing on the bill last session and request that the bill be scheduled for another hearing as soon as possible.

Pat says put on HOLD.  
4-4-90

Leg Fin does identify (ED 7-15) -  
could they do more?  
put this designation only after Pom Bavel

M E M O R A N D U M

TO: Senator Fred Zharoff  
FROM: Senator Pat Pourchot  
RE: SB 237, Relating to the lapsing of appropriations for capital projects  
DATE: April 3, 1990

You and I have discussed your concerns with SB 237. Namely, that application of the bill to appropriations to state agencies would inadvertently include some projects of individual legislators who choose to give funds to an agency rather than directly to a municipality or unincorporated community.

In an effort to address your concern, I have spoken with representatives of OMB and DEC who have worked closely on capital budgets and reappropriation bills. My goal was to develop language that would distinguish between "statewide" appropriations to state agencies, and individual legislators' appropriations to state agencies. Unfortunately, all informed me that there is no legal or apparent distinction between the two.

As an alternative, I would propose the following. In preparation of the annual capital budget, a final section would be added referencing each section in the body of the bill that contains a "statewide" appropriation. This final section would provide that these appropriations are "not subject to reappropriation".

FAT, IT OCCURS TO ME THAT WE CAN'T PUT SUBSTANTIVE LAW IN AN APPROPRIATION BILL. THE "TEETH" OF YOUR BILL -- FILE REPORT 30 DAYS AFTER PROJECT COMPLETION, LAPSES UPON CERTIFICATION BY D.O.A.; PRESUMPTION THAT PROJECT IS COMPLETE IF NO REPORT FILED -- PROBABLY CAN'T BE INCLUDED HERE SINCE THEY HAVE NO BASIS IN STATUTE.

This approach is not unprecedented

Nenana Coal  
Saxman Bt Harbor

Dierdorf -  
mechanical  
problem  
I could  
all in 1  
section  
Propose  
putting  
language  
after each  
project

# ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS,  
CHAIR

ETHICS COMMITTEE,  
CHAIR



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JUNEAU, AK 99811  
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Senator Pat Pourchot

## M E M O R A N D U M

TO: Senator Uehling, Co-Chairman  
Senate Finance Committee

FROM: Senator Pat Pourchot *Pat*

RE: Scheduling of SB 237, An Act relating to the lapsing  
of appropriations of capital projects

DATE: April 4, 1990

I am still interested in SB 237, and am writing to request that you schedule it for final committee action. Individual committee members may object to the bill's intent, but I don't believe that such objection should keep the bill from being properly debated.

Thank you for your consideration.

cc: Senator Zharoff  
Senator Kelly

# **CORRECTION**

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

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Nenana Coal  
Saxman Bt Harbor

DO NOT WRITE IN THESE SPACES

Alison Elgee, OMB  
SB 526 & 527  
scheduling

Loe (CS)  
Public Safety  
employees

Labor Trades Crafts  
has ratified  
their agreement

[leg & judges]

So amend SB 526  
& may be others

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