

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 19 - Sponsor Statement

CONSTITUTION AMENDMENT: APPROP LIMIT

“Proposing amendments to the Constitution of the State of Alaska relating to an appropriation limit.”

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 19 proposes an amendment to the constitution that establishes and defines annual fourteen percent appropriation limit on state government based upon a five-year average of the personal income of Alaskan residents. The value of the personal income of Alaskan residents will not include the compensation of the state and local government employees and shall not include distribution of PFDs. This proposal will provide a meaningful expenditure limitation as a constitutional provision; yet allows for flexibility in the case of unforeseen risks. SJR 19 proposes spending limit that is tethered to the personal income of Alaskan residents employed within the private industries of the state. This will ensure that the growth of governmental budgets regarding state expenditure 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 19 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