

Redated for printing Jan.1, 1991

January 13, 1987

Honorable Jalmar Kerttula, Chairman
Legislative Budget & Audit Committee
Alaska State Senate
P. O. Box V
Juneau, AK 99811

Re: Definition of public purpose
for municipal grants
Our file: 663-87-0114

Dear Senator Kerttula:

Your letter of November 6, 1986 was recently forwarded to me for a response. I apologize for the delay in responding to your request. In your letter, you made reference to an opinion from this office, dated September 22, 1986, wherein it was stated that a municipality receiving a state grant is responsible for assuring that a subgrantee of the grant applies the money for a public purpose. On behalf of the City of Palmer, you have now requested our advice regarding a definition of "public purpose" and how it relates to use of grant money when providing health care services versus a proposed nursing home.

In general terms, the providing of either health care services or nursing home services could qualify as a public purpose under article IX, section 6 of the Alaska Constitution, under proper circumstances. However, we are assuming that the intent behind your question is whether a grantee may convert the use of grant money (which was intended to be used to build an urgent care facility) to another use which may qualify as public purpose (a nursing home facility). The answer to this question is found in the legislative intent given to a particular appropriation. Under the Alaska Constitution, a grantee must not only assure that grant money will be applied to a public purpose, it must also assure that the grant money will be spent in accordance with the appropriation made by law. See Alaska Const. art. IX, • 13.

We believe that an appropriation of money by the legislature which is accompanied by the specific legislative intent that the grant be used to build an urgent care facility cannot be used to build an alternative facility without

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legislative amendment. A nursing home facility, being generally associated

with care of the elderly, could not provide the emergency services intended to be provided by an urgent care facility. We believe that conversion of such use of grant monies would be inappropriate and invalid.

We hope this answers your concerns. If you have further questions, please do not hesitate to contact this office.

Sincerely yours,

RONALD W. LORENSEN
ACTING ATTORNEY GENERAL

By:
Marjorie L. Odland
Assistant Attorney General

MLO/pjg