

SJR

28

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SJR28

Revision Date/Time (Note if correction) _____ Dept. Affected Office of the Governor
 Title Constitutional Amendment: Relating to BRU Elective Operations
 appropriation limit _____ Component Elections
 Sponsor Senator Donley
 Requester Senate Judiciary Committee Component No. 21

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual	1.5					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	1.5	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	1.5					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	1.5	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This figure includes the cost of providing information about this issue in the Official Election Pamphlet, as required by AS 15.58. However, only six measures can be printed on an 8-1/2 by 14 inch ballot. If this measure requires printing an 8-1/2 by 18 inch ballot, the cost will increase by \$22.0.

Prepared by: Gail Fenumiai Phone 465-3935
 Division Division of Elections Date/Time 1/13/00 12:47 PM
 Approved by: Lt. Governor Fran Ulmer Date 01/13/2000
 Agency Office of the Lieutenant Governor

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SENATE COMMITTEE REPORT

DATE: 5/19/99

FURTHER: Finance

Date of 5-Day Notice: ^{1/13/00} ~~24-hour rule in effect~~
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: _____

Judiciary Committee considered

SENATE JOINT RESOLUTION NO. 28

Proposing an amendment to the Constitution of the State of Alaska relating to the appropriation limit.

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ C. _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
CHAIR: <i>[Signature]</i>	✓	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
Gov. Div. of Elect.	1/13		1.5

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

1-LS1001AS
Cook
1/20/00

CS FOR SENATE JOINT RESOLUTION NO. 28()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATORS DONLEY, Ward, Halford

A RESOLUTION

1 Proposing amendments to the Constitution of the State of Alaska relating to an
2 appropriation limit and a spending limit.

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

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

5 Section 16. Appropriation and Spending Limit. (a) Except for
6 appropriations for Alaska permanent fund dividends, appropriations to the Alaska
7 permanent fund, appropriations to meet a state of disaster declared by the
8 governor as prescribed by law, appropriations for the Alaska Railroad,
9 appropriations of revenue bond proceeds, appropriations required to pay the principal
10 and interest on general obligation bonds, and appropriations of money received from
11 the federal government [A NON-STATE SOURCE IN TRUST FOR A SPECIFIC
12 PURPOSE, INCLUDING REVENUES OF A PUBLIC ENTERPRISE OR PUBLIC
13 CORPORATION OF THE STATE THAT ISSUES REVENUE BONDS],
14 appropriations [FROM THE TREASURY] made for a fiscal year shall not exceed
15 \$2,250,000,000 [\$2,500,000,000] by more than one-eighth of the cumulative change,
16 derived from federal indices as prescribed by law, in population and inflation since

1 July 1, 1981. [WITHIN THIS LIMIT, AT LEAST ONE-THIRD SHALL BE
2 RESERVED FOR CAPITAL PROJECTS AND LOAN APPROPRIATIONS. THE
3 LEGISLATURE MAY EXCEED THIS LIMIT IN BILLS FOR APPROPRIATIONS
4 TO THE ALASKA PERMANENT FUND AND IN BILLS FOR APPROPRIATIONS
5 FOR CAPITAL PROJECTS, WHETHER OF BOND PROCEEDS OR OTHERWISE,
6 IF EACH BILL IS APPROVED BY THE GOVERNOR, OR PASSED BY
7 AFFIRMATIVE VOTE OF THREE-FOURTHS OF THE MEMBERSHIP OF THE
8 LEGISLATURE OVER A VETO OR ITEM VETO, OR BECOMES LAW WITHOUT
9 SIGNATURE, AND IS ALSO APPROVED BY THE VOTERS AS PRESCRIBED BY
10 LAW. EACH BILL FOR APPROPRIATIONS FOR CAPITAL PROJECTS IN
11 EXCESS OF THE LIMIT SHALL BE CONFINED TO CAPITAL PROJECTS OF
12 THE SAME TYPE, AND THE VOTERS SHALL, AS PROVIDED BY LAW, BE
13 INFORMED OF THE COST OF OPERATIONS AND MAINTENANCE OF THE
14 CAPITAL PROJECTS. NO OTHER APPROPRIATION IN EXCESS OF THIS LIMIT
15 MAY BE MADE EXCEPT TO MEET A STATE OF DISASTER DECLARED BY
16 THE GOVERNOR AS PRESCRIBED BY LAW.] The governor shall cause any
17 unexpended and unappropriated balance to be invested so as to yield competitive
18 market rates to the treasury.

19 * Sec. 2. Article IX, sec. 16, Constitution of the State of Alaska, is amended by adding
20 new subsections to read:

21 (b) An appropriation that exceeds the limit established under (a) of this section
22 by no more than two percent may be made for any public purpose upon affirmative
23 vote of two-thirds of the members of each house of the legislature.

24 (c) If appropriations for a fiscal year exceed the amount that may be
25 appropriated under (a) or (b) of this section, the governor shall reduce expenditures by
26 the executive branch for its operation and administration to the extent necessary to
27 avoid spending more than the amount that may be appropriated under (a) or (b) of this
28 section. The operating expenditures of each of the principal departments established
29 by law under Section 22 of Article III shall be reduced by an equal percentage. This
30 subsection does not apply to expenditures that are approved by a resolution concurred
31 in by at least two-thirds of the members of each house.

1 * Sec. 3. Article XV, Constitution of the State of Alaska, is amended by adding a new
2 section to read:

3 **Section 30. Reconsideration of Appropriation and Spending Limit.** If the
4 2000 amendment relating to an appropriation and spending limit (art. IX, sec. 16) is
5 adopted, the lieutenant governor shall place the ballot title and proposition for the
6 amendment on the ballot again at the general election in 2010. If the majority of those
7 voting on the proposition in 2010 rejects the amendment, it shall be repealed and
8 Section 16 of Article IX shall read exactly as it did when it was first adopted in 1982.

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



SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

Sponsor Statement for Senate Joint Resolution 28

Senate Joint Resolution 28 would amend Article IX, sec 16 of Alaska's Constitution by lowering the existing appropriation limit to better reflect Alaska's current revenue picture. Passage of SJR 28 would ensure a limit on the growth of state government and force the state to further reasonably reduce non-essential state spending.

The existing constitutional appropriation limit, adopted by voters in 1981, has not worked as anticipated and has never been effective in restraining state spending. A main reason for its failure is that the starting amount of \$2.5 billion was too high and its escalator factor based on population and inflation was too liberal. In fact, given the increases in inflation and population over the last 19 years, the general fund spending limit imposed by Article IX, Section 16 will be over **\$6 billion**. **That is about \$3 billion more than general fund spending in the Fiscal Year 2000.** SJR 28 would more accurately reflect today's spending by lowering the existing appropriation limit.

Additionally, SJR 28 would allow the legislature to exceed the limit by no more than ten percent of the base limit with a two-thirds vote of each house.

SJR 28 also removes the requirement that one-third of the budget be appropriated for capital expenditures. Over the years, several attorney general opinions have been written on the meaning of the constitutional limit; those opinions counter the plain English meaning of the language and have allowed the legislature and the administration to avoid this requirement. SJR 28 removes this arbitrary and superfluous requirement.

SJR 28 also simplifies and clarifies exactly what spending counts towards the appropriation limit, something that is not clear in the existing constitutional language.

Without a meaningful constitutional amendment in place that limits the amount of state general fund expenditures, there is absolutely no guarantee that the state will reduce spending. SJR 28 would limit state spending and is a needed step in addressing and solving our state's fiscal gap problem.

DD/jja

Vice-Chair, Senate Finance Committee • Chair, Capital Budget Subcommittee • Co-Chair, Anchorage Caucus
Member: Senate Judiciary Committee • Senate Labor & Commerce Committee • Legislative Council

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