

**SJR**

**52**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/20/94

FURTHER:

DATE TURNED INTO OFFICE: 5-494

The Finance Committee considered **SENATE JOINT RESOLUTION NO. 52**

Proposing amendments to the Constitution of the State of Alaska relating to the budget reserve fund.

and recommends:

Replace with \_\_\_\_\_ CS SJR 52 (FINANCE)  
 or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_  
 attaches amendment(s)

same title  
 new title  
 technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

- do pass
- do not pass
- no recommendation
- individual recommendations

*CS (Fin)  
coming*

**NEW FISCAL NOTES**

Department	Date	Zero	Fiscal
<i>Gov. Elections</i>	<i>4/22/94</i>		<i>2.2</i>

**PREVIOUS FISCAL NOTES**

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

**DO PASS:**

\_\_\_\_\_  
*Steve Lis*  
*Scott May*

**OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
*Jerry Kautsky* **DO NOT PASS**

1. \_\_\_\_\_  
 Co-Chair: Signature/Recommendation

2. \_\_\_\_\_  
 Co-Chair: Signature/Recommendation

FISCAL NOTE

STATE OF ALASKA

BILL NO. SJR52

1994 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Department Affected: Office of the Governor  
 Title: Amendment to the Constitution RE: BRU: Division of Elections  
THE BUDGET RESERVE FUND Component: General and Primary Elections  
 Sponsor: (S) FIN  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 22

EXPENDITURES/REVENUES:

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	2.2*	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND &	0	0	0	0	0	0
GRANTS,	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL	2.2*	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE						
---------	--	--	--	--	--	--

FUNDING:

1002 Federal	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	2.2*	0	0	0	0	0
1005 GF/Program	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	2.2*	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY94) impact: 0

ANALYSIS: (Attach a separate page if necessary.) \*This figure covers cost of inclusion of information about this issue in the Official Elections Pamphlet as required by AS 15.58, and programming for DataVote counting of votes cast on the measure. However, only 4 measures can be printed on a single ballot card. Should this measure require printing an additional ballot card, the fiscal impact would be 53.4.

Prepared by: Joseph L. Swanson, Director Phone: 465-4611  
 Division: Division of Elections Date: 4/22/94  
 Approved by Commissioner: Lt. Governor John B. Coghlin  
 Agency: Office of the Lt. Governor Date: \_\_\_\_\_

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE  
 For further distribution information call the Governor's Legislative Office

AN AMENDMENT  
IN THE SENATE FINANCE COMMITTEE  
TO: SJR 52

5/4/94

5/4/94  
Provided by  
Ann (sic)  
Rogers  
office  
She is working  
w/ Tom Cook

Section 1. Article IX, sec. 17(b), Constitution of the State of Alaska, is repealed and reenacted to read:

(b) The purpose of the budget reserve fund is to help stabilize state spending from year to year. Moneys in the budget reserve fund shall be treated as general funds except that they may not be used to increase the amount of appropriations from the general fund, including any appropriations from the budget reserve fund, over the prior year's amount. For purposes of this section, money from the budget reserve fund shall be considered to be the last used in a fiscal year. The legislature shall implement this subsection by law.

Section 2. Article IX, sec 17(c) is repealed and reenacted to read:

(c) Notwithstanding subsection (b), moneys in the budget reserve fund may be made for any public purpose, including purposes which would serve to increase general fund spending over the prior year's level, upon an affirmative vote of 3/4 of the members of each house of the legislature. The legislature shall implement this subsection by law.

Renumber following sections accordingly.

Ann has  
new language  
for this bill.

## CS SENATE JOINT RESOLUTION NO. 52 (Fix)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 4/15/94  
Referred: JUD, FIN

## A RESOLUTION

1 Proposing amendments to the Constitution of the State of Alaska relating to the  
2 budget reserve fund.

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

4 \* Section 1. Article IX, sec. 17(b), Constitution of the State of Alaska, is repealed and  
5 reenacted to read:

6 (b) An appropriation may be made from the budget reserve fund during a  
7 calendar year upon the affirmative vote of a majority of the members of each house  
8 of the legislature if the amount appropriated, when added to the amount of  
9 appropriations made during that same year from unrestricted funds, is less than the  
10 total amount of appropriations made during the immediately preceding calendar year  
11 from unrestricted funds and from the budget reserve fund. For purposes of this  
12 subsection, "unrestricted funds" means money in the State general fund that has not  
13 been appropriated for a particular purpose or to a separate fund or account established  
14 by law within the general fund.

15 \* Sec. 2. Article IX, sec. 17(d), Constitution of the State of Alaska, is repealed.

16 \* Sec. 3. The amendments proposed by this resolution shall be placed before the voters of

- 1 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
- 2 State of Alaska, and the election laws of the state.

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

### MEMORANDUM

May 4, 1994

**SUBJECT:** Budget Reserve Fund (CSSJR 52(FIN))

**TO:** Senator Drue Pearce, Co-Chair  
Senate Finance Committee

**FROM:** Tamara Brandt Cook  
Director *TBC*

Here is the CSSJR 52(FIN) requested. Since this is entirely new language, I have some observations and questions.

#### Subsection (b)

I have no reaction to the statement of purpose in the first sentence. It may not be legally significant. On the other hand, because it appears in the constitution it may be used in litigation in creative ways with unanticipated results.

The second sentence may conflict with the statement in art. IX, sec. 17(a): "Money in the budget reserve fund shall be invested so as to yield competitive market rates to the fund." The amendment language directs that the money in the budget reserve fund "be treated as general funds." To the extent that investment of general fund money differs from the goal of achieving competitive market rates, the two subsections may conflict. Also, it is possible that the amendment will require accounting or other treatment of the money that is used for the general fund now, but that might not be ideal for the budget reserve fund. Lastly, should the reference to "prior year's amount" be the "prior fiscal year's amount"?

The third sentence is confusing. It appears to address actual expenditure of the budget reserve fund money rather than appropriation of that money. Is it intended to prevent expenditure until all other appropriations have been spent? Will this mean that particular projects funded with budget reserve fund money may not be built until all other projects are finished? Or that state operations funded with budget reserve fund money may not go forward until all other appropriations have been used? Or perhaps this simply means that money from whatever funding source

Senator Drue Pearce  
May 4, 1994  
Page 2.

is to lapse into the budget reserve fund before it lapses into the funding source. I just don't know. Should the reference to "section" be "subsection"?

The fourth sentence gives the legislature specific authority to implement the subsection by law. This may provide the legislature with the authority to correct, by statute, problems of interpreting or applying the constitutional language as those problems arise.

Subsection (c)

The first sentence appears not to change the substance of existing subsection (c). The second sentence gives the legislature specific authority to implement the subsection by law. In the context of this subsection, I'm not sure what the legislature would do by way of implementation because the subsection appears to be absolute on its face. Again, should the reference to "prior year's level" be "prior fiscal year's level"?

Please let me know if you have further questions or if I can be of further assistance.

TBC:pl  
94-300.plm

Enclosure

SENATE AMENDMENT

TO: Senate Joint Resolution 52  
RE: Budget Reserve Fund  
DATE: April 25, 1994  
BY: \_\_\_\_\_

Page 1, line 9. After the word "unrestricted" delete all material through the end of Sec. 2 on page 1, line 15 and replace with the following:

revenue of the state is less than the total amount of appropriations made during the immediately preceding calendar year from unrestricted revenue of the state and from the budget reserve fund. For purposes of this subsection, "unrestricted revenue of the state" means money in the general fund from state sources that is not held in trust or has not been appropriated for a particular purpose or to a separate fund or account established by law within the general fund.

\* Sec. 2. Article IX, sec. 17(d), Constitution of the State of Alaska, is amended to read: (d) If an appropriation is made from the budget reserve fund, until the amount appropriated is repaid, the unreserved, undesignated balance in the general fund available for appropriation at the end of each succeeding fiscal year shall be deposited in the budget reserve fund. The legislature shall implement this subsection by law. [Amendment approved November 6, 1990. Effective January 2, 1991.]

SENATE FINANCE  
COMMITTEE  
Amendment Number:            ①  
Bill Number: 5JR 53  
Sponsor: \_\_\_\_\_ Date: 4/25/94  
Logged In By: Bom

ATTACHMENTS TO WORK DRAFT 8-LS1890\K

Hold for <sup>5/4/94</sup>  
as from Ann

Committee Reports  
+  
Fiscal Notes - distributed

<sup>5/4/94</sup>  
Ann okayed.  
Called legal for  
final w/ rush  
instructions. Rules  
to meet on this  
tonight.

Katley

3:50pm

8-LS1890K  
Cook  
5/4/94

**CS FOR SENATE JOINT RESOLUTION NO. 52(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - SECOND SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): SENATE FINANCE COMMITTEE**

**A RESOLUTION**

**1 Proposing amendments to the Constitution of the State of Alaska relating to the  
2 budget reserve fund.**

**3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

**4 \* Section 1. Article IX, sec. 17(b), Constitution of the State of Alaska, is repealed and  
5 reenacted to read:**

**6 (b) The purpose of the budget reserve fund is to help stabilize State spending  
7 from year to year. Money in the budget reserve fund shall be treated as general funds  
8 except that it may not be used to increase the amount of appropriations from the  
9 general fund, including appropriations from the budget reserve fund, over the prior  
10 year's amount. For purposes of this section, money from the budget reserve fund shall  
11 be considered to be the last used in a fiscal year. The legislature shall implement this  
12 subsection by law.**

**13 \* Sec. 2. Article IX, sec. 17(c), Constitution of the State of Alaska, is repealed and  
14 reenacted to read:**

**15 (c) Notwithstanding (b) of this section, appropriations of money in the budget  
16 reserve fund may be made for any public purpose, including purposes that would serve**

1 to increase general fund spending over the prior year's level, upon an affirmative vote  
2 of three-fourths of the members of each house of the legislature. The legislature shall  
3 implement this subsection by law.

4 \* Sec. 3. Article IX, sec. 17(d), Constitution of the State of Alaska, is repealed.

5 \* Sec. 4. The amendments proposed by this resolution shall be placed before the voters of  
6 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the  
7 State of Alaska, and the election laws of the state.

**SENATE COMMITTEE REPORT**  
FIRST COMMITTEE OF REFERRAL

DATE: 4/15/94

FURTHER: Finance

Date of 5-Day Notice: \_\_\_\_\_  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: \_\_\_\_\_

*4-20-94*

Judiciary Committee considered SJR 52

Proposing amendments to the Constitution of the State of Alaska relating to the budget reserve fund.

and recommends:

replace with \_\_\_\_\_ CS \_\_\_\_\_

attaches amendment(s)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

- same title
- new title
- technical title change (HB only)

do pass

do not pass

no recommendation

individual recommendations

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

**DO PASS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Chair: Signature and Recommendation