

# State of Alaska

# Office of Management and Budget

Senate Judiciary Committee

**SJR 5: Constitutional Spending Limit**

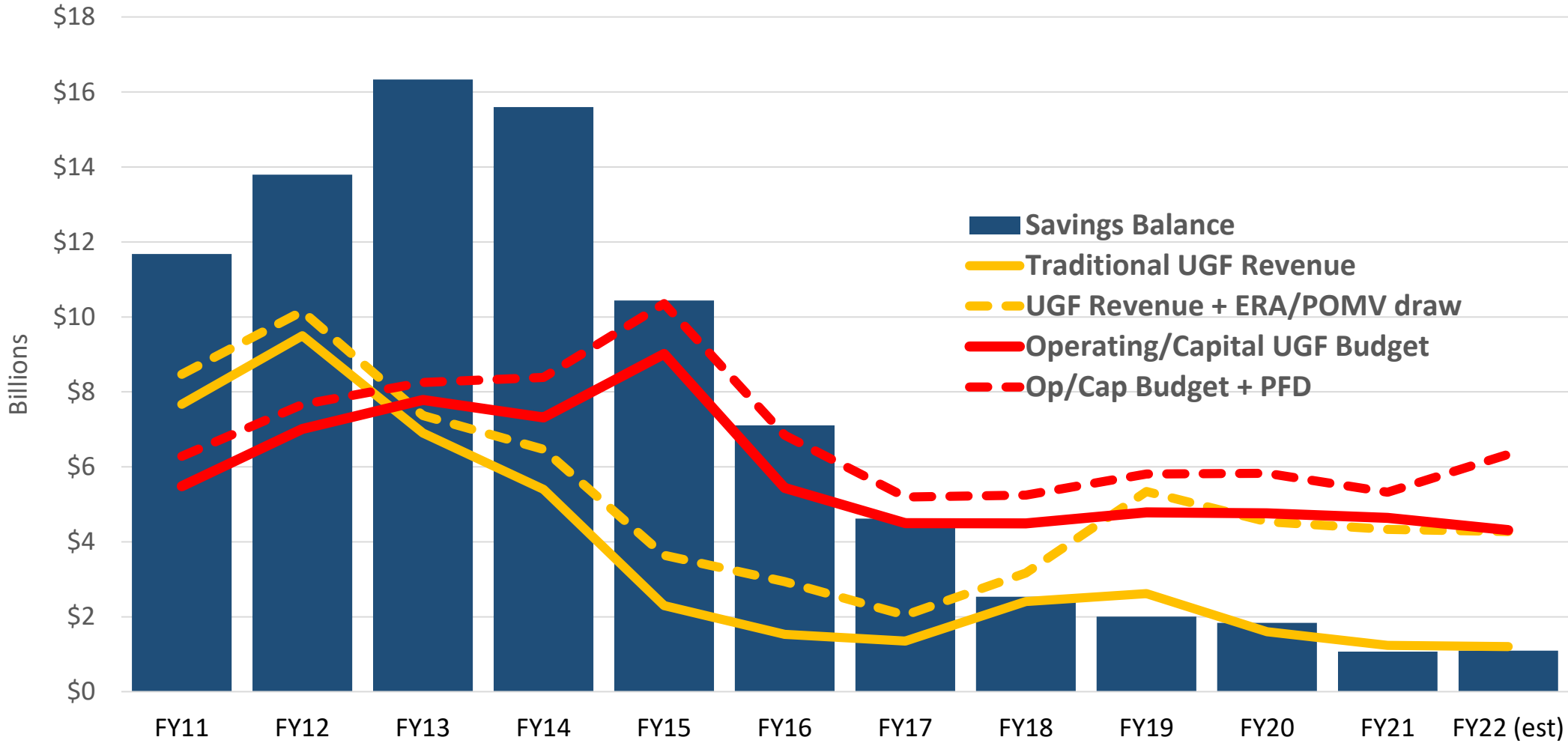
**April 28<sup>th</sup>, 2021**

Neil Steinger, Director  
Caroline Schultz, Policy Analyst



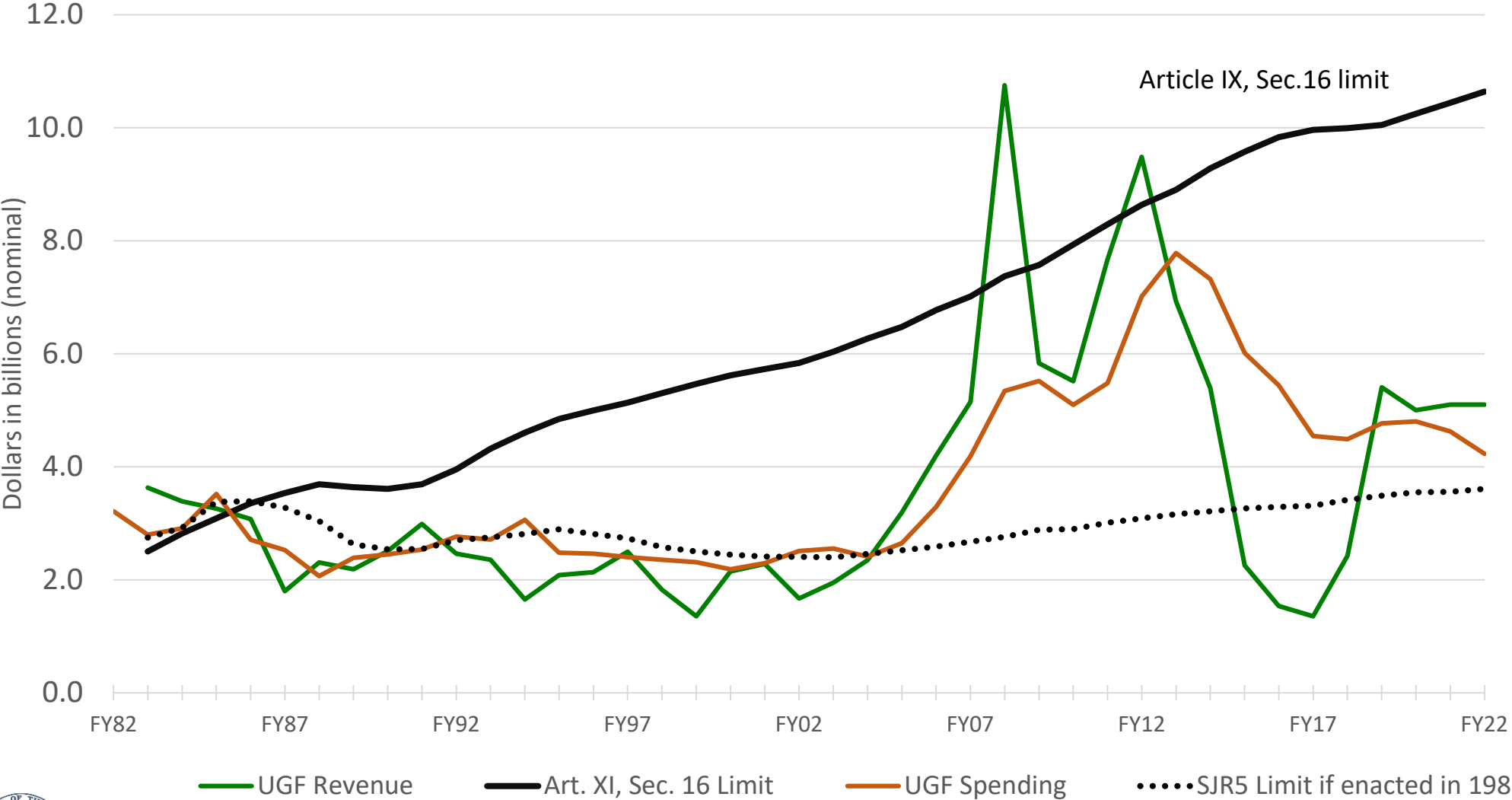
Office of Governor  
**MIKE DUNLEAVY**

# Historical Savings Balances



Over \$16 Billion in budget reserves have been spent

# Current Limit: Article XI, Section 16



## SJR 5 Constitutional Appropriation Limit

---

SJR 5 amends article 9, section 16 of the Alaska Constitution:

Fixing the calculation to limit spending

- May not exceed prior three-year average by more than the greater of inflation or population growth

Clarifies definition of appropriations subject to cap

- Includes appropriations of state funds (UGF, DGF)
- Excludes the following appropriations:
  - PFD
  - Bond proceeds and debt service costs
  - Deposits to state savings accounts
  - Disaster response
  - Non-state funds for a specific purpose

## SJR 5 Constitutional Appropriation Limit

---

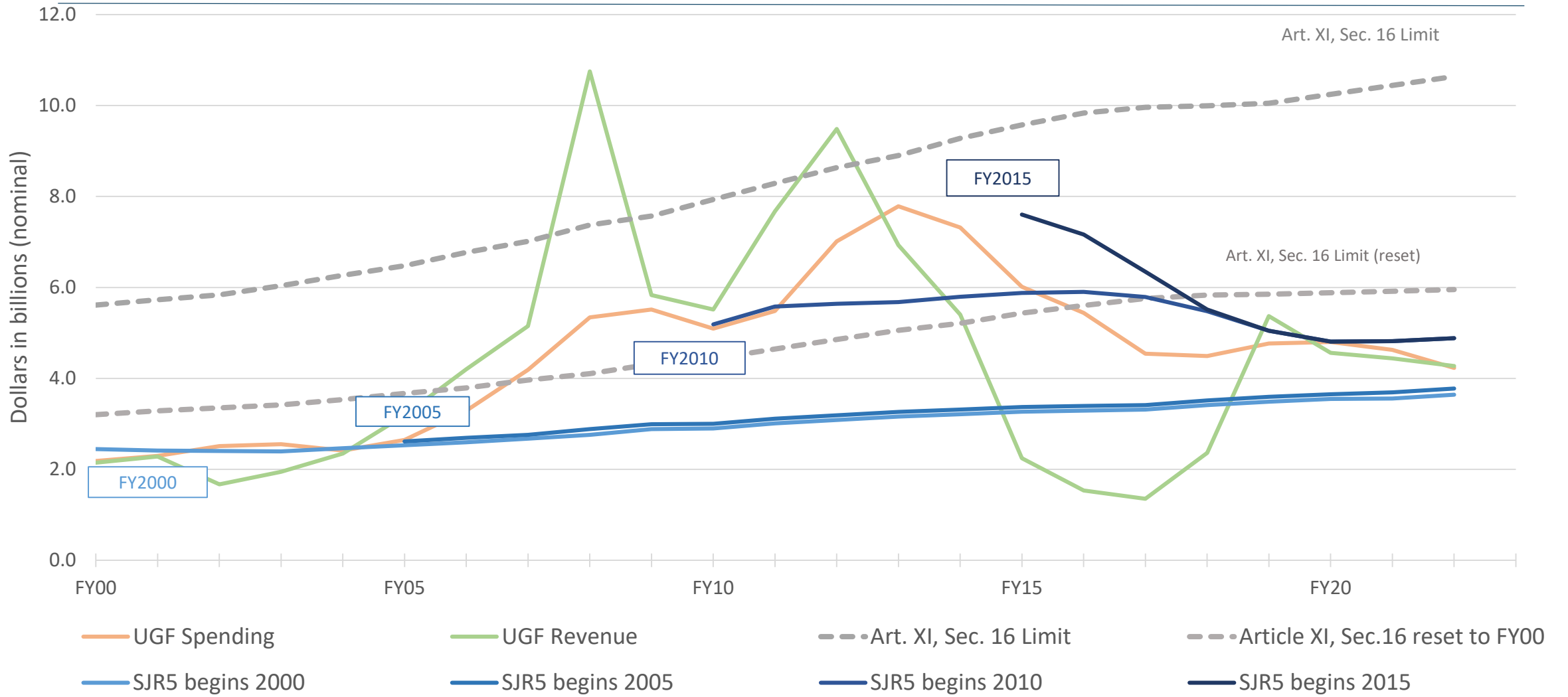
SJR 5 amends article 9, section 17 of the Alaska Constitution:

Amends budget reserve fund (CBR) access provisions

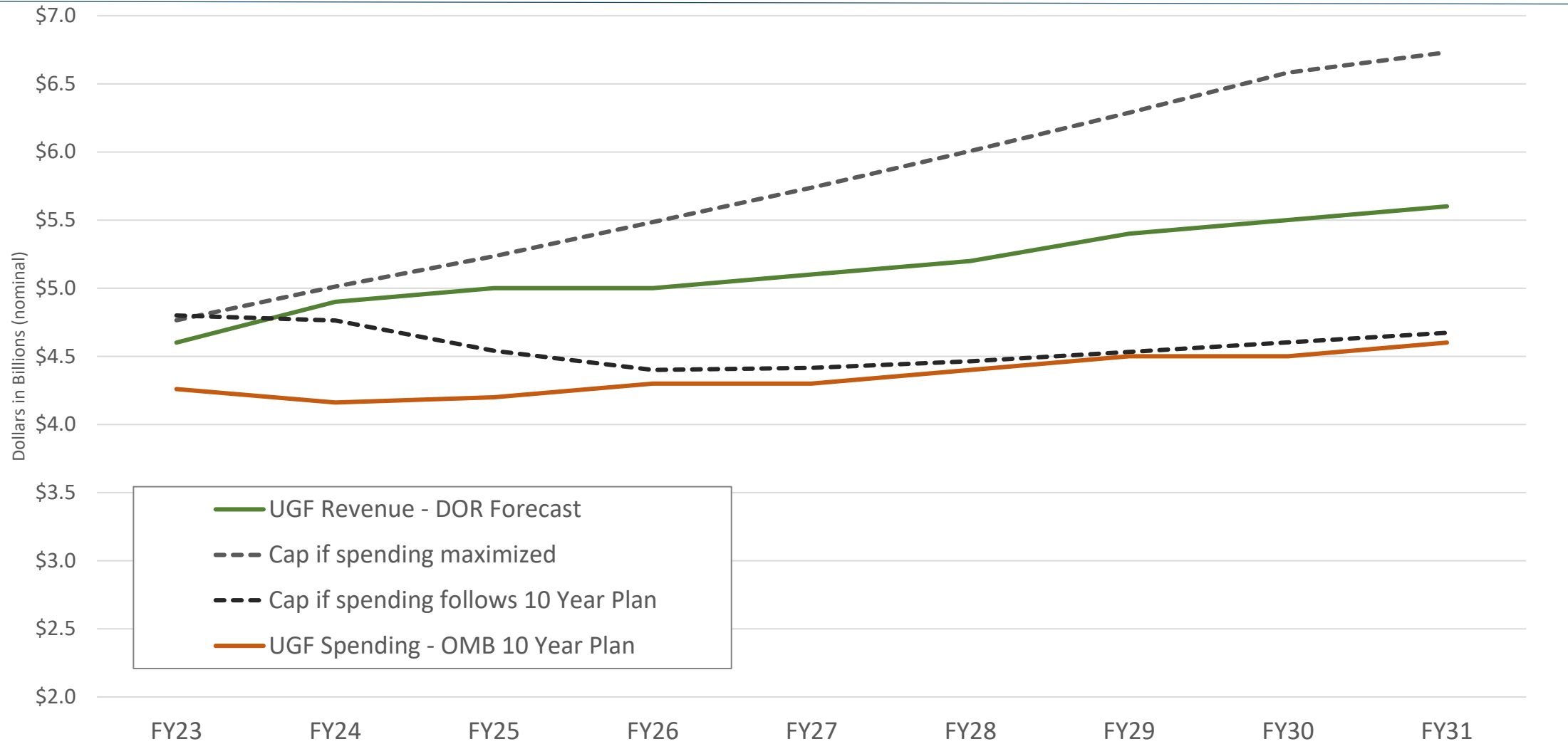
- Appropriations from CBR may be made by a majority vote if there are inadequate general fund revenues to meet expenditures

Removes general fund liability to CBR (CBR “sweep”)

# Appropriation Limits: Timing Matters



# What will SJR 5 look like in 10 years?



Spending cap calculation assumes 0.5% annual population growth and 2.25% inflation.

