



AMENDMENT #1

Offered in the House

By: Representative *Gawa*
CRAWFORD

To: HCS for CS SB 75(FIN)\D

Page 83, lines 18-20

(c) The amount calculated to be available for appropriation under art. IX, sec. 17(b), Constitution of the State of Alaska, for fiscal year 2010, not to exceed the amount required to balance general fund revenue and general fund appropriations made in calendar year 2009 for fiscal year 2010, is appropriated under art. IX, sec. 17(b), Constitution of the State of Alaska, from the budget reserve fund to the general fund.

David Theriault

From: David Teal
Sent: Thursday, April 16, 2009 1:12 PM
To: Rep. Les Gara
Subject: section 17(b) revised

I neglected other reserves available for appropriation in the earlier version, so have included them here.

You asked how much of the Constitutional Budget Reserve Fund (CBRF) balance is likely to be accessible under the simple majority access provided by Article IX, section 17(b) of the Alaska Constitution.

As we have discussed, there are a number of legal and technical issues that make calculation of the amount available under section 17(b) problematic. I do not intend to review those difficulties here, but simply outline some calculations that undoubtedly oversimplify the situation.

The amount available for appropriation includes the sum of unrestricted GF revenue, the Earning Reserve Account (ERA) of the Permanent Fund and other reserves. The projected cash balance of the ERA at the end of FY2010 is about \$1 billion, and projected GF revenue is \$3.2 billion, and other reserves are about close to \$1 billion. This makes about \$5.2 billion GF available for appropriation for FY2010.

Since this amount is less than the \$7.1 billion GF appropriated in calendar year 2009 for FY09, the amount that could be withdrawn from the CBRF under section 17(b) is as much as \$1.9 billion. The amount accessible under 17(b) would decrease as the amount available for appropriation increases. This can occur through:

- GF revenue increases
- Other revenue increases
- ERA and other reserve balance increases