

28-LS0353\N
Bailey
4/5/13

CS FOR HOUSE BILL NO. 136()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVE MILLETT

A BILL

FOR AN ACT ENTITLED

1 **"An Act requiring the governor's fiscal plan to include certain information."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 *** Section 1.** AS 37.07.020(b) is amended to read:

4 (b) In addition to the budget and bills submitted under (a) of this section, the
5 governor shall submit a capital improvements program covering the succeeding six
6 fiscal years. The governor shall also submit a fiscal plan with estimates of significant
7 sources and uses of funds for the succeeding 10 fiscal years. The fiscal plan

8 (1) must include sufficient details to identify

9 (A) significant sources of funds;

10 (B) significant uses of funds, including lump sum projections

11 of

12 (i) operating expenditures;

13 (ii) capital expenditures;

14 (iii) debt service expenditures;

15 (iv) fund capitalizations;

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(v) appropriations of income of the Alaska permanent fund (art. IX, sec. 15, Constitution of the State of Alaska), if any;

(2) must balance sources and uses of funds held while providing for essential state services and protecting the economic stability of the state;

(3) must include projected balances of significant funds held in separate accounts, including the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska), the public education fund (AS 14.17.300), and the Alaska capital income fund (AS 37.05.565);

(4) must set out significant assumptions used in the projections with sufficient detail to enable the legislature to rely on the fiscal plan in understanding, evaluating, and resolving issues of state budgeting, including information that supports major areas of operating increases, such as population demographics that affect the need for particular government services;

(5) must set out, for informational purposes, the amount projected to be available for spending from the general fund for the following fiscal year, which shall be the sum of

(A) four percent of

(i) the projected principal of the Alaska permanent fund (art. IX, sec. 15, Constitution of the State of Alaska);

(ii) the projected principal of the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska);

(iii) the projected principal of the statutory budget reserve fund (AS 37.05.540); and

(iv) the net present value, calculated using a 5 percent discount rate, of the state's projected oil reserves, including projected revenue from royalty payments and production, property, and income taxes;

(B) plus the projected amount of non-oil revenue included in the projected general fund minus the projected amount to be distributed as permanent fund dividends under AS 37.13.140 - 37.13.145 and AS 43.23.045 - 43.13.055;

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(6) in addition to the information required to be set out under (5) of this subsection, must set out, for informational purposes, the amount projected to be available for spending for the nine fiscal years following the year for which projections are calculated under (5) of this subsection, which, for each of the nine years, shall be the projected amount calculated under (5) of this subsection increased annually by the rate of inflation used by the office of management and budget to calculate its fiscal plan, plus one percent.