

SB 141

An Act relating to a biennial budget and to salary and per diem for members of the legislature and the governor...

Presentation to Senate State Affairs Committee

February 13, 2018

“I am filing legislation that would move us to a more efficient, effective biennial budget process...

It also would mandate that if the governor does not produce the next fiscal year's budget by the statutory deadline of December 15, the governor's pay stops. If the legislature doesn't pass a budget by the 90th day of the legislative session, their pay stops.”

- *Governor Bill Walker, 2018 State of the State*

Biennial Budget Proposal

- Section 17 (legislator responsibilities) and 18 (governor responsibilities).
- As drafted, two single year appropriations measures adopted the first session of each legislature would apply to each of the operating, mental health and capital budgets.
- Second legislative session would be focused on non-budget matters, but will include an interim appropriation bill or bills authorizing unanticipated operating and capital expenditures for the second year of the biennium.

Biennial Budget: The Benefits

- Longer planning horizon
 - Greater funding predictability for the **general public**, state and local service providers—school districts; marine highways; fish and game, etc.
 - Shift allocation of **state agency** energy from budget development and presentation to improvements to program efficiency and effectiveness to better serve the public.
 - For the **legislature**, it provides more time for oversight activities and policy priorities.
- *Paraphrased from a letter in support of biennial budgeting from Timothy S. Keen, OMB Director, State of Ohio*

21 of 50 states use biennial budgeting

Connecticut	New Hampshire	<u>Mixed</u>
Hawaii	North Carolina	Arizona (16 annual budget units)
Indiana	North Dakota	Kansas (biennial for all state agencies)
Kentucky	Ohio	
Maine	Oregon	
Minnesota	Texas	
Montana	Virginia	
Nebraska	Washington	
Nevada	Wisconsin	
	Wyoming	

Source: NCSL Report, April 2011

Consequences for missing budget deadlines.....

Appropriations Deadlines Proposal

- Sections 6 and 7 (Legislature) and 20 (Governor)
 - Require the Legislature pass a budget by the deadline set by the Alaska public in 2006—the 90th day of a session.
 - The consequence for not doing so: beginning on day 91 of the legislative session, legislators would forfeit per diem and their salaries would be withheld until a budget is passed.
 - The Governor's salary and per diem would be withheld for as long as he or she is late in submitting the budget bill to the Legislature and the public after the December 15 statutory deadline.

Recent Alaska History Budget Bills

Year	Deadline (90 th Day)	Operating Budget Passage Date	Difference	Capital Budget Passage Date	Difference
2017	4/16/2017	6/22/2017	67	7/27/2017	103
2016	4/17/2016	5/31/2016	44	5/31/2016	44
2015	4/19/2015	4/27/2015	8	4/27/2015	8
2014	4/20/2014	4/20/2014	0	4/25/2014	5
2013	4/14/2013	4/14/2013	0	4/14/2013	0
2012	4/15/2012	4/15/2012	0	4/15/2012	0
2011	4/17/2011	5/6/2011	19	5/14/2011	27

Source: BASIS



THE STATE
of **ALASKA**

California Example

- State of California Proposition 25, passed in 2008.
 - Constitutional amendment requiring its legislature to pass a budget on time or forfeit pay for each day the budget is delayed.
 - From 1980 to 2010, a thirty-year period, twenty-five budgets passed late. In 2008, the budget was 100 days late.
 - In 2011, the first year under Proposition 25, after legislator pay was cut off, the budget was passed 12 days late.
 - Since 2012, the California legislature has passed the budget on time each year.