

**HOUSE BILL NO. 299**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 2/5/14

Referred:

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act making supplemental appropriations, capital appropriations, and other  
2 appropriations; amending appropriations; repealing appropriations; making  
3 appropriations to capitalize funds; and providing for an effective date."

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

5 (SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

1 \* Sec. 1. The following appropriation items are for operating expenditures from the general fund  
 2 or other funds as set out in the fiscal year 2014 budget summary for the operating budget by  
 3 funding source to the agencies named for the purposes expressed for the fiscal year beginning  
 4 July 1, 2013 and ending June 30, 2014, unless otherwise indicated.

	Appropriation	General	Other
	Allocations	Funds	Funds
	* * * * *	* * * * *	
	* * * * * Department of Administration	* * * * *	
	* * * * *	* * * * *	
<b>10 Legal and Advocacy Services</b>	<b>843,000</b>	<b>843,000</b>	
11 Office of Public Advocacy	193,000		
12 Public Defender Agency	650,000		
	* * * * *	* * * * *	
	* * * * * Department of Military and Veterans Affairs	* * * * *	
	* * * * *	* * * * *	
<b>16 Military and Veteran's Affairs</b>		<b>48,000</b>	<b>-48,000</b>
17 Alaska Military Youth Academy	0		
	* * * * *	* * * * *	
	* * * * * Department of Natural Resources	* * * * *	
	* * * * *	* * * * *	
<b>21 Fire Suppression</b>	<b>22,769,400</b>	<b>22,769,400</b>	
22 Fire Suppression Activity	22,769,400		
	* * * * *	* * * * *	
	* * * * * Department of Revenue	* * * * *	
	* * * * *	* * * * *	
<b>26 Taxation and Treasury</b>	<b>42,000</b>	<b>35,000</b>	<b>7,000</b>
27 Treasury Division	42,000		
28 * Sec. 2. The following sets out the funding by agency for the appropriations made in Sec. 1 of 29 this Act.			
<b>30 Department of Administration</b>			
31 1004 General Fund Receipts	843,000		
32 *** Total Agency Funding ***	<b>\$843,000</b>		

1	<b>Department of Military and Veterans Affairs</b>	
2	1002 Federal Receipts	-23,100
3	1004 General Fund Receipts	48,000
4	1007 Interagency Receipts	-24,900
5	<b>*** Total Agency Funding ***</b>	<b>\$0</b>
6	<b>Department of Natural Resources</b>	
7	1004 General Fund Receipts	22,769,400
8	<b>*** Total Agency Funding ***</b>	<b>\$22,769,400</b>
9	<b>Department of Revenue</b>	
10	1066 Public School Fund	19,000
11	1143 Retiree Health Ins Fund/Long-Term	7,000
12	Care Fund	
13	1169 PCE Endowment Fund	16,000
14	<b>*** Total Agency Funding ***</b>	<b>\$42,000</b>
15	<b>*** Total Budget ***</b>	<b>\$23,654,400</b>

16 \* Sec. 3. The following appropriations are for capital projects and grants from the general fund  
17 or other funds as set out in Section 4 of this Act by funding source to the agencies named for the  
18 purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

19		Appropriation	General	Other
20		Allocations	Funds	Funds
21	* * * * *		* * * * *	
22	* * * * * Department of Commerce, Community, and Economic Development		* * * * *	
23	* * * * *		* * * * *	

24 **Grants to Named Recipients (AS 37.05.316)**

25	Inter-Island Ferry Authority (HD 31-34)	500,000	500,000	
26	* * * * *		* * * * *	
27	* * * * * Department of Transportation/Public Facilities		* * * * *	
28	* * * * *		* * * * *	
29	Northern Region Emergency Flooding	2,408,107	2,408,107	
30	Disaster May 2013 (HD 1-40)			

31 \* Sec. 4. The following summarizes by agency the funding for appropriations made in section 3  
32 of this Act.

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

1	1004 General Fund Receipts	500,000
2	<b>*** Total Agency Funding ***</b>	<b>\$500,000</b>
3	<b>Department of Transportation/Public Facilities</b>	
4	1004 General Fund Receipts	2,408,107
5	<b>*** Total Agency Funding ***</b>	<b>\$2,408,107</b>
6	<b>*** Capital Total ***</b>	<b>\$2,908,107</b>

7 \* Sec. 5. The following summarizes by fund source the funding for appropriations made in  
8 sections 1 and 3 of this Act.

9	Funding Source	Amount
10	<b>Unrestricted General Funds</b>	
11	1004 General Fund Receipts	26,568,507
12	<b>*** Total Unrestricted General Funds ***</b>	<b>\$26,568,507</b>
13	<b>Designated General Funds</b>	
14	1066 Public School Fund	19,000
15	1169 PCE Endowment Fund	16,000
16	<b>*** Total Designated General Funds ***</b>	<b>\$35,000</b>
17	<b>Federal Funds</b>	
18	1002 Federal Receipts	-23,100
19	<b>*** Federal Funds ***</b>	<b>\$-23,100</b>
20	<b>Other Non-Duplicated Funds</b>	
21	1143 Retiree Health Ins Fund/Long-Term Care	7,000
22	Fund	
23	<b>*** Total Other Non-Duplicated Funds ***</b>	<b>\$7,000</b>
24	<b>Duplicated Funds</b>	
25	1007 Interagency Receipts	-24,900
26	<b>*** Total Duplicated Funds ***</b>	<b>\$-24,900</b>
27	<b>*** Total Budget ***</b>	<b>\$26,562,507</b>

1     \* **Sec. 6.** DEPARTMENT OF ENVIRONMENTAL CONSERVATION. (a) The  
2 unexpended and unobligated balances, estimated to be a total of \$3,358,421, of the following  
3 appropriations, are reappropriated to the Department of Environmental Conservation for  
4 Village Safe Water and Wastewater Infrastructure Projects and Technical Assistance, First  
5 Time Service Projects:

6             (1) sec. 131, ch. 139, SLA 1998, page 46, line 19, and allocated on page 46,  
7 lines 24 - 25 (Department of Environmental Conservation, Municipal Matching Grants  
8 Program, Naknek Sewer Extension Planning and Design - \$140,000);

9             (2) sec. 1, ch. 135, SLA 2000, page 10, lines 32 - 33, and allocated on page  
10 11, lines 5 - 6 (Department of Environmental Conservation, Municipal Water, Sewer and  
11 Solid Waste Matching Grant Projects, Cordova Lake Avenue Waterline - \$374,900);

12             (3) sec. 1, ch. 135, SLA 2000, page 10, lines 32 - 33, and allocated on page  
13 12, lines 14 - 15 (Department of Environmental Conservation, Municipal Water, Sewer and  
14 Solid Waste Matching Grant Projects, Petersburg Scow Bay Water Project Phase 3 -  
15 \$1,741,500);

16             (4) sec. 1, ch. 135, SLA 2000, page 10, lines 32 - 33, and allocated on page  
17 12, lines 21 - 22 (Department of Environmental Conservation, Municipal Water, Sewer and  
18 Solid Waste Matching Grant Projects, Sitka Sawmill Creek Sewer Phase 1 - \$1,250,000);

19             (5) sec. 1, ch. 61, SLA 2001, page 16, lines 6 - 7, and allocated on page 16,  
20 lines 30 - 32 (Department of Environmental Conservation, Municipal Water, Sewer and Solid  
21 Waste Matching Grant Projects, Petersburg Scow Bay Sewer Extension Project, Final Phase -  
22 \$915,000);

23             (6) sec. 1, ch. 61, SLA 2001, page 16, lines 6 - 7, and allocated on page 17,  
24 lines 8 - 9 (Department of Environmental Conservation, Municipal Water, Sewer and Solid  
25 Waste Matching Grant Projects, Sitka Sawmill Creek Road Sewer Expansion Phase 2 -  
26 \$900,000);

27             (7) sec. 1, ch. 61, SLA 2001, page 16, lines 6 - 7, and allocated on page 17,  
28 lines 10 - 11 (Department of Environmental Conservation, Municipal Water, Sewer and Solid  
29 Waste Matching Grant Projects, Sitka Wastewater Sludge Feasibility Study - \$25,000);

30             (8) sec. 1, ch. 1, SSSLA 2002, page 35, lines 13 - 15, and allocated on page  
31 35, lines 24 - 25 (Department of Environmental Conservation, Municipal Water, Sewer and

1 Solid Waste Matching Grant Projects, Haines Mud Bay Water and Sewer Study - \$54,800);  
2 (9) sec. 1, ch. 1, SSSLA 2002, page 35, lines 13 - 15, and allocated on page  
3 36, lines 15 - 16 (Department of Environmental Conservation, Municipal Water, Sewer and  
4 Solid Waste Matching Grant Projects, Klawock Three Mile Water Intake - \$575,000);  
5 (10) sec. 1, ch. 1, SSSLA 2002, page 35, lines 13 - 15, and allocated on page  
6 37, lines 9 - 10 (Department of Environmental Conservation, Municipal Water, Sewer and  
7 Solid Waste Matching Grant Projects, Sand Point Wastewater Improvement Analysis -  
8 \$100,000);  
9 (11) sec. 1, ch. 1, SSSLA 2002, page 35, lines 13 - 15, and allocated on page  
10 37, lines 14 - 16 (Department of Environmental Conservation, Municipal Water, Sewer and  
11 Solid Waste Matching Grant Projects, Sitka Sawmill Cove Industrial Park Wastewater Outfall  
12 - \$307,000);  
13 (12) sec. 1, ch. 1, SSSLA 2002, page 35, lines 13 - 15, and allocated on page  
14 37, lines 24 - 26 (Department of Environmental Conservation, Municipal Water, Sewer and  
15 Solid Waste Matching Grant Projects, Talkeetna Wastewater Treatment Facility -  
16 \$1,879,600);  
17 (13) sec. 1, ch. 1, SSSLA 2002, page 35, lines 13 - 15, and allocated on page  
18 38, lines 4 - 6 (Department of Environmental Conservation, Municipal Water, Sewer and  
19 Solid Waste Matching Grant Projects, Wrangell Bennet Street Water Mains Extension - Phase  
20 1 - \$43,400);  
21 (14) sec. 1, ch. 1, SSSLA 2002, page 35, lines 13 - 15, and allocated on page  
22 38, lines 7 - 9 (Department of Environmental Conservation, Municipal Water, Sewer and  
23 Solid Waste Matching Grant Projects, Wrangell Cassiar and Weber Sewer and Water Main  
24 Replacement - \$217,000);  
25 (15) sec. 1, ch. 82, SLA 2003, page 18, lines 9 - 11, and allocated on page 18,  
26 lines 15 - 17 (Department of Environmental Conservation, Municipal Water, Sewer and Solid  
27 Waste Matching Grant Projects, Cordova Wastewater Treatment Plant Upgrade Phase 3 -  
28 \$1,880,300);  
29 (16) sec. 1, ch. 82, SLA 2003, page 18, lines 9 - 11, and allocated on page 19,  
30 lines 15 - 16 (Department of Environmental Conservation, Municipal Water, Sewer and Solid  
31 Waste Matching Grant Projects, Sitka Granite Creek Water Quality Improvements - \$45,000).

1 (b) Section 1, ch. 17, SLA 2012, page 114, lines 5 - 6, is amended to read:

	APPROPRIATION	GENERAL	OTHER
	ALLOCATION	ITEMS	FUND FUNDS
4 Haines - Barnett <b><u>and Tower Road</u></b>	699,143		
5 Water Tank Replacement <b><u>and</u></b>			
6 <b><u>Infrastructure Improvements</u></b>			
7 (HD 5)			

8 \* **Sec. 7.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. The unexpended and  
 9 unobligated balance, estimated to be \$81,232, of the appropriation made in sec. 13, ch. 29,  
 10 SLA 2008, page 149, lines 14 - 17 (Department of Health and Social Services, Evaluate  
 11 Eligibility Information System Alternatives, Phase 2 - \$864,300), is reappropriated to the  
 12 Department of Health and Social Services for eligibility information system replacement.

13 \* **Sec. 8.** DEPARTMENT OF LAW. (a) The sum of \$1,570,200 is appropriated from the  
 14 general fund to the Department of Law, civil division, deputy attorney general's office, for the  
 15 purpose of paying judgments and settlements against the state for the fiscal year ending  
 16 June 30, 2014.

17 (b) The amount necessary, after application of the amount appropriated in (a) of this  
 18 section, to pay judgments awarded against the state on or before June 30, 2014, is  
 19 appropriated from the general fund to the Department of Law, civil division, deputy attorney  
 20 general's office, for the purpose of paying judgments against the state for the fiscal year  
 21 ending June 30, 2014.

22 \* **Sec. 9.** DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS. (a) The  
 23 unexpended and unobligated balance of the appropriation made in sec. 1, ch. 16, SLA 2013,  
 24 page 69, lines 23 - 24 (Army Guard Facilities Projects - \$5,589,000), and allocated on page  
 25 70, lines 9 - 10 (Fort Greely - Covered Shelter Buildings - \$350,000), estimated to be  
 26 \$350,000, is reappropriated to the Department of Military and Veterans' Affairs, Army Guard  
 27 Facilities Projects, and allocated for Alcantra Facilities Projects.

28 (b) The unexpended and unobligated balance of the appropriation made in sec. 7, ch.  
 29 17, SLA 2012, page 166, lines 28 - 30 (Move and Renovate STARBASE Building -  
 30 \$195,000), estimated to be \$195,000, is reappropriated to the Department of Military and  
 31 Veterans' Affairs for covered storage for the 168th Wing at Eielson Air Force Base.

1 (c) The sum of \$111,328 is appropriated from the general fund to the Department of  
2 Military and Veterans' Affairs, office of the commissioner, for the purpose of paying  
3 settlement costs for the fiscal year ending June 30, 2014.

4 \* **Sec. 10.** DEPARTMENT OF NATURAL RESOURCES. The amount necessary to pay  
5 for fire suppression activities, estimated to be \$5,000,000, is appropriated from the general  
6 fund to the Department of Natural Resources, fire suppression activities, for the fiscal year  
7 ending June 30, 2014.

8 \* **Sec. 11.** DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. The  
9 sum of \$164,617 is appropriated from the general fund to the Department of Transportation  
10 and Public Facilities, central design and engineering services, for the purpose of paying costs  
11 associated with Old Quinhagak Airport litigation for the fiscal year ending June 30, 2014.

12 \* **Sec. 12.** OFFICE OF THE GOVERNOR. Section 22(e), ch. 14, SLA 2013, is amended to  
13 read:

14 (e) The governor shall allocate amounts appropriated in (a) and (b) of this  
15 section as follows:

16 (1) to the Department of Transportation and Public Facilities, 65  
17 percent of the total plus or minus 10 percent;

18 (2) to the University of Alaska, 15 [10] percent of the total plus or  
19 minus three percent;

20 (3) to the Department of Health and Social Services and the  
21 Department of Corrections, not more than five percent each of the total amount  
22 appropriated;

23 (4) to any other state agency, not more than four percent of the total  
24 amount appropriated;

25 (5) the aggregate amount allocated may not exceed 100 percent of the  
26 appropriation.

27 \* **Sec. 13.** DEBT AND OTHER OBLIGATIONS. (a) Section 25(h), ch. 14, SLA 2013, is  
28 amended to read:

29 (h) The following amounts are appropriated to the state bond committee from  
30 the specified sources, and for the stated purposes, for the fiscal year ending June 30,  
31 2014:



1 (1) the amount necessary, estimated to be \$29,476,900, for payment of  
2 debt service and accrued interest on outstanding State of Alaska general obligation  
3 bonds, series 2003A and 2012A, from the general fund for that purpose;

4 (2) the amount necessary for payment of debt service, accrued interest,  
5 and trustee fees on outstanding state-guaranteed transportation revenue anticipation  
6 bonds, series 2003B, estimated to be \$12,279,340, from federal receipts for that  
7 purpose;

8 (3) the sum of \$363,490 from the investment earnings on the bond  
9 proceeds deposited in the capital project funds for the series 2009A general obligation  
10 bonds, for payment of debt service and accrued interest on outstanding State of Alaska  
11 general obligation bonds, series 2009A;

12 (4) the amount necessary for payment of debt service and accrued  
13 interest on outstanding State of Alaska general obligation bonds, series 2009A, after  
14 the payment made in (3) of this subsection, estimated to be \$12,568,675, from the  
15 general fund for that purpose;

16 (5) the sum of \$632,200 from the investment earnings on the bond  
17 proceeds deposited in the capital project funds for the series 2010A, 2010B, and  
18 2010C general obligation bonds, for payment of debt service and accrued interest on  
19 outstanding State of Alaska general obligation bonds, series 2010A and 2010B;

20 (6) the sum of \$2,158,541 [\$2,364,229] from the amount received from  
21 the United States Treasury as a result of the American Recovery and Reinvestment  
22 Act of 2009, Build America Bond credit payments due on the series 2010A general  
23 obligation bonds, for payment of debt service and accrued interest on outstanding  
24 State of Alaska general obligation bonds, series 2010A and 2010B;

25 (7) the sum of \$2,191,748 [\$2,400,600] from the amount received from  
26 the United States Treasury as a result of the American Recovery and Reinvestment  
27 Act of 2009, Qualified School Construction Bond interest subsidy payments due on  
28 the series 2010B general obligation bonds, for payment of debt service and accrued  
29 interest on outstanding State of Alaska general obligation bonds, series 2010A and  
30 2010B;

31 (8) the sum of \$1,040,000 from the Alaska debt retirement fund

1 (AS 37.15.011) for payment of debt service and accrued interest on outstanding State  
2 of Alaska general obligation bonds, series 2010A and 2010B;

3 (9) the amount necessary for payment of debt service and accrued  
4 interest on outstanding State of Alaska general obligation bonds, series 2010A and  
5 2010B, after payment made in (5), (6), (7), and (8) of this subsection, estimated to be  
6 **\$3,136,360** [\$2,721,820], from the general fund for that purpose;

7 (10) the amount necessary for payment of debt service and accrued  
8 interest on

9 **(A) outstanding State of Alaska general obligation bonds,**  
10 **series 2013A, estimated to be \$430,095, from the amount received from the**  
11 **United States Treasury as a result of the American Recovery and**  
12 **Reinvestment Act of 2009, Qualified School Construction Bond interest**  
13 **subsidy payments due on the series 2013A general obligation bonds;**

14 **(B) outstanding State of Alaska general obligation bonds, series**  
15 **2013A, [AND] 2013B, and 2013C, after the payment made in (A) of this**  
16 **paragraph** [AND 2013D], estimated to be **\$17,269,905** [\$17,700,000], from  
17 the general fund for that purpose;

18 (11) the amount necessary for payment of trustee fees on outstanding  
19 State of Alaska general obligation bonds, series 2003A, 2009A, 2010A, 2010B,  
20 2012A, 2013A, 2013B, **and** 2013C, [AND 2013D,] estimated to be \$5,300, from the  
21 general fund for that purpose;

22 (12) the amount necessary for the purpose of authorizing payment to  
23 the United States Treasury for arbitrage rebate on outstanding State of Alaska general  
24 obligation bonds, estimated to be \$325,000, from the general fund for that purpose;

25 (13) if the proceeds of state general obligation bonds issued is  
26 temporarily insufficient to cover costs incurred on projects approved for funding with  
27 these proceeds, the amount necessary to prevent this cash deficiency, from the general  
28 fund, contingent upon repayment to the general fund as soon as additional state  
29 general obligation bond proceeds have been received by the state; and

30 (14) if the amount necessary for payment of debt service and accrued  
31 interest on outstanding State of Alaska general obligation bonds exceeds the amounts

1 appropriated in this subsection, the additional amount necessary to pay the obligations,  
2 from the general fund for that purpose.

3 (b) Section 25(i), ch. 14, SLA 2013, is repealed and reenacted to read:

4 (i) The following amounts are appropriated to the state bond committee from  
5 the specified sources, and for the stated purposes, for the fiscal year ending June 30,  
6 2014:

7 (1) the amount necessary for payment of debt service on outstanding  
8 international airports revenue bonds, estimated to be \$7,200,000, from the collection  
9 of Federal Aviation Administration approved passenger facility charges at the Alaska  
10 International Airports System;

11 (2) the amount necessary for payment of debt service and trustee fees  
12 on outstanding international airports revenue bonds, estimated to be \$392,373, from  
13 the amount received from the United States Treasury as a result of the American  
14 Recovery and Reinvestment Act of 2009, Build America Bonds federal interest  
15 subsidy payments due on the series 2010D general airport revenue bonds;

16 (3) the amount necessary for payment of debt service and trustee fees  
17 on outstanding international airports revenue bonds, after payments made in (1) and  
18 (2) of this subsection, estimated to be \$34,619,662, from the International Airports  
19 Revenue Fund (AS 37.15.430(a)) for that purpose.

20 (c) Section 25(m), ch. 14, SLA 2013, is amended to read:

21 (m) The sum of \$35,700,000 is appropriated to the state bond committee for  
22 payment of principal and interest, redemption premium, and trustee fees, if any,  
23 associated with the early redemption of international airports revenue bonds  
24 authorized by AS 37.15.410 - 37.15.550, for the fiscal year ending June 30, 2014,  
25 from the following sources in the amounts stated:

SOURCE	AMOUNT
International Airports Revenue Fund	
(AS 37.15.430(a))	<b><u>\$35,700,000</u></b>
	[\$12,700,000]
INTERNATIONAL AIRPORTS	
CONSTRUCTION FUND (AS 37.15.420(a))	23,000,000]

1 \* **Sec. 14. FUND CAPITALIZATION.** (a) The sum of \$19,961,480 is appropriated from  
2 the general fund to the disaster relief fund (AS 26.23.300(a)).

3 (b) The amount necessary, after application of the amount appropriated in (a) of this  
4 section, to pay for disaster activities is appropriated from the general fund to the disaster relief  
5 fund (AS 26.23.300(a)), subject to AS 26.23.020 and 26.23.025, for the fiscal year ending  
6 June 30, 2014.

7 \* **Sec. 15. RATIFICATIONS OF CERTAIN EXPENDITURES.** The following departmental  
8 expenditures are ratified to reverse the negative account balances in the Alaska State  
9 Accounting System in the amount listed for the AR number. The appropriations from which  
10 those expenditures were actually paid are amended by increasing those appropriations for the  
11 fiscal year ending June 30, 2014, by the amount listed, as follows:

12 Department of Commerce, Community, and Economic Development

13 (1) AR 29506-12 Economic Development \$72,316.32

14 Department of Health and Social Services

15 (2) AR 23550-09 Senior & Disability Services Medicaid Services

16 1,813,095.49

17 (3) AR 23930-09 Facilities Management 40,558.60

18 (4) AR 23934-09 Information Technology Services 99,425.22

19 (5) AR 23301-10 Health Care Services Medicaid Services 1,150,459.01

20 (6) AR 23600-10 Public Health Nursing 1,025,104.52

21 (7) AR 23934-10 Information Technology Services 831,584.92

22 (8) AR 22794-11 Public Health Laboratory Services,

23 Unbudgeted RSA 1,739.25

24 Department of Labor and Workforce Development

25 (9) AR 28500-12 Employment and Training Services 139,571.51

26 (10) AR 28250-07 Special Projects 20,803.04

27 (11) AR 27766-12 Alaska Vocational Technical Center

28 Maritime Training 31,128.00

29 (12) AR 28630-05 Alaska Vocational Technical Center

30 Facilities Maintenance 89,638.07

31 \* **Sec. 16. LAPSE OF APPROPRIATIONS.** (a) The appropriations made in secs. 6, 7, 9(a),

1 and 9(b) of this Act are for capital projects and lapse under AS 37.25.020.

2 (b) The appropriations made in sec. 14 of this Act are for the capitalization of a fund  
3 and do not lapse.

4 \* **Sec. 17.** This Act takes effect April 20, 2014.