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Referred: Labor and Commerce, State Affairs,
Judiciary and Finance

1 IN THE SENATE

BY FERGUSON AND DEVRIES

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SENATE JOINT RESOLUTION NO. 2

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FOURTEENTH LEGISLATURE - FIRST SESSION

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Proposing an amendment to the Constitu-
tion of the State of Alaska relating to
limiting the number of state employees
and increases in appropriations.

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9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. Article IX, sec. 16, Constitution of the State of Alaska,
11 is amended to read:

12 SECTION 16. APPROPRIATION AND EMPLOYMENT LIMITS [LIMIT]. (a)

13 Except for appropriations for Alaska permanent fund dividends, appro-
14 priations of revenue bond proceeds, appropriations required to pay the
15 principal and interest on general obligation bonds, and appropriations
16 of money received from a non-State source in trust for a specific
17 purpose, including revenues of a public enterprise or public corpo-
18 ration of the State that issues revenue bonds, appropriations from
19 the treasury made for a fiscal year for operation of state government
20 may not exceed the lesser of two-thirds of the estimated revenue for
21 the fiscal year or the appropriations made in fiscal year 1985 for
22 operation of state government adjusted by the cumulative change pre-
23 scribed in this section [SHALL NOT EXCEED \$2,500,000,000 BY MORE THAN
24 THE CUMULATIVE CHANGE, DERIVED FROM FEDERAL INDICES AS PRESCRIBED BY
25 LAW, IN POPULATION AND INFLATION SINCE JULY 1, 1981. WITHIN THIS
26 LIMIT, AT LEAST ONE-THIRD SHALL BE RESERVED FOR CAPITAL PROJECTS AND
27 LOAN APPROPRIATIONS]. The legislature may exceed this limit in bills
28 for appropriations to the Alaska permanent fund [AND IN BILLS FOR
29 APPROPRIATIONS FOR CAPITAL PROJECTS, WHETHER OF BOND PROCEEDS OR

1 OTHERWISE], if each bill is approved by the governor, or passed by
2 affirmative vote of three-fourths of the membership of the legislature
3 over a veto or item veto, or becomes law without signature, and is
4 also approved by the voters as prescribed by law. [EACH BILL FOR
5 APPROPRIATIONS FOR CAPITAL PROJECTS IN EXCESS OF THE LIMIT SHALL BE
6 CONFINED TO CAPITAL PROJECTS OF THE SAME TYPE, AND THE VOTERS SHALL,
7 AS PROVIDED BY LAW, BE INFORMED OF THE COST OF OPERATIONS AND MAINTENANCE
8 OF THE CAPITAL PROJECTS.] No other appropriation for operation
9 of state government in excess of this limit may be made except to meet
10 a state of disaster declared by the governor as prescribed by law.
11 The governor shall cause any unexpended and unappropriated balance to
12 be invested so as to yield competitive market rates to the treasury.

13 (b) The appropriation limit established by this section shall be
14 cumulatively adjusted annually through the end of the preceding fiscal
15 year by the sum of the following percentages:

16 (1) the annual rate of change in the consumer price index
17 for all urban consumers for the Anchorage Metropolitan Area as pub-
18 lished by the Bureau of Labor Statistics of the United States Depart-
19 ment of Labor for the fiscal year one year before the current fiscal
20 year, but if significant change is made in the method of computing the
21 consumer price index or if the index is discontinued another index may
22 be presented by law;

23 (2) the continuously compounded annual rate of change in
24 the estimated population of the State, as established by the United
25 States Census Bureau for the period between the previous two decennial
26 censuses.

27 (c) The base date for determining changes in population and
28 inflation under (a) of this section is July 1, 1981.

29 (d) The appropriation limit shall be determined as of July 1 of

1 the year before the fiscal year in which the limit applies.

2 (e) As used in this section, "appropriations for operation of
3 state government" does not include appropriations for capital proj-
4 ects, for state loans, appropriations for municipal revenue sharing,
5 municipal assistance, or of taxes shared with municipalities, or
6 appropriations for primary and secondary education.

7 (f) The total number of employees of the state, of agencies of
8 the state and of the University of Alaska may not exceed four percent
9 of the population of the state as determined under this section. For
10 purposes of determining the number of employees each full-time em-
11 ployee shall be included and the hours worked by each employee other
12 than full-time shall be converted to full-time equivalent employment
13 and each full-time equivalent employee shall be included.

14 (g) In this section "population" means total resident population
15 of the state computed under the method of computation used in the most
16 recent federal decennial census.

17 * Sec. 2. The amendment proposed by this resolution shall be placed
18 before the voters of the state at the next general election in conformity
19 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
20 tion laws of the state.