

Senator Robert Myers
Alaska State Legislature

Session Address:

Alaska State Capitol, Rm. 510
Juneau, Alaska 99801-1182
Phone: (907) 465-3719
Toll Free: (877) 465-3719



Interim Address:

1292 Sadler Way, Ste. 340
Fairbanks, Alaska 99701-3172
Phone: (907) 451-2157

Senate District B

SJR 301 - Sponsor Statement

CONSTITUTION AMENDMENT: APPROP LIMIT

“Proposing amendments to the Constitution of the State of Alaska relating to an appropriation limit; and relating to the budget reserve fund.”

The 21st century has brought renewed interest in the structure and effectiveness of expenditure limitations. These fiscal mechanisms are designed to provide certain strictures to restrain the growth of governmental budgets regarding state expenditure. The state’s current expenditure limitation was enacted in 1982 and is based on population growth and the rate of inflation since 1981. However, the institution of the current spending cap was correlated with the approaching peak oil production of the 1980s and is not reflective of the state’s financial situation. This has created a spending cap that is unsustainable and is no longer useful in controlling state appropriations and spending.

SJR 301 proposes an amendment to the constitution that establishes and defines annual appropriation limits on state government based upon a five-year average of the State of Alaska Real Gross Domestic Product (GDP) for private industries. This proposal would set a percentage that applies to the Real GDP that shall be established by law except that the percentage shall be not more than fourteen percent. Thus, the proposal provides a meaningful expenditure limitation as a constitutional provision yet allows for flexibility in the case of unforeseen risks. SJR 301 proposes spending limit that is tethered to the state’s private industries GDP and ensures the growth of governmental budgets regarding state expenditure that does not outgrow the private sector that it is meant to support.

The Alaska Comprehensive Fiscal Plan Working Group has recommended that the legislature evaluate state spending limit reform. SJR 301 seeks to follow the recommendations of the working group by proposing a structured and flexible expenditure limitation to foster a productive economy.

Staff Contact: Michaella Anderson (907) 465-3719