

NFIB

The Voice of Small Business.®

ALASKA

March 8, 2018

The Honorable Anna MacKinnon
Co-Chair of the Senate Finance Committee
State Capitol Building
Juneau, Alaska 99801-1182

RE: Senate Bill 196 – Appropriation Limit

Dear Senator MacKinnon:

On behalf of the NFIB/Alaska, I wish to respectfully share our support for Senate Bill 196. We appreciate and support the need to restrain the size and scope of our state government. NFIB, the Voice of Small Business, is the largest small-business advocacy group in Alaska.

SB 196 sets a limit on state general fund expenditures at \$4.1 billion then adjusts the number for inflation. It excludes appropriations to the permanent fund, for the permanent fund dividend, for debt obligations, and for capital projects. This is a good target for limitations on spending.

The reality is that there is never “enough” money or “enough” programs to sustain our state government. On the other side of the balance sheet, there is a limit to the amount of funding that can be taken from taxpayers and the permanent fund earnings. An appropriation limit helps the legislature balance the equation by limiting the expenditure side.

We understand the argument for adjusting the appropriation limit. We might suggest that using half the CPI calculation would help reduce the size and scope of government over time. We are concerned that we cannot continue to sustain the current size and scope of our state government. Allowing it to grow with the CPI would not be as effective as using a lower calculation for government growth.

Thank you for your consideration.

Sincerely yours,



Dennis L. DeWitt
Alaska State Director

Cc: NFIB/AK Leadership Council