

State of Alaska

Office of the Governor

Constitutional Budget Reserve Sweep
Senate Finance Committee
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Sweep Guidelines

The Constitutional Budget Reserve Fund and its repayment “sweep” provision

The CBRF was established by constitutional amendment in 1990 in article IX, section 17 of the Alaska Constitution. There are four subsections to this constitutional amendment:

- (a) Revenue into the CBRF — money received from the termination of administrative and judicial proceedings involving mineral revenues is deposited into the CBRF;
- (b) Expenditures from the CBRF by majority vote only if —“the amount available for appropriation for a fiscal year is less than the amount appropriated for the previous fiscal year” and the appropriation is limited to the amount necessary to make total appropriations equal to the amount appropriated in the prior year;
- (c) Expenditures from the CBRF by a three-fourths vote of the members of each house — the Legislature can appropriate from the fund for any public purpose if a supermajority vote is obtained;
- (d) Repayment requirement —“If an appropriation is made from the [CBRF], until the amount appropriated is repaid, the amount of money in the general fund **available for appropriation** at the end of each succeeding fiscal year shall be deposited in the [CBRF]. The legislature shall implement this subsection by law .”

Test 1 - In the General Fund

- The first test of Section 17(d) requires ‘swept’ money to be “in the general fund”
- “General fund” is not defined in the constitution or statute
- Prior to 2019 – No specific definition, determinations based on accounting structure not law.
- 2019 – Attorney General opinion addresses definition. General Fund is any fund populated by unrestricted revenue outside a constitutionally dedicated fund.
- 2021 – Superior Court opinion narrows definition. Statute can define a fund as outside the general fund.

Test 2 - Available for Appropriation - 2019

- The second test of Section 17(d) requires ‘swept’ money to be “available for appropriation”
- Unassigned or unobligated funds that may be appropriated by the legislature for any purpose
- Funds available for appropriation include:
 - Funds for which the legislature has retained the power to appropriate and that are not available to pay expenditures without further legislative appropriation
 - Funds with statutory designation on use but require an appropriation for expenditure
- Funds not available for appropriation include
 - Money in a fund that is already validly appropriated to a particular purpose
 - Federal or trust funds such that can only be used for a specific stated purpose, constitutionally permissible dedicated funds and pension funds
 - Donations for a specific purpose
 - Funds that do not require appropriation for expenditure

Sweep Balances and Timeline

- Unobligated balance at midnight on June 30th
- Cash balance less:
 - Continuing appropriations – capital projects
 - Unavailable balances – donations, federal funds, obligated balances
 - Obligated balances can include assigned balances, recently referred to as the “scoop”
 - GASB 54 “An appropriation of existing fund balance to eliminate a projected budgetary deficit in the subsequent year’s budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance.”
- Sweep transactions held until end of following fiscal year

