

**ALASKA STATE LEGISLATURE
HOUSE JUDICIARY STANDING COMMITTEE**

March 24, 2025

1:02 p.m.

MEMBERS PRESENT

Representative Andrew Gray, Chair
Representative Chuck Kopp, Vice Chair
Representative Ted Eischeid
Representative Genevieve Mina
Representative Mia Costello
Representative Jubilee Underwood

MEMBERS ABSENT

Representative Sarah Vance

COMMITTEE CALENDAR

HOUSE BILL NO. 62

"An Act relating to sexual assault examination kits; establishing the sexual assault examination kit tracking system; and providing for an effective date."

- MOVED HB 62 OUT OF COMMITTEE

HOUSE BILL NO. 51

"An Act relating to an appropriation limit; relating to the budget responsibilities of the governor; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 62

SHORT TITLE: SEXUAL ASSAULT EXAMINATION KITS/TRACKING

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/22/25	(H)	READ THE FIRST TIME - REFERRALS
01/22/25	(H)	JUD, FIN
02/05/25	(H)	JUD AT 1:00 PM GRUENBERG 120
02/05/25	(H)	Heard & Held
02/05/25	(H)	MINUTE (JUD)
03/12/25	(H)	JUD AT 1:00 PM GRUENBERG 120
03/12/25	(H)	Heard & Held

03/12/25 (H) MINUTE (JUD)
03/24/25 (H) JUD AT 1:00 PM GRUENBERG 120

BILL: HB 51

SHORT TITLE: APPROPRIATION LIMIT; GOV BUDGET

SPONSOR(s): STAPP

01/22/25 (H) READ THE FIRST TIME - REFERRALS
01/22/25 (H) JUD, FIN
03/24/25 (H) JUD AT 1:00 PM GRUENBERG 120

WITNESS REGISTER

JAMES COCKRELL, Commissioner
Department of Public Safety
Juneau, Alaska

POSITION STATEMENT: Gave final comment on HB 62 on behalf of the House Rules Standing Committee, sponsor by request of the governor.

LAUREL SHOOP, Special Assistant
Office of the Commissioner
Department of Public Safety
Juneau, Alaska

POSITION STATEMENT: Gave final comment on HB 62.

REPRESENTATIVE WILL STAPP
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented HB 51.

HENRY THOMPSON, Staff
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the PowerPoint for HB 51, on behalf of Representative Stapp, prime sponsor.

ACTION NARRATIVE

[1:02:41 PM](#)

CHAIR ANDREW GRAY called the House Judiciary Standing Committee meeting to order at 1:02 p.m. Representatives Costello, Mina, Eischeid, and Gray were present at the call to order. Representatives Kopp and Underwood arrived as the meeting was in progress.

HB 62-SEXUAL ASSAULT EXAMINATION KITS/TRACKING

[1:03:39 PM](#)

CHAIR GRAY announced that the first order of business would be HOUSE BILL NO. 62, "An Act relating to sexual assault examination kits; establishing the sexual assault examination kit tracking system; and providing for an effective date."

[1:04:11 PM](#)

JAMES COCKRELL, Commissioner, Department of Public Safety (DPS), on behalf of the House Rules Standing Committee, sponsor by request of the governor, gave closing remarks on HB 62. He said everyone should take ownership of this issue and recognized "the gap." He stated that DPS has taken huge strides in its handling of sexual assault in Alaska and is now on par with other states. The bill would create clear timelines, he said, and allow victims to track their sexual assault kit to ensure that none of them fall through [the cracks].

[1:05:14 PM](#)

LAUREL SHOOP, Special Assistant, Office of the Commissioner, Department of Public Safety (DPS), said Alaska has made huge strides in its sexual assault examination kit tracking system. The bill seeks to codify the tracking system and provide transparency for victims and assurance that this very important issue is being addressed. She urged the legislature to codify the bill.

[1:05:45 PM](#)

REPRESENTATIVE COSTELLO emphasized the critical importance of the bill and thanked the commissioner for his leadership on this issue.

[1:06:19 PM](#)

REPRESENTATIVE MINA moved to report HB 62 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 62 was reported out of the House Judiciary Standing Committee.

[1:06:34 PM](#)

The committee took an at-ease from 1:06 p.m. to 1:08 p.m.

[1:08:20 PM](#)

CHAIR GRAY announced that HB 62 was reported out of the House Judiciary Standing Committee.

HB 51-APPROPRIATION LIMIT; GOV BUDGET

[1:08:38 PM](#)

CHAIR GRAY announced that the final order of business would be HOUSE BILL NO. 51, "An Act relating to an appropriation limit; relating to the budget responsibilities of the governor; and providing for an effective date."

[1:09:12 PM](#)

REPRESENTATIVE WILL STAPP, Alaska State Legislature, as prime sponsor, presented HB 51. He paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

One of the most effective ways to ensure a stable economy is to apply common sense solutions to complex problems. An effective appropriation limit is the first of many commonsense solutions that are both uncontroversial and bipartisan.

This is not a new revelation. The State of Alaska had already identified the potential for overspending and imposed a constitutional appropriation limit in 1982, and a statutory limit in 1986. However, that decision was tied to the economy of the time. An economy that was approaching peak oil production which allowed for a reasonable limit that was adjusted for population and inflation. The modern budget of Alaska has been operating without an effective appropriation limit for nearly 40 years, resulting in less than meaningful control of our state spending. HB 51 aims to create a statutory framework for how we limit appropriations.

AS 37.05.540(b) is the current statutory appropriations limit which is based off appropriations from the treasury made in a fiscal year and not exceeding appropriations made by more than 5 percent plus a change in population and inflation since the beginning of the preceding fiscal year. Modeling shows

that this statutory appropriations limit has been broken in past legislatures which could be attributed to the volatile nature of the current statute.

The functional cap that is being proposed uses a factor based upon a five-year trailing average of our private sector economic performance. Specifically, Real GDP minus government spending, which measures the value produced within our borders. The five-year averaging will moderate the effects of volatility, leading to stability. This proposal would set a spending cap roughly at current levels and would allow flexibility in the case of unforeseen risks. A spending limit tethered to GDP creates a constructive link to our private sector and ensures that government does not outgrow the private sector.

Spending limit reform is one of the subject matters in which the 32nd Legislature's Comprehensive Fiscal Plan Working Group unanimously agreed to be necessary in 2021. This legislation seeks to follow the recommendations of the working group by proposing a structured and flexible appropriations limitation to ensure a prosperous future for Alaska.

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HENRY THOMPSON, Staff, Alaska State Legislature, on behalf of Representative Stapp, prime sponsor, referred to a PowerPoint presentation, titled "HB 51 Statutory Appropriations Limit" [hard copy included on the committee packet]. He began on slide 2, "Current Statutory Limit," which read as follows [original punctuation provided]:

- Set in AS 37.05.540(b)
 - Enacted in 1986
 - Includes similar language to the appropriations limit set in Article IX of the Alaska State Constitution
 - "Appropriations from the treasury made in a fiscal year may not exceed appropriations made in the preceding fiscal year by more than five percent plus the change in population and inflation since the beginning of the preceding fiscal year"

- The change in population is based on an annual estimate by the Department of Labor & Workforce Development
- Change in inflation is based on the Consumer Price Index (CPI) Anchorage as prepared by the US Bureau of Labor Statistics

MR. THOMPSON continued to slide 3, which showed a graph of historical appropriations subject to the current statutory limit. He highlighted the rapid fluctuations in spending, adding that one benefit of an appropriation limit would be an increase in government stability.

[1:14:56 PM](#)

MR. THOMPSON continued to slide 4, "HB 51," which read as follows [original punctuation provided]:

- Establishes a new appropriations limit that is based off a percentage from a 5 calendar year trailing average of Real Gross Domestic Product (GDP)
 - Real GDP is calculated using Consumer spending, Business Investment, Net Exports and does not include government spending.
 - Real GDP incorporates factors such as changes in inflation and population which reflect economic growth.

[1:15:29 PM](#)

MR. THOMPSON continued to slide 5, which featured a table showing appropriations subject to, and excluded from, the limit. Slide 6 showed a breakdown of data from 2002 to 2023, including: Alaska gross domestic product (GDP), Alaska government GDP, GDP less government, and Anchorage CPI. Slide 7 showed a comparative graph of historical appropriations subject to the existing statutory limit versus the proposed statutory limit. He pointed out that the proposed spending limit is more consistent as a result of the 5-year trailing average and the GDP based formula.

[1:17:57 PM](#)

REPRESENTATIVE STAPP added that slide 7 encapsulates the goals of the revised spending cap: a steady, controlled rate of growth in operational and capital spending that meets Alaskans needs.

He suggested that in years of revenue surplus, pension liabilities could be paid, savings could be deposited into the Alaska Permanent Fund corpus, or other liabilities could be paid. He reiterated that the metric is designed to avoid an influx of spending in the "good years" that cannot be maintained long term. He argued that everyone wins with a controlled metric.

[1:19:46 PM](#)

MR. THOMPSON shared the sectional analysis for HB 51 [included in the committee packet], which read as follows [original punctuation provided]:

Section 1:

Amends AS 37.05.540(b) by changing the list of appropriations subject to the limit as well as the conditions that determine the appropriation limit. Defines a calculation for an appropriation cap at 12% of a 5-year trailing average of Real Gross Domestic Product (GDP) (not including government spending).

O Exceptions [37.05.540(b)]

- O Adds Appropriation of general obligation (GO) Bond proceeds to exceptions list
- O Adds payment of principal and interest on revenue bonds to exceptions list
- O Adds 'appropriations to a state account or fund that requires a subsequent appropriation from that account or fund as prescribed by law' to exceptions list
- O Adds 'appropriations to meet a state of disaster declared by the governor as prescribed by law' to exceptions list.

O Appropriation Limit Conditions [37.05.540(b)]

- O Adds (Appropriations Not to Exceed) 12% of the average Real GDP (not including government spending) for the past 5 calendar years immediately preceding the previous fiscal year.
- O Removes Old cap of 5% more than last year + the change in population and inflation since beginning of preceding fiscal year.
- O Removes language describing determination of change in population based on annual estimate by Department of Labor and Workforce Development.

O Removes language describing change in inflation based on Consumer Price index (CPI) for all urban consumers for Anchorage.

Section 2:

Adds a new subsection (h) to AS 37.07.020 which requires a comparison of the governor's budget requests, supplemental requests, and budget amendments to the calculated appropriation limit.

Section 3:

Repeals AS 37.05.540(e) due to section 1 of HB 38 adding disaster response spending to the exceptions list in subsection b.

AS 37.05.540(e) Notwithstanding other provisions of this section, appropriations may be made from the budget reserve fund needed by the governor to meet a disaster. In this subsection, "disaster" has the meaning given in AS 26.23.900.

Section 4:

Adds a new section to Uncodified Law of the State of Alaska which ensures that the enactment of this act is contingent upon the ratification of an amendment to Article IX, Sec. 16 of the Constitution. The constitutional amendment must establish an appropriations limit that:

O Ensures appropriations from the treasury made for a fiscal year not exceed an amount equal to a percentage of the average value of real GDP of the state over a 5-year trailing period.

O Excludes GO Bond proceeds, payment of principal and interest on revenue bonds, appropriations to a state account or fund that requires a subsequent appropriation from that account or fund as prescribed by law, and appropriations to meet a state of disaster declared by the governor as prescribed by law.

Section 5:

Sets an 'effective date' of July 1, 2025.

[1:22:56 PM](#)

CHAIR GRAY asked whether the state's funding needs decline when revenue declines.

REPRESENTATIVE STAPP said that's not necessarily true.

CHAIR GRAY asked whether the state's needs fluctuate with changes to the cost of oil and the stock market.

REPRESENTATIVE STAPP said it depends on how "need" and "want" are defined.

CHAIR GRAY pointed out that if Alaska had more stable revenue, it would allow the state to have a more stable funding plan. He said he is opposed to tying spending to an irrational market, which fluctuates with highly variable oil prices, etcetera.

REPRESENTATIVE STAPP argued that the chair is making a case for HB 51, as the existing spending limit [ties spending to an irrational market]. He added that by tying the state's spending to real GDP, private sector growth could help bear the burden of additional tax schemes.

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REPRESENTATIVE KOPP asked how restructuring the Alaska Permanent Fund as an endowment fund would differ from the current proposal.

REPRESENTATIVE STAPP said he would be amenable to including the fund under the cap. He reiterated his belief that paying off the retirement liability or reinvesting into the corpus would be a better use of surplus. He acknowledged that constitutionalizing the percent of market value (POMV) draw would effectually act as a revenue cap on one funding source, which he would not be opposed to with tweaks. He opined that allocation of resources is the most important factor and recommended the creation of a spending limit with "relief valves" to guide the legislature's decision making.

[1:29:32 PM](#)

REPRESENTATIVE MINA asked how the bill relates to the HJR 1 and how the bill differ from the legislation introduced last year.

REPRESENTATIVE STAPP said HB 51 is the same bill that was introduced during the last legislative session prior to it being amended. He reiterated that HB 51 is conditional on the passage of HJR 1, as there is no reason for implementing a statutory limit without a constitutional limit.

REPRESENTATIVE MINA asked why the spending cap is based on GDP. She shared her understanding that most states do not base their spending cap on GDP.

REPRESENTATIVE STAPP pointed out that "GDP less government spending" is designed to avoid the notion of increasing government spending to raise the spending limit. He said he liked the use of real GDP because it would put emphasis on private sector growth and long-term, fiscal discipline.

[1:31:49 PM](#)

REPRESENTATIVE UNDERWOOD asked whether erratic revenue streams make a functional spending cap imperative.

REPRESENTATIVE STAPP agreed. He shared his belief that volatility can be controlled with mechanisms.

[1:32:45 PM](#)

CHAIR GRAY referenced slide 7 and asked why the cap is needed if historically, the state has saved billions of dollars.

REPRESENTATIVE STAPP responded historically, that's been the exception, not the rule.

[1:34:22 PM](#)

[HB 51 was held over.]

[1:34:51 PM](#)

CHAIR GRAY issued closing remarks on future business.

[1:35:11 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Judiciary Standing Committee meeting was adjourned at 1:35 p.m.