

AN APPROPRIATION LIMIT LINKING GOVERNMENT
SPENDING TO ALASKA'S PRODUCTIVE ECONOMY

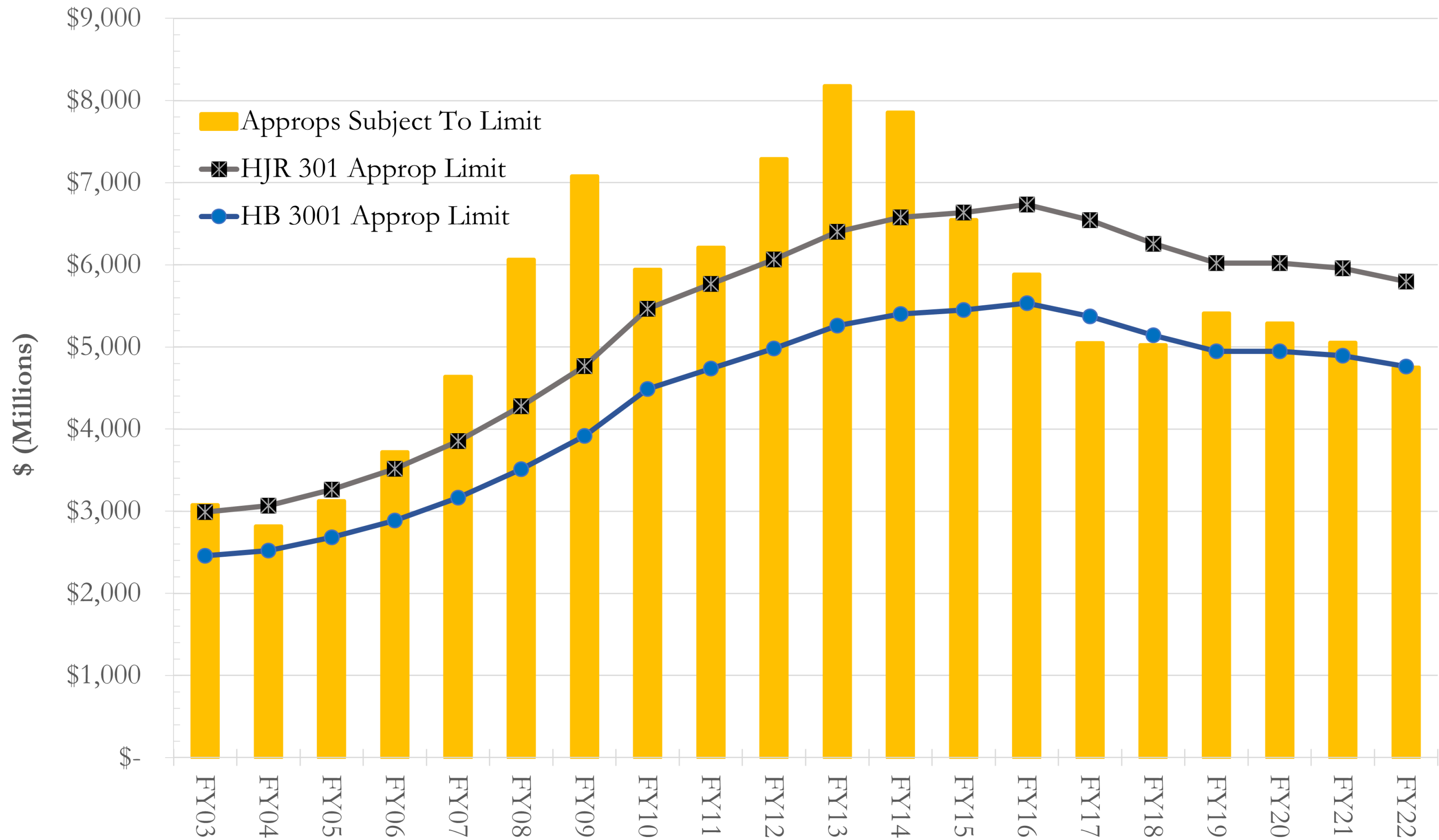
HJR 301 / HB 3001

Representative James Kaufman
District 28

Current Appropriation Limit

- \$2.5 B plus inflation and population growth since 1982
 - Calculation for FY 21 would be about \$10 billion
- Current limit applies to all UGF, most statewide items, and some DGF items
- Excludes PFDs, bond proceeds, debt service payments, non-State sources of revenue, public corporation revenues, and disaster declarations
- At least 1/3 of limit reserved for Capital Projects and Loans
- Can break the limit for capital projects, if approved by the voters

Proposed Appropriation Limit



Proposed Appropriation Limit

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- Calculated by subtracting government spending from historical State GDP values and adjusting for inflation
- Stability is improved by averaging these values over the previous full five fiscal years
- Constitutional amendment, as drafted, caps the statutory limit at 14% of the calculated value
- Statutory limit, as drafted, caps appropriations at 11.5% of value
 - FY22 appropriations were \$15.9 Million below 11.5% of the calculated value

Proposed Exemption List Changes

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HJR 301 / HB 3001

- Adds payment of principal and interest on revenue bonds to exceptions list
- Adds "appropriations to a state account or fund that requires a subsequent appropriation from that account or fund as prescribed by law" to exceptions list
- Removes Capital Project reservation and exemption language
- Current limit applies to all UGF, most statewide items, and some DGF items
 - Excludes PFDs, bond proceeds, debt service payments, non-State sources of revenue, public corporation revenues, and disaster declarations