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PRESS RELEASE

KELLY'S FISCAL PLAN CONST. AMEN. MOVES FROM COMMITTEE ***HJR 8 will base State spending on 5-year oil revenue average***

Tuesday, April 07, 2009, Juneau, Alaska – The House State Affairs Committee moved House Joint Resolution (HJR) 8 out of committee today. The resolution, sponsored by Rep. Mike Kelly, R-Fairbanks, would place before voters a constitutional amendment limiting State spending appropriations. The resolution bases State spending on a 5-year rolling average of oil revenue. According to the State Dept. of Revenue, 90% of the total unrestricted revenue in fiscal year 2009 is attributable to oil production.

"I appreciate the House State Affairs Committee's recognition that this resolution should be moved forward and the level of discussion regarding State spending should be dialed up," Kelly said. "We've gone from a significant deficit in FY '03 to a significant surplus in FY '06, and now back to a projected deficit in FY '10. State spending chases this oil price roller coaster, making rational budgeting extremely difficult and living within our means politically unachievable."

"This resolution looks to the future, through the past," said Rep. Craig Johnson, R-Anchorage, who co-sponsored the bill. "This is the first time I've ever heard a discussion of how we allocate our dollars in a finite world. Instead, the discussion has always been 'well, we'll just go get more from someplace else then.' This bill has brought more discussion on financial decisions than I have heard on any finance committee, sub-committee or anywhere else."

"This resolution takes money off the table in high revenue years and saves it for years when revenue is low," said House State Affairs Committee Chair Bob Lynn, R-Anchorage, who also co-sponsored the bill. "This is an appropriate discussion for the legislature to have in light of the doubling in State spending over the past 5 years. I support moving this bill along and encouraging my colleagues to consider how we allocate our resources."

HJR 8 now moves to the Judiciary Committee and Finance Committee.

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