

HJR

9

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT

MAY 05 2004

SENATE FINANCE
COMMITTEE

DATE: 5/1/04

FURTHER:

DATE TURNED IN TO OFFICE: 5 May 2004

Finance Committee considered CS FOR HOUSE JOINT RESOLUTION NO. 9(FIN) am

HJR 9 CONST AM: APPROPRIATION/SPENDING LIMIT

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

and recommends:

- be replaced with 5 CS CS HJR (FIN)
- adopt previous _____ CS CS forthcoming . (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:
 Same Title
 New Title

House Bill:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero.	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
Gov	7/2/04	1.5			#2
All	4/2/04			✓	#3

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
<i>[Signature]</i>				
<i>[Signature]</i>				
<i>[Signature]</i>				
<i>[Signature]</i>				
COCHAIR: <i>[Signature]</i>				
COCHAIR: <i>[Signature]</i>				

MAY 05 2004

SENATE FINANCE
COMMITTEE

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHJR 9(JUD)
(H) Publish Date: 2/4/04

Revision Date/Time (Note if correction): _____ Dept. Affected: GOV
Title: Proposed amendment to the Constitution of the State of Alaska relating to an appropriation limit and spending limit. RDU: Elections
Component: Elections
Sponsor: Representative Stoltze
Requester: House Judiciary Component No.: 21

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
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 ()						
------------------------	--	--	--	--	--	--

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--Do not abbreviate)						
TOTAL	1.5	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

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. If this measure requires the printing of an 8-1/2 by 18 inch ballot, the cost will increase by \$22.0.

Prepared by: Leonard G. Jones Phone: 465-3051
Division: Division of Elections Date/Time: 2/2/04 11:20 AM
Approved by: Laura A. Glaiser, Director Date: 2/2/2004
Agency: Office of the Lt. Governor, Division of Elections

MAY 05 2004

SENATE FINANCE
COMMITTEE

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHJR 9(FIN)
(H) Publish Date: 4/8/04

Revision Date/Time: 1/23/04 Dept. Affected: All
Title: Appropriation/Spending Limit RDU: _____
Component: _____
Sponsor: Stoltze
Requester: (H) FIN Component No.: _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	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						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The zero fiscal note for executive branch agencies reflects the cost of implementing this legislation. Should the resolution pass the legislature, the Division of Elections would require \$1,500 to place this provision on the ballot for the 2004 general election.

Prepared by: Brad Pierce, Senior Policy Analyst
Division: OMB
Approved by: Cheryl Frasca, Director
Agency: OMB

Phone: 465-4677
Date/Time: 4/8/04 9:22 AM
Date: 4/8/04

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(2) the percentage rate of change in the personal incomes of State residents for the three calendar years preceding the calendar year during which the immediately preceding fiscal year began.

(b) The legislature shall implement (a) of this section by law. If the appropriation limit calculated under (a) of this section, as implemented by law, for a current fiscal year is less than the appropriation limit amount calculated for the immediately preceding fiscal year, the appropriation limit amount for the immediately preceding fiscal year shall apply to the current fiscal year.

(c) An appropriation that exceeds the limit under this section by not more than two percent may be made for any public purpose upon affirmative vote of at least two-thirds of the members of each house of the legislature. An appropriation that exceeds the limit under this section by not more than four percent may be made for any public purpose upon affirmative vote of at least three-fourths of the members of each house. However, the total amount of appropriations under this subsection made for a fiscal year may not exceed the limit under this section by more than four percent. A bill making one or more appropriations under this subsection must be confined to appropriations made under this subsection.

(d) Calculations made under (a) or (c) of this section shall not include

(1) an appropriation to the Alaska permanent fund established in Section 15 of this article;

(2) an appropriation for payments of permanent fund dividends to State residents;

(3) an appropriation to meet a state of natural disaster declared by the governor as prescribed by law;

(4) an appropriation to a separate fund or account in the general fund from which expenditures may not be made without an additional appropriation from that separate fund or account;

(5) an appropriation of State general obligation, ~~and~~ revenue bond proceeds; ^{and lease debt}

(6) an appropriation required to pay obligations under revenue or general obligation bonds issued by the State; ^{lease debt}

SENATE FINANCE COMMITTEE
5/5/2004 COMMITTEE ACTION

Bill Number	HJR 9		
Amendment	#1		
Motion	to adopt		
<u>Motion by</u>	Green		
<u>Objection by</u>	Wilken		
<u>Removed</u>	✓		
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Bunde			
Senator Dyson			
Senator Hoffman			
Senator Olson			
Senator Stevens			
Co-Chair Green			
Co-Chair Wilken			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	ADOPTED		



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

RUSTH

Scheduled
for Floor

FAX COVER SHEET

DATE: 5 May 2004 TIME: 10:25am

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 2

FROM: MINDY ROWLAND
SENATE FINANCE COMMITTEE SECRETARY
PHONE: 465-4935
FAX: 465-2187

NOTES: Final Please

SCS CS HJR 9 (FIN)

23-LS0435/G Cook 5/4/04

Plus 1 amendment - attached

THX
Mindy

8

Senator Gary Wilken
Fairbanks
Alaska

#5) ~~of~~^{or} lease debt

#6) or lease debt
owed by the state

certificate of participation

SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION NO. 9(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES STOLTZE, Kohring, Rokeberg, Meyer, Seaton, Lynn, Gatto

A RESOLUTION

1 **Proposing amendments to the Constitution of the State of Alaska relating to an**
2 **appropriation 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 repealed and
5 readopted to read:

6 **Section 16. Appropriation Limit.** (a) Subject to (b) of this section,
7 appropriations made for a current fiscal year shall not exceed the average amount
8 appropriated for the earliest three of the four fiscal years immediately preceding that
9 current fiscal year, increased or decreased by the lesser of

10 (1) seventy-five percent of the sum of the following:

11 (A) the percentage rate of change in the cost of living for the
12 three calendar years preceding the calendar year during which the immediately
13 preceding fiscal year began; plus

14 (B) the percentage rate of change in the State population for the
15 three calendar years preceding the calendar year during which the immediately
16 preceding fiscal year began; or

1 (2) the percentage rate of change in the personal incomes of State
2 residents for the three calendar years preceding the calendar year during which the
3 immediately preceding fiscal year began.

4 (b) The legislature shall implement (a) of this section by law. If the
5 appropriation limit calculated under (a) of this section, as implemented by law, for a
6 current fiscal year is less than the appropriation limit amount calculated for the
7 immediately preceding fiscal year, the appropriation limit amount for the immediately
8 preceding fiscal year shall apply to the current fiscal year.

9 (c) An appropriation that exceeds the limit under this section by not more than
10 two percent may be made for any public purpose upon affirmative vote of at least two-
11 thirds of the members of each house of the legislature. An appropriation that exceeds
12 the limit under this section by not more than four percent may be made for any public
13 purpose upon affirmative vote of at least three-fourths of the members of each house.
14 However, the total amount of appropriations under this subsection made for a fiscal
15 year may not exceed the limit under this section by more than four percent. A bill
16 making one or more appropriations under this subsection must be confined to
17 appropriations made under this subsection.

18 (d) Calculations made under (a) or (c) of this section shall not include

19 (1) an appropriation to the Alaska permanent fund established in
20 Section 15 of this article;

21 (2) an appropriation for payments of permanent fund dividends to State
22 residents;

23 (3) an appropriation to meet a state of natural disaster declared by the
24 governor as prescribed by law;

25 (4) an appropriation to a separate fund or account in the general fund
26 from which expenditures may not be made without an additional appropriation from
27 that separate fund or account;

28 (5) an appropriation of State general obligation or revenue bond
29 proceeds or an appropriation of State lease debt sale proceeds;

30 (6) an appropriation required to pay obligations under revenue or
31 general obligation bonds issued by the State or a lease debt owed by the State;

Amend
#1

1 (7) an appropriation of money received from the federal government;

2 (8) a reappropriation of money already appropriated under an
3 unobligated appropriation that is not void under Section 13 of this article;

4 (9) an appropriation of money for expenditure by a State agency to
5 provide services to part of that same agency or to another State agency if the other part
6 or the other agency has also received an appropriation of the same money;

7 (10) an appropriation of money held in trust by the State for a
8 particular purpose;

9 (11) an appropriation of money received as tuition, fees, contract
10 receipts, or from other sources apart from the general fund by the University of
11 Alaska;

12 (12) an appropriation of money received by the state from a source
13 other than the state or federal government that is restricted to a specific use by the
14 terms of a gift, grant, bequest, or contract;

15 (13) an appropriation of money deposited into the budget reserve fund
16 under Section 17(d) of this article back to the funds and accounts from which the
17 money came;

18 (14) an appropriation of dedicated funds;

19 (15) an appropriation made under (c) of this section.

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

22 **Section 30. Application, Transition, and Repeal of Appropriation Limit.**

23 (a) The 2004 amendment relating to an appropriation limit (art. IX, sec. 16) first
24 applies to appropriations made for fiscal year 2006; however, for purposes of making
25 calculations under the appropriation limit for fiscal years 2006 through 2008, it shall
26 be assumed that, excluding appropriations listed under Section 16(d) of Article IX, the
27 amount appropriated for

28 (1) fiscal year 2004 equals \$3,150,000,000; and

29 (2) fiscal year 2005 equals \$3,250,000,000.

30 (b) Section 16 of Article IX (appropriation limit) is repealed July 1, 2009.

31 * **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.

23-LS0435G
Cook
5/4/04

SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION NO. 9(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES STOLTZE, Kohring, Rokeberg, Meyer, Seaton, Lynn, Gatto

A RESOLUTION

1 Proposing amendments to the Constitution of the State of Alaska relating to an
2 appropriation 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 repealed and
5 readopted to read:

6 Section 16. Appropriation Limit. (a) Subject to (b) of this section,
7 appropriations made for a current fiscal year shall not exceed the average amount
8 appropriated for the earliest three of the four fiscal years immediately preceding that
9 current fiscal year, increased or decreased by the lesser of

10 (1) seventy-five percent of the sum of the following:

11 (A) the percentage rate of change in the cost of living for the
12 three calendar years preceding the calendar year during which the immediately
13 preceding fiscal year began; plus

14 (B) the percentage rate of change in the State population for the
15 three calendar years preceding the calendar year during which the immediately
16 preceding fiscal year began; or

1 (2) the percentage rate of change in the personal incomes of State
2 residents for the three calendar years preceding the calendar year during which the
3 immediately preceding fiscal year began.

4 (b) The legislature shall implement (a) of this section by law. If the
5 appropriation limit calculated under (a) of this section, as implemented by law, for a
6 current fiscal year is less than the appropriation limit amount calculated for the
7 immediately preceding fiscal year, the appropriation limit amount for the immediately
8 preceding fiscal year shall apply to the current fiscal year.

9 (c) An appropriation that exceeds the limit under this section by not more than
10 two percent may be made for any public purpose upon affirmative vote of at least two-
11 thirds of the members of each house of the legislature. An appropriation that exceeds
12 the limit under this section by not more than four percent may be made for any public
13 purpose upon affirmative vote of at least three-fourths of the members of each house.
14 However, the total amount of appropriations under this subsection made for a fiscal
15 year may not exceed the limit under this section by more than four percent. A bill
16 making one or more appropriations under this subsection must be confined to
17 appropriations made under this subsection.

18 (d) Calculations made under (a) or (c) of this section shall not include

19 (1) an appropriation to the Alaska permanent fund established in
20 Section 15 of this article,

21 (2) an appropriation for payments of permanent fund dividends to State
22 residents;

23 (3) an appropriation to meet a state of natural disaster declared by the
24 governor as prescribed by law;

25 (4) an appropriation to a separate fund or account in the general fund
26 from which expenditures may not be made without an additional appropriation from
27 that separate fund or account;

28 (5) an appropriation of State general obligation and revenue bond
29 proceeds;

30 (6) an appropriation required to pay obligations under revenue or
31 general obligation bonds issued by the State;

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- (7) an appropriation of money received from the federal government;
- (8) a reappropriation of money already appropriated under an unobligated appropriation that is not void under Section 13 of this article;
- (9) an appropriation of money for expenditure by a State agency to provide services to part of that same agency or to another State agency if the other part or the other agency has also received an appropriation of the same money;
- (10) an appropriation of money held in trust by the State for a particular purpose;
- (11) an appropriation of money received as tuition, fees, contract receipts, or from other sources apart from the general fund by the University of Alaska;
- (12) an appropriation of money received by the state from a source other than the state or federal government that is restricted to a specific use by the terms of a gift, grant, bequest, or contract;
- (13) an appropriation of money deposited into the budget reserve fund under Section 17(d) of this article back to the funds and accounts from which the money came;
- (14) an appropriation of dedicated funds;
- (15) an appropriation made under (c) of this section.

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

Section 30. Application, Transition, and Repeal of Appropriation Limit.

(a) The 2004 amendment relating to an appropriation limit (art. IX, sec. 16) first applies to appropriations made for fiscal year 2006; however, for purposes of making calculations under the appropriation limit for fiscal years 2006 through 2008, it shall be assumed that, excluding appropriations listed under Section 16(d) of Article IX, the amount appropriated for

- (1) fiscal year 2004 equals \$3,150,000,000; and
- (2) fiscal year 2005 equals \$3,250,000,000.

(b) Section 16 of Article IX (appropriation limit) is repealed July 1, 2009.

* 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.

ALASKA STATE LEGISLATURE

Chair:
House Finance Subcommittees for,
Department of Public Safety
Department of Law

Member:
House Finance Committee
Legislative Council



Session:
Alaska State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-4958
Fax: (907) 465-4928

Incumb:
PO Box 464
Chugiak, AK 99567

REPRESENTATIVE BILL STOLTZE

Representative_Bill_Stoltze@legis.state.ak.us

CS House Joint Resolution 9 (FIN) am "Proposing amendments to the Constitution of the State of Alaska relating to an appropriation limit."

I believe the adoption of an effective, reasonable constitutional spending limit to be an essential first step to developing any new long-range fiscal plan for the state. This step will establish guidelines by which the legislature will execute its power of appropriation and will create a more consistent pattern for state spending.

The existing constitutional appropriation limit, adopted by voters in 1982, has not worked as anticipated and has never been effective in restraining state spending. One main reason for its failure is that the starting amount of \$2.5 billion and the escalation factor based on inflation and population growth was too liberal. Given the increases in inflation and population over the last 20 years, the spending limit imposed by Article IX, Section 16 is more than \$6 billion. That is about \$3 billion more than appropriated in Fiscal Year 2002.

The key to this proposed amendment is to start with a base appropriation limit that is equal to the appropriation level of the earliest complete fiscal year. Increases in spending by not more than 2% would require a two-thirds vote, and an increase by not more than 4% would require a three-fourths vote. The intent of this approval process is to allow the legislature to focus on significant increases apart from the ongoing needs of general government expenditures.

Where necessary specific appropriations are identified and excluded from the appropriation limit.

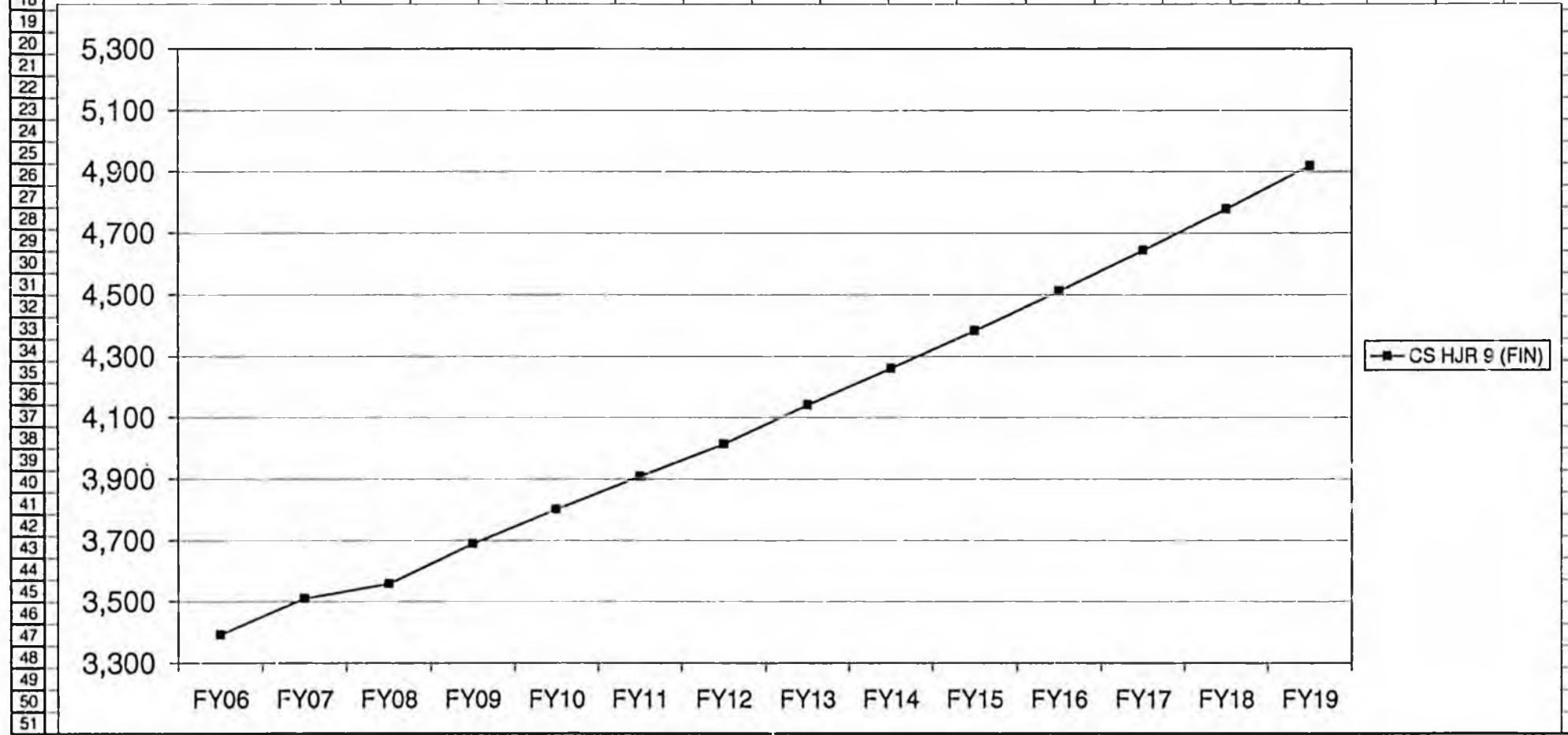
My original version provided for a voter renewal process every six years. As a result of a floor amendment, which I did not favor, the constitutional amendment has a sunset provision. If approved by voters in the 2004 General Election, it would remain in effect only until its repeal on July 1, 2009.

A constitutional spending limit is an important tool to help restrain spending. I respectfully request consideration of my effort to bring this issue before the voters of Alaska. HJR 9 is a key component of any new long-range plan to ensure Alaska's long-term fiscal health.

DISTRICT 16

BIRCHWOOD • BUTTE • CHUGIAK • EKLUTNA • FAIRVIEW LOOP
KNIK RIVER ROAD • LITTLE MOUNTAIN • PALMER • PETERS CREEK

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	
1	Variables:							CS HJR 9 (FIN)												
2	Inflation	3.0%						(Assuming University Exemptions increase by \$150 MM)												
3	Population	1.0%																		
4		4.0%																		
5																				
6	75% of 3 year growth	9.0%																		
7		FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	
8		3,143	3,046	3,150	3,250	3,393	3,510	3,558	3,689	3,801	3,908	4,014	4,141	4,260	4,383	4,511	4,645	4,779	4,919	
9	annual growth					143	117	48	131	112	107	106	127	118	124	128	134	134	140	
10	annual % change						3.44%	1.37%	3.68%	3.04%	2.83%	2.70%	3.17%	2.85%	2.90%	2.91%	2.97%	2.89%	2.93%	
11																				
12	Governor's Amended			2,877.8	2,724.9															
13	Difference				525.1															
14																				
15																				
16																				
17																				
18																				



Comparison of HJR 9 and SJR 3

#	Location	HJR 9	SJR 3
1.	Page 1, Lines 6 – 9	Base Year = Earliest three of last 4 fiscal years.	Same
2.	Page 1, Lines 8 – 9	Provides for lesser total of two formulas: #1 = 75% (Cost of living + Population); or #2 = Personal income	Only one formula for determining limit = Inflation + Population
3.	Page 1, Line 10	First formula uses 75% of sum of cost of living and population	Uses 100% of sum of inflation and population
4.	Page 1, Lines 11 – 13	Factor 1 = Percentage rate of change of cost of living (undefined)	Factor 1 = Percentage rate of change of Consumer Price Index for all urban consumers for Anchorage metropolitan area as compiled by a federal agency
5.	Page 1, Lines 11 – 13	Cost of living increase unlimited	CPI increase not to exceed percentage change in personal income
5.	Page 1, Line 12	Rate of change is sum of three years	Rate of change is sum of two years
6.	Page 1, Lines 14 – 16	Factor 2 = Percentage rate of change in State population	Same
7.	Page 1, Line 15	Rate of change is sum of three years	Rate of change is sum of two years
8.	Page 2, Lines 1 – 3	Alternative sole factor = percentage rate of change in personal income for sum of three years	N/A
9.	Page 2, Line 4	Legislature implements by law	N/A
10.			Provision for no ratchet down in event formula results in negative number

Comparison of HJR 9 and SJR 3

#	Location	HJR 9	SJR 3
11.	Page 2, Lines 5 – 7	To exceed limit up to 2% requires 2/3 vote of legislature (Wording not clear)	N/A
12.	Page 2, Lines 7 – 10	To exceed limit above 2%, but less than 4% requires 3/4 vote of legislature (Wording not clear)	N/A
13.	Page 2, Lines 10 – 12	No provision to exceed limit by more than 4%	N/A
14.	Page 2, Lines 15 – 16	Exempts appropriations to permanent fund	Same
15.	Page 2, Lines 17 – 18	Exempts appropriations for dividends	Same
16.	Page 2, Lines 19 – 20	Exempts appropriations to meet natural disaster declared by governor under law	Similar provision
17.	Page 2, Lines 21 – 23	Exempts appropriations to a separate fund or account in the GF from which expenditures may not be made without an additional appropriation from that separate fund or account.	N/A
18.	Page 2, Lines 24 – 25	Exempts proceeds from general obligation and revenue bonds	Same
19.	Page 2, Lines 26 - 27	Exempts debt service under general obligation and revenue bonds	Exempts only debt service for revenue bonds
20.	Page 2, Line 28	Exempts money from the federal government	Same
21.	Page 2, Lines 29 – 30	Exempts re-appropriations of un-obligated appropriations	N/A

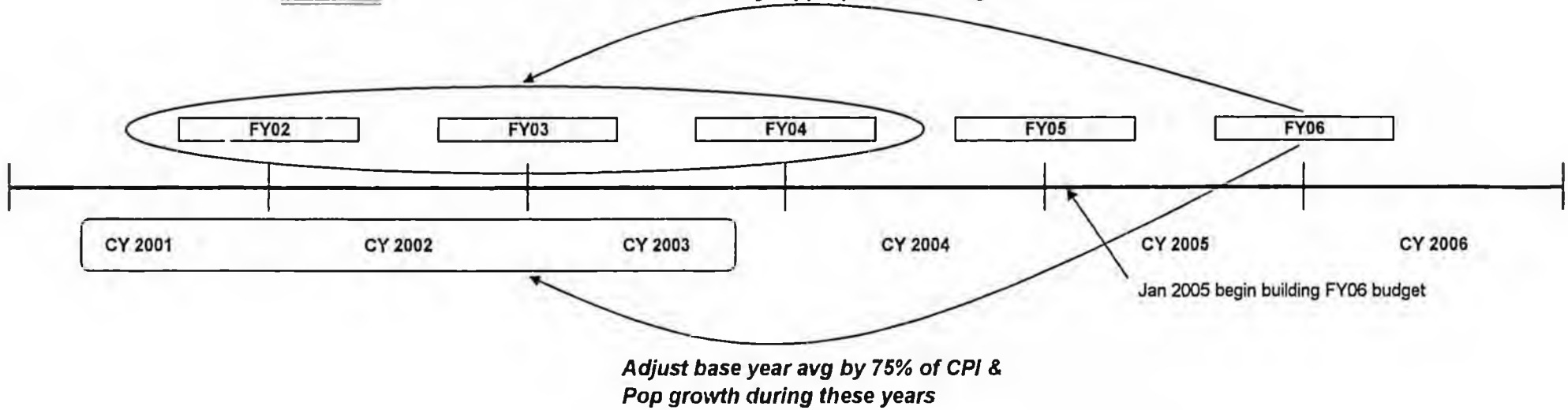
Comparison of HJR 9 and SJR 3

#	Location	HJR 9	SJR 3
22.	Page 2, Line 31 to Page 3, Line 2	Exempts interagency receipts	Same
23.	Page 3, Lines 3 - 4	Exempts monies held in trust by the State for a particular purpose	Similar
24.	Page 3, Lines 5 - 6	Exempts tuition of the University of Alaska	Exempts tuition, fees, contract receipts, or from other sources apart from the general fund.
25.	Page 3, Lines 7 - 9	Exempts gifts, grants, bequests, or contract monies from other than the federal or state government and designated for a specific use.	Same
26.	Page 3, Lines 10 - 12	Exempts appropriations deposited to the CBR	N/A
27.	Page 3, Line 13	Exempts appropriations of dedicated funds	Exempts appropriations to dedicated and trust funds
28.			Allows limit to be exceeded for extraordinary circumstance declared by governor and approved by 2/3 vote of legislature
29.			Allows limit to be exceeded for extraordinary circumstance declared by legislature.
30.	Page 3, Lines 17 - 24	Establishes artificial base year appropriations for transition. FY 2004 = \$3,300,000,000 FY 2005 = \$3,400,000,000	Establishes artificial base year appropriations for transition. FY 2004 = \$3,150,000,000 FY 2005 = \$3,250,000,000 Difference is primarily based on differences of exemptions to University of Alaska.
31.	Page 3, Line 25	Sunsets on July 1, 2009	Same

How FY06 Will Be Calculated

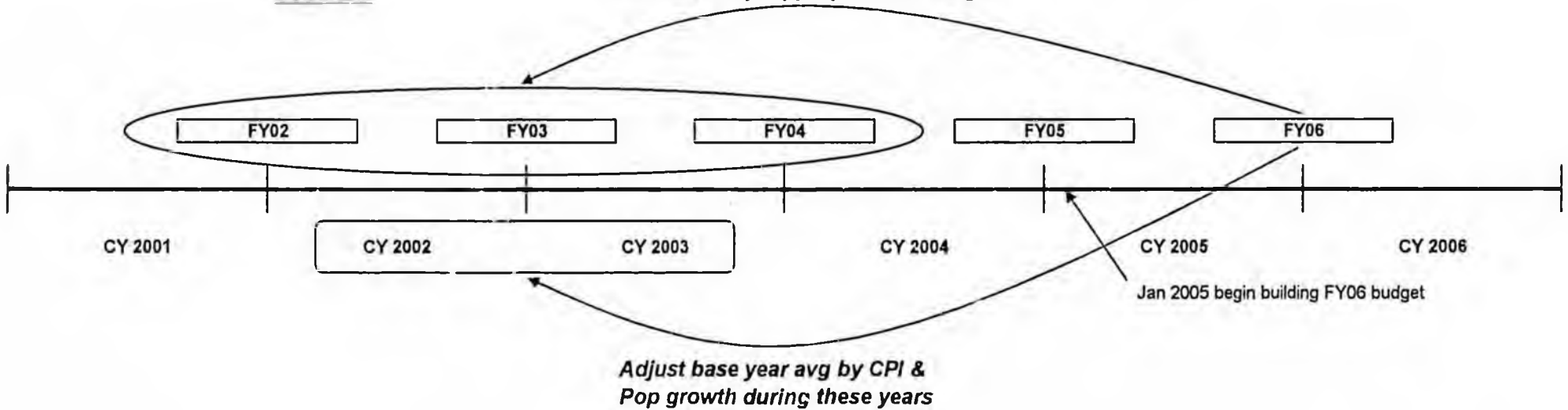
HJR 9

Base Year = 3 yr appropriated average



SJR 3

Base Year = 3 yr appropriated average

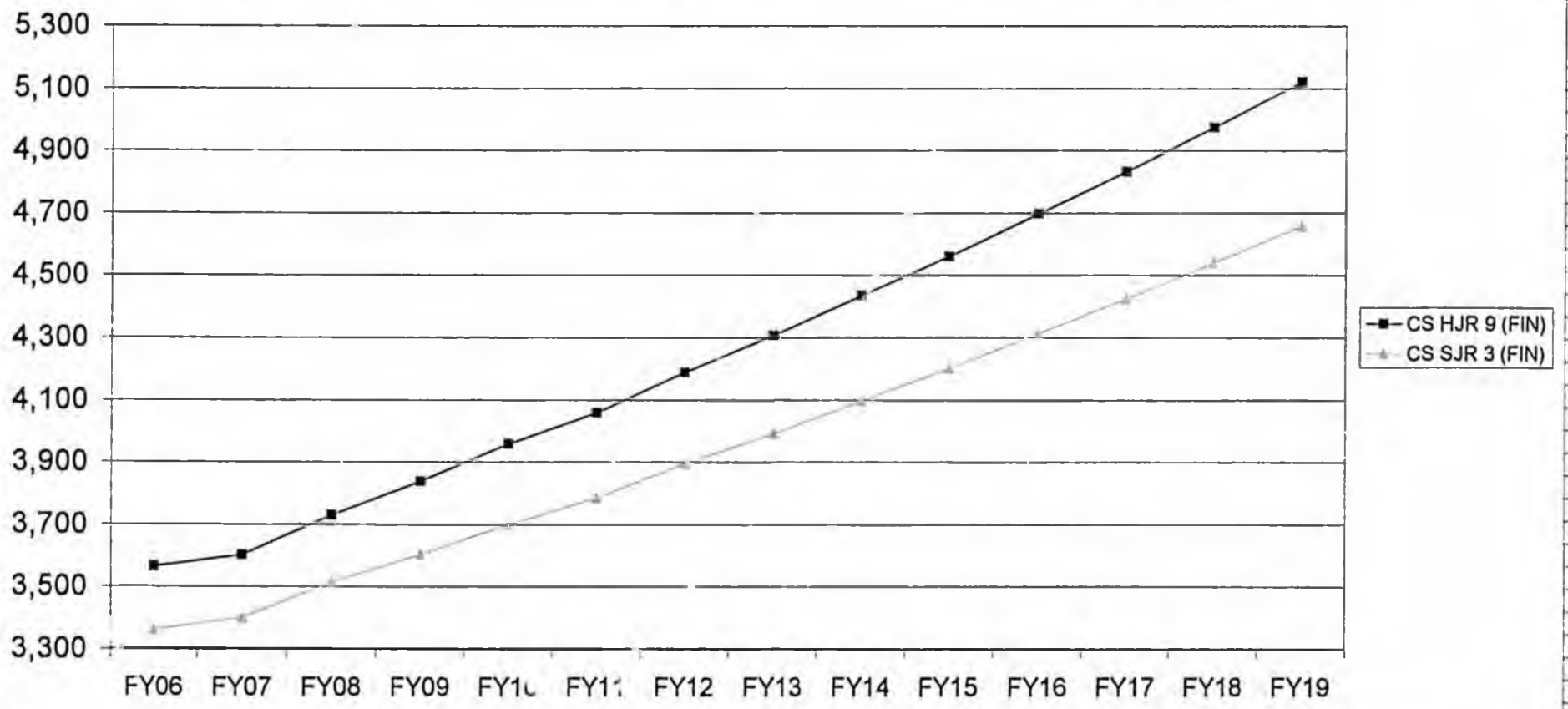


CS SJR 3 & CS HJR 9 Compare

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
1	Variables:																		
2	Inflation	3.0%																	
3	Population	1.0%																	
4		4.0%																	
5																			
6	75% of 3 year growth	9.0%																	
7	75% of 3 yr growth (HJR 9)	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
8		3,297	3,213	3,300	3,400	3,564	3,602	3,729	3,839	3,959	4,058	4,188	4,308	4,435	4,561	4,698	4,834	4,976	5,121
9	annual growth					164	37	128	110	120	100	130	120	127	127	137	136	142	145
10	annual % change						1.05%	3.34%	2.94%	3.12%	2.52%	3.20%	2.85%	2.94%	2.86%	3.00%	2.89%	2.93%	2.91%
11	2 year growth	8.0%																	
12	2 yr growth (SJR 3)	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
13		3143	3046	3150	3250	3362	3400	3514	3604	3700	3787	3895	3993	4097	4203	4314	4425	4541	4659
14	annual growth					112	38	114	91	95	87	108	98	104	106	112	111	116	118
15	annual % change						1.14%	3.35%	2.56%	2.64%	2.36%	2.84%	2.52%	2.62%	2.58%	2.66%	2.57%	2.62%	2.60%

← (Sunsets)

The most significant difference between the two bills is HJR9 exempts university tuition only. SJR3 exempts all non-GF university receipts



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S					
*1	Assumes Variables are constant as:					CS SJR 3 & CS HJR 9 Comparison																		
2	Inflation	3.0%																						
3	Population	1.0%																						
4		4.0%																						
5																								
6	75% of 3 year growth	9.0%																						
7	75% of 3 yr growth (HJR 9)	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19					
8		3,297	3,213	3,300	3,400	3,564	3,602	3,729	3,839	3,959	4,058	4,188	4,308	4,435	4,561	4,698	4,834	4,976	5,121					
9	annual growth					164	37	128	110	120	100	130	120	127	127	137	136	142	145					
10	annual % change						1.05%	3.54%	2.94%	3.12%	2.52%	3.20%	2.85%	2.94%	2.86%	3.00%	2.89%	2.93%	2.91%					
11	2 year growth	8.0%																						
12	2 yr growth (SJR 3)	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19					
13		3143	3046	3150	3250	3362	3400	3514	3604	3700	3787	3895	3993	4097	4203	4314	4425	4541	4659					
14	annual growth					112	38	114	90	95	87	108	96	104	106	112	111	118	118					
15	annual % change						1.14%	3.35%	2.56%	2.64%	2.36%	2.84%	2.52%	2.62%	2.58%	2.66%	2.57%	2.62%	2.60%					
16																								
17		The most significant difference between the two bills is HJR9 exempts university tuition only. SJR3 exempts all non-GF university receipts																						
18																								
19																								
20	(B8) = 75% of 3 year growth	=	SUM((B4*3)^.75)			=	9.0%																	
21	[F8] = FY06 Limit	=	(AVERAGE(B8:D8))*(\$B\$6+1)			=	((3297+3213+3300)/3)*1.09			=	3564		3400	=	164									
22	[G8] = FY07 Limit	=	(AVERAGE(C8:E8))*(\$B\$6+1)			=	((3213+3300+3400)/3)*1.09			=	3602		3564	=	37	=	1.05%							
23	[H8] = FY08 Limit	=	(AVERAGE(D8:F8))*(\$B\$6+1)			=	((3300+3400+3564)/3)*1.09			=	3729		3602	=	128	=	3.54%							
24	[I8] = FY09 Limit	=	(AVERAGE(E8:G8))*(\$B\$6+1)			=	((3400+3564+3602)/3)*1.09			=	3839		3729	=	110	=	2.94%							
25																								
26																								
27	(B13) = 100% of 2 year growth	=	SUM(B4*2)			=	8.0%																	
28	[F13] = FY06 Limit	=	(AVERAGE(B13:D13))*(\$B\$11+1)			=	((3143+3046+3150)/3)*1.08			=	3362		3250	=	112									
29	[G13] = FY07 Limit	=	(AVERAGE(C13:E13))*(\$B\$11+1)			=	((3046+3150+3250)/3)*1.08			=	3401		3362	=	39	=	1.15%							
30	[H13] = FY08 Limit	=	(AVERAGE(D13:F13))*(\$B\$11+1)			=	((3150+3250+3362)/3)*1.08			=	3514		3401	=	114	=	3.35%							
31	[I13] = FY09 Limit	=	(AVERAGE(E13:G13))*(\$B\$11+1)			=	((3250+3362+3400)/3)*1.08			=	3604		3514	=	90	=	2.56%							
32																								
33	Annual Growth	=	Current FY less previous FY			=	3564-3400 = 164																	
34																								
35	Annual % change	=	Percent of annual growth to previous FY			=	110 / 3729 = 2.94%																	
36																								
37	FY04 & FY05 are fixed for transition purposes.																							
38	FY04 & FY05 for SJR3 are \$150 million lower to reflect increased University exemptions																							