



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Law

CIVIL DIVISION

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April 2, 2020

The Honorable Mike Dunleavy  
Governor  
State of Alaska  
P.O. Box 110001  
Juneau, Alaska 99811-0001

Re: HB 234: Supplemental Budget FY 2020  
(SCS CSHB 234(FIN)(brf sup maj fld))  
Our file: 2020200276

Dear Governor Dunleavy:

At the request of your legislative director, we have reviewed HB 234, the fiscal year supplemental budget, making supplemental appropriations and other appropriations, amending appropriations, capitalizing funds, and providing for an effective date.

Section 1 of the bill provides for supplemental operating budget appropriations for the Department of Administration, Department of Education and Early Development, Department of Health and Social Services, Department of Law, Department of Natural Resources, Department of Public Safety, Department of Revenue, Department of Transportation and Public Facilities, and the Judiciary.

Section 2 of the bill sets out the funding by agency for the appropriations made in sec. 1 of the bill.

Section 3 of the bill sets out the statewide funding for the appropriations made in sec. 1 of the bill.

Section 4 of the bill makes appropriations for capital projects and grants to the Department of Commerce, Community, and Economic Development; Office of the Governor; Department of Military and Veterans' Affairs; Department of Public Safety; Department of Revenue; and Department of Transportation and Public Facilities.

Section 5 of the bill sets out the funding by agency for the appropriations made in sec. 4 of the bill.

Section 6 of the bill sets out statewide funding for the appropriations made in sec. 4 of the bill.

Section 7 of the bill amends a 2019 transfer of funds from the earnings reserve account (AS 37.13.195) to the principal of the Alaska permanent fund. The section amends the intent language providing that the amount transferred be used to satisfy inflation proofing requirements, changing the length of time satisfied to the next four years, instead of the next eight years.

Section 8 of the bill appropriates \$8,500,000 to the Department of Commerce, Community, and Economic Development to pay grants to municipalities impacted by the operation of commercial passenger vessels responding to and mitigating the risk of a coronavirus disease (COVID-19) outbreak. The funding is intended for grants paid in fiscal year 2020 and fiscal year 2021. Paragraph (1) appropriates \$4,500,000 from the commercial passenger vessel environmental compliance fund and paragraph (2) appropriates \$4,000,000 from the commercial vessel passenger tax account.

Section 9 of the bill amends two 2019 supplemental appropriations to the Department of Corrections to provide that the amounts transferred for the costs of reopening the Palmer Correctional Center extend through fiscal year 2021. This section also appropriates the balance of federal receipts the department received through man-day billings through June 30, 2019, to the department's population management for fiscal year 2020.

Section 10 appropriates an amount not to exceed \$15,000,000 from the general fund to the Department of Health and Social Services, division of public health, for costs related to responding to and mitigating the risk of a coronavirus disease (COVID-19) outbreak in the state. This section includes language appropriating the amount of federal receipts received during fiscal year 2020, estimated to be \$0, to department for Medicaid services in fiscal year 2020.

Section 11 appropriates \$7,046,865 to the Department of Law for the purpose of paying civil judgements and settlements against the state for fiscal year 2020.

Section 12 amends a 2019 appropriation to the Department of Revenue appropriating funding from the Alaska Tax Credit Certificate Bond Corporation reserve fund (AS 37.18.040). This section extends the amount for use through fiscal year 2021.

Section 13 amends a 2018 appropriation to the Department of Transportation and Public Facilities for the Knik-Goose Bay Road reconstruction by removing language referencing Vine Road to Settlers Bay Drive Project.

Section 14 appropriates funding from the general fund to the Office of the Governor extending through the end of fiscal year 2021. First, \$18,000 is appropriated to the Lieutenant Governor's Office to fund public hearings in each judicial district related to the voter initiative on the upcoming ballot. Second, \$215,400 is appropriated to the division of elections to provide the voter initiative review, certification, and language translation.

Section 15 appropriates funding to the Department of Commerce, Community, and Economic Development from the National Petroleum Reserve – Alaska special revenue fund (AS 37.05.530(a)). In subsection (a), the estimated amount of \$6,670,177 is appropriated for capital project grants under the National Petroleum Reserve – Alaska impact grant program. Subsection (b) states that any funds appropriated under subsection (a) or the 2019 appropriation for capital grants under this program that are not subject to a signed grant agreement before August 31, 2020, will lapse into the National Petroleum Reserve – Alaska special revenue fund on September 1, 2020.

Section 16 of the bill provides for the capitalization of various funds. First, it appropriates \$600,000 to the election fund as matching funds for federal election security grants. Second, this section provides that the amount of federal receipts received for federal election security grants is also appropriated to the election fund. Finally, this section appropriates \$30,000,000 to the community assistance fund.

Section 17 of the bill ratifies certain expenditures of the Department of Health and Social Services for fiscal year 2007 and of the Department of Transportation and Public Facilities for fiscal years 2010, 2012, 2013, 2014, 2016, and 2017. Under sec. 17, the legislature has increased the prior appropriations at issue and thus the over-expenditures have been cured by these legislative appropriations.

Section 18 of the bill provides for salary and benefit adjustments for the Alaska Higher Education Crafts and Trades Employees, Local 6070 by amending a 2019 appropriation implementing the monetary terms of certain collective bargaining agreements to add this union to the list.

Section 19 of the bill provided for certain appropriations from the constitutional budget reserve. This section did not receive the affirmative vote of three-fourths of the members of each house of the legislature required to authorize the appropriations.

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Section 20 of the bill, lapse of appropriations, provides that the appropriations in secs. 4 and 15(a) are for capital projects and lapse under AS 37.25.020 and the appropriations in secs. 15(b) and 16 are for the capitalization of funds and do not lapse.

Section 21 of the bill is a contingency provision related to the appropriation from the constitutional budget reserve fund in sec. 19, which did not receive the votes required to pass.

Section 22 of the bill provides for an effective date of July 1, 2020 for sec. 19(a).

Section 23 of the bill provides for an immediate effective date, except as provided in sec. 22.

This bill presents no legal problems or other concerns.

Sincerely,

KEVIN G. CLARKSON  
ATTORNEY GENERAL

By:

William E. Milks  
Senior Assistant Attorney General

KGC/WEM/arw