

HJR

3

ALASKA STATE LEGISLATURE
House of Representatives

COMMITTEE ASSIGNMENTS

RULES COMMITTEE, CHAIRMAN
LABOR & COMMERCE COMMITTEE, MEMBER
LEGISLATIVE COUNCIL, MEMBER
SPECIAL COMMITTEE ON OIL & GAS, MEMBER
SPECIAL COMMITTEE ON WAYS & MEANS, MEMBER

website: <http://www.akrepublicans.org/rokeberg/index.php>



INTERIM
716 WEST 4TH AVENUE, SUITE 600
ANCHORAGE, AK 99501
PHONE: (907) 269-0117
FAX: (907) 269-0119

SESSION
ALASKA STATE CAPITOL
JUNEAU, AK 99801-1182
PHONE: (907) 465-4968
FAX: (907) 465-2040

Representative Norman Rokeberg

e-mail: Representative_Norman_Rokeberg@legis.state.ak.us

MEMORANDUM

To: Representative Lesil McGuire, Chairwoman
House Judiciary Committee

From: Representative Norman Rokeberg *hnr by hmr*

Date: April 25, 2005

Re: HJR 3

I respectfully request that HJR 3, Const. Am: Budget Reserve Fund Approps., be scheduled for a hearing. I have attached the following for your information:

1. HJR 3
2. Sponsor Statement
3. Fiscal Note
4. Charts on CBR Draw
5. Excerpts from Alaska Budget Report article

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS

RULES COMMITTEE, CHAIRMAN
LABOR & COMMERCE COMMITTEE, MEMBER
LEGISLATIVE COUNCIL, MEMBER
SPECIAL COMMITTEE ON OIL & GAS, MEMBER
SPECIAL COMMITTEE ON WAYS & MEANS, MEMBER

website: <http://www.akrepublicans.org/rokeberg/index.php>



INTERIM
716 WEST 4TH AVENUE, SUITE 600
ANCHORAGE, AK 99501
PHONE (907) 269-0117
FAX (907) 269-0119

SESSION
ALASKA STATE CAPITOL
JUNEAU, AK 99801-1182
PHONE (907) 465-4968
FAX (907) 465-2040

Representative Norman Rokeberg

e-mail: Representative_Norman_Rokeberg@legis.state.ak.us

SPONSOR STATEMENT FOR HJR 3

By: Representative Norman Rokeberg

Title: Proposing amendments to the Constitution of the State of Alaska relating to appropriations from the budget reserve fund.

Blackmail: Unlawful demand of money or property under threat to do bodily harm, to injure property, to accuse of crime or to expose disgraceful defects. This crime is commonly included under extortion or criminal coercion statutes. Blacks Law Dictionary, Sixth Edition, 1990.

House Joint Resolution 3 repeals Sections (b) and (c) of Article IX, Section 17 of the Alaska Constitution. Article IX, Section 17 is the Budget Reserve Fund.

In 1990, the 16th Legislature established the Constitutional Budget Reserve Fund. Every year since 1994, the legislature has needed a $\frac{3}{4}$ vote to pass the budget, with the single exception of FY 2004.

HJR 3 repeals the need for a $\frac{3}{4}$ vote. The $\frac{3}{4}$ vote provides the minority the ability to control the budget, the effect of which has been to increase the budget each year. While the $\frac{3}{4}$ vote enhances the power of the minority, it works most effectively if they want to increase the budget. If those in the minority have the goal of budget reduction, the $\frac{3}{4}$ vote provides them with little or no power.

The requirement of a $\frac{3}{4}$ vote has done nothing more than increase the budget and therefore should be repealed.

I urge your support for this legislation.

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HJR 3
 (H) Publish Date: 4/18/05

Revision Date/Time (Note if correction): _____ Dept. Affected: GOV
 Title Constitutional Amendment relating RDU Elections
to appropriations from the budget reserve fund Component Elections
 Sponsor Representative Rokeberg
 Requester (H) W & M Component No. 21

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual	0.0	1.5				
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	1.5	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	1.5				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	1.5	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

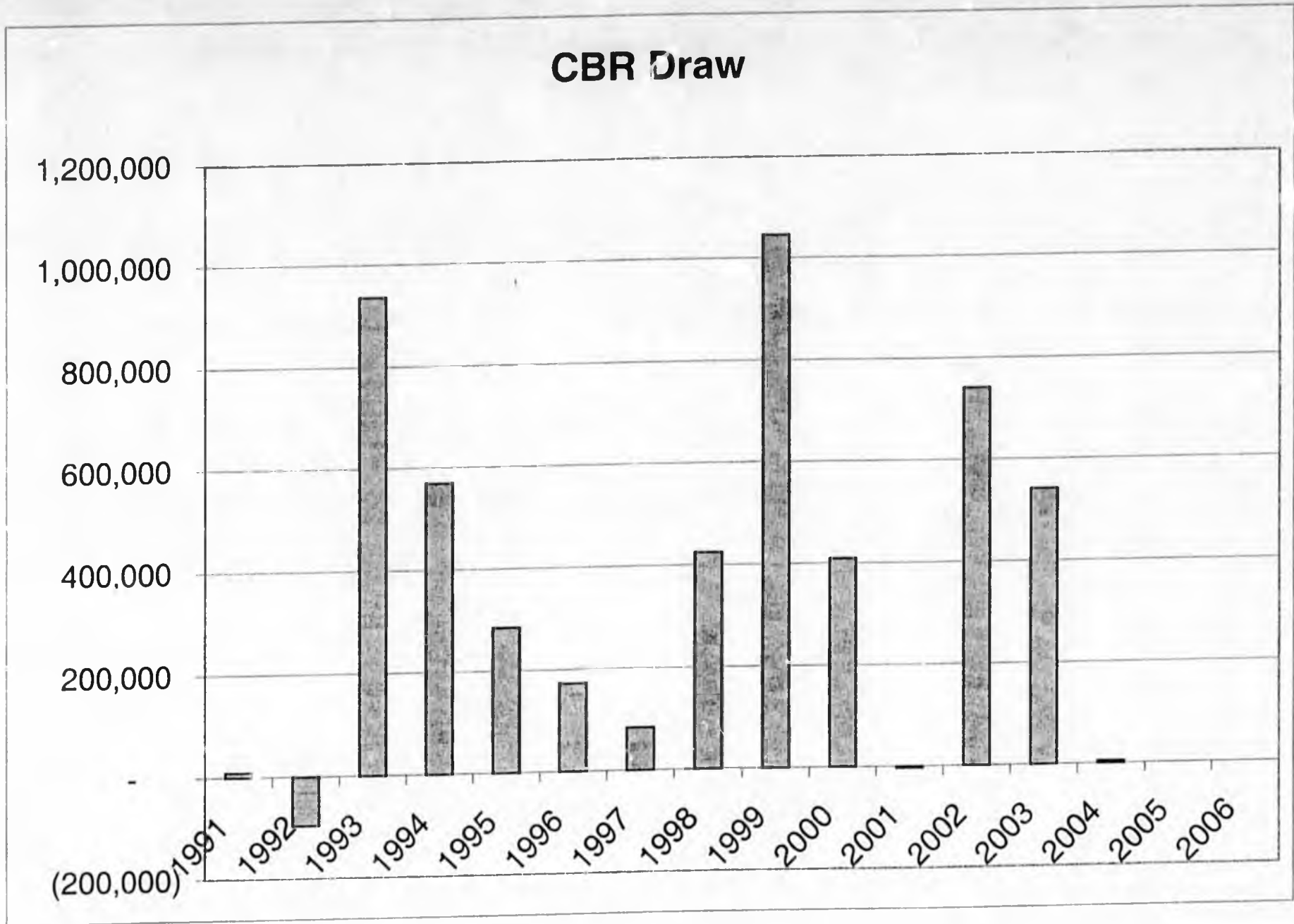
If this amendment appears on the 2006 ballot, the cost of providing information about this issue in the Official Election Pamphlet, as required by AS 15.58 is \$1.5 (in thousands). Should the addition of this question require printing an 8 1/2 by 18 inch ballot the cost will increase to \$22.0.

Prepared by: Lauri Allred, Admin Assistant Supervisor Phone 465-4611
 Division: Division of Elections Date/Time 4/15/05 9:52 AM
 Approved by: Laura A. Glaiser, Director Date 4/15/2005
 Agency: Office of the Lt. Governor, Division of Elections

Constitutional Budget Reserve Fund

Fiscal Year	Beginning Balance	Total Contributions and other Earnings	Contributions	Interest	Investment Earnings (2)	Draw from (deposit to) the CBR	GF liability
Total		7,280,484	2,784,162	3,510,410	985,912	5,117,960	
1991	-	297,475	291,511	-	5,964	10,059	10,059
1992	236,488	326,659	203,994	104,167	18,498	(96,094)	(86,035)
1993	562,403	812,717	400,423	388,809	23,485	935,366	849,331
1994	1,597,302	423,243	154,286	241,763	27,194	569,443	1,418,774
1995	2,013,383	1,594,033	792,919	679,131	121,983	284,204	1,702,979
1996	3,696,871	696,527	219,621	366,041	110,865	172,835	1,875,814
1997	4,394,960	735,656	196,294	371,936	167,426	82,687	1,958,501
1998	5,130,598	731,452	149,577	212,716	369,159	423,829	2,382,330
1999	5,862,050	150,583	30,658	190,766	(70,841)	1,044,799	3,427,129
2000	6,012,633	562,603	238,395	361,336	(37,128)	408,834	3,835,963
2001	6,575,236	251,935	35,633	188,368	27,934	(3,480)	3,832,484
2002	6,827,171	212,503	54,785	175,088	(17,370)	740,273	4,572,756
2003	7,039,674	166,819	12,060	154,759	-	540,181	5,112,937
2004	7,206,493	61,627	4,006	75,530	(17,909)	5,023	5,117,960
2005	7,268,120	124,709	-	-	124,709	-	5,117,960
2006	7,392,829	131,942	-	-	131,942	-	5,117,960

CBR Draw



Alaska Budget Report

April 14, 2005, Vol. 15, No. 13

BUDGET PLANS

Committee moves to abolish CBR, put \$ in projects fund

The following are excerpts from this article:

Appropriations from the CBR have been needed to balance the state budget in eleven of the 13 fiscal years since the CBR was established. Some say the existence of the CBR has kept lawmakers from addressing the question of how the state can balance spending and revenue over the long term.

The supermajority requirement was added to the Alaska Constitution in the 1990 amendment that created the CBR, and has been an irritant to Republican-dominated majorities ever since. Republicans claim the requirement gives minority Democrats leverage that they have used to increase spending.

According to a December 2003 survey conducted by the National Conference of State Legislatures, at least nine states (not including Alaska) require supermajorities to pass a budget or to make certain kinds of appropriations. In Hawaii, for example, a two-thirds majority is required to exceed that state's general fund spending ceiling. A California constitutional provision requires a two-thirds vote for general fund appropriations for purposes other than public schools, but because the Legislature typically passes a single budget bill, the requirement effectively applies to all spending. A 1934 Arkansas constitutional amendment requires a three-quarters majority vote on appropriations for everything except highways, education and debt service.

Conservative think tanks, notably the Washington, D.C.-based Cato Institute, have long argued that supermajority requirements restrain spending, but a 2003 report from the non-partisan California Citizens Budget Commission took the opposite view, agreeing, no doubt unknowingly, with Alaska Republicans: instead of slowing the growth in state spending, the commission said California's two-thirds vote requirement has allowed the legislative minority to frustrate the process of reaching compromise by withholding votes for spending until the budget is shaped toward their priorities.

Social scientists who have studied the issue generally find little hard evidence to support any claim regarding the budgetary effects of supermajority vote requirements.

Reprinted from the Alaska Budget Report, copyright Capital Information Group 2005. Used by permission.