

ALASKA STATE LEGISLATURE

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SJR 2 Sponsor Statement

In 1982, Alaska's voters enacted a constitutional appropriation limit which can be found in Article IX, Section 16. It has applied to every budget since FY84. However, in practice the spending cap has grown too high to matter during the budget process. For example, the constitutionally calculated spending limit for this year is \$10.1 billion, while applicable state spending is roughly \$5.2 billion. Simply put, we could double the budget today before bumping into the cap. Unless we act to "reset" the spending limit, it will remain powerless to curb future government spending growth.

SJR 2 lowers the constitutional appropriation limit amount, to bring it in line with the state's current fiscal reality, and to respect the intent of voters who chose to restrict the size of their government. It ties the cap going forward to a percentage of the annual change in population and inflation, to allow for changing conditions in the state.

SJR 2 draws on the wisdom from experience since 1982, and aims to close loopholes which allow for spending to bypass the limit. It attempts to simplify the limit so that it can be easily understood by budget and policy makers, as well as ordinary citizens.

Alaskans are prepared to help get us through this short-term fiscal situation, but do not want to give government an open checkbook. One of the simplest and most impactful ways we can structurally reduce and cap government growth is through repairing the constitutional appropriation limit to ensure it functions, as the voters of Alaska intended when they enshrined it in the Constitution not once, but twice.

The state's fiscal situation calls upon Alaskans to make sacrifices, and the people want assurances that the size, spend, and growth of government will be kept in check. SJR 2 may be the most crucial piece of legislation that helps in accomplishing this goal.

I respectfully request your support for SJR 2.

DISTRICT E

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