

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 8672

1132 SCOMM 45: SPENDING LIMIT FILES, INCLUDING SJR 4, 1981 1132

Original sponsor: Rules/Governor

Offered: 6/18/81
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE JOINT RESOLUTION NO. 4 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the Consti-
6 tution of the State of Alaska relat-
7 ing to limiting increases in appro-
8 priations.

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

10 * Section 1. Article IX, Constitution of the State of Alaska, is amended
11 by adding a new section to read:

12 SECTION 16. APPROPRIATION LIMITATIONS. Except for appropriations
13 to the Alaska permanent fund and appropriations required to pay the
14 principal and interest on general obligation bonds, appropriations from
15 the general fund during a fiscal year shall not exceed the amount
16 appropriated from the general fund in fiscal year 1981 by more than the
17 cumulative inflation and population growth or decline as defined by
18 law. No appropriation in excess of this limit may be made unless a
19 state of emergency is declared by the governor as provided by law.

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

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*emergency difference than disaster
limit so severely that it is not representative of needs*

Original sponsor: Gardiner

Offered: 6/11/81
Referred: Judiciary

IN THE HOUSE

BY THE FINANCE COMMITTEE

CS FOR HOUSE JOINT RESOLUTION NO. 4 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

Proposing an amendment to the Constitution of the State of Alaska relating to limiting increases in appropriations.

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

* Section 1. Article IX, Constitution of the State of Alaska, is amended by adding a new section to read:

SECTION 16. APPROPRIATION LIMITATIONS. Except for appropriations to the Alaska permanent fund and appropriations required to pay the principal and interest on general obligation bonds, appropriations from the general fund during a fiscal year shall not exceed the amount appropriated from the general fund in fiscal year 1980 by more than the cumulative inflation and population growth or decline as defined by law. No appropriation in excess of this limit may be made unless a state of emergency is declared by the governor as provided by law.

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

*Change
FY 80 to
FY 81*

*AL I suggest you
Substitute the house bill
(which is now in rules) onto the
Senate SJR-H & pass it out
So we can calendar it
& get it to F.C.C.*

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CSHJR 4(Fin)

DRAFT
Law

#5 PJ
6/10/81

Proposing an amendment to the Constitution of the State of Alaska relating to limitations on appropriations of state money.

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

* Section 1. Article IX of the Constitution of the State of Alaska is amended by adding new sections to read:

SECTION 16. APPROPRIATION LIMITATIONS. The amount of State money the governor may request or the legislature may appropriate during a fiscal year shall not exceed the amount appropriated in the preceding fiscal year by more than the increase in the federal consumer price index for the State for the calendar year preceding the governor's submission of the budget under section 12 of this article plus or minus a percentage equal to the cumulative average yearly growth or loss in the State's population as shown by the last two federal censuses or enumerations. Money appropriated under any exception prescribed by section 17 of this article shall not be included in the base for determining the allowable increase from year to year. For purposes of this section, the amount of \$2.7 billion shall be used as the amount of appropriations in fiscal year 1982.

SECTION 17. EXEMPTIONS FROM APPROPRIATION LIMITATIONS. The limitations on increases in appropriations do not apply to money received from another in trust for a specific purpose; to appropriations of money to be deposited in the permanent fund; money appropriated to pay principal and interest on general obligation bonds; money appropriated

1 to capitalize loan funds, but only if the money to subsidize these
2 loans at below market interest rates is appropriated separately under
3 the limitations; money appropriated by the affirmative vote of two-
4 thirds of the membership of each house, whether of bond proceeds or
5 otherwise, to construct capital improvements, not to exceed \$1,500 per
6 capita; ~~money appropriated to escrow accounts or otherwise to repay~~
7 ~~general obligation bonds~~; or money appropriated by a vote of two-thirds
8 of the membership of each house and approved by the governor to meet
9 disasters of natural or human origin which are declared by the governor.

10 * Sec. 2. The amendment proposed by this resolution shall be placed be-
11 fore the voters of the state at the next general election in conformity with
12 art. XIII, sec. 1, Constitution of the State of Alaska, and the election
13 laws of the state.

Original sponsor: Rules/Governor

Offered: 5/5/81
Referred: Finance

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 CS FOR SENATE JOINT RESOLUTION NO. 4 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the Constitu-
6 tion of the State of Alaska relating to
7 limitations on appropriations of state
8 money.

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

10 * Section 1. Article IX of the Constitution of the State of Alaska is
11 amended by adding new sections to read:

12 SECTION 16. APPROPRIATION LIMITATIONS. The amount of State money
13 requested by the governor and appropriated by the legislature during a
14 fiscal year shall not exceed the amount appropriated in the preceding
15 fiscal year by more than the increase in the federal consumer price
16 index for the state for the calendar year preceding the governor's
17 submission of the budget under section 12 of this article plus a per-
18 centage equal to the average yearly growth in the State's population as
19 shown by the last two federal censuses or renumerations. Money appro-
20 priated under any exemption prescribed by section 17 of this article
21 shall not be included in the base for determining the allowable increase
22 from year to year.

23 SECTION 17. EXEMPTIONS FROM APPROPRIATION LIMITATIONS. The limi-
24 tations on increases in appropriations do not apply to appropriations
25 of money to be deposited in the permanent fund; money appropriated to
26 pay permanent fund dividends; money appropriated to capitalize loan
27 funds, but the money to subsidize low interest loans must be appro-
28 priated separately and is subject to the limitations; money appropriated
29 to construct capital improvements, whether of bond proceeds or other-

Would this include
endowment funds?

Think about
this

1 wise, where the appropriation for the capital improvements is approved
2 by the voters; money appropriated to escrow accounts or otherwise to
3 repay general obligation bonds; money appropriated as a reserve for
4 disasters of natural or human origin or other emergencies; money appro-
5 priated to coincide with increases in user fees; money appropriated to
6 meet increases in costs to the State resulting from court orders or a
7 transfer of authority or responsibility to the State from the federal
8 government; money derived from one-quarter of the income from those
9 contributions made to the permanent fund which exceed the minimum
10 required by this constitution; or money appropriated by a vote of
11 two-thirds of the membership of each house and approved by the governor
12 to meet disasters of natural or human origin which are declared by the
13 governor.

14 * Sec. 2. The amendment proposed by this resolution shall be placed be-
15 fore the voters of the state at the next general election in conformity with
16 art. XIII, sec. 1, Constitution of the State of Alaska, and the election
17 laws of the state.

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approved by the governor to meet disasters of natural or human origin which are declared by the governor.

*Sec. 2. The amendment proposed by this resolution shall be placed before the voter of the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the State of Alaska, and the election laws of the state.

SUMMARY OF SJR 4 ---

CONSTITUTIONAL AMENDMENT ON SPENDING LIMITATIONS

The expenditure limitation proposed by Governor Hammond will constitutionally limit the growth in appropriation of state funds to a rate determined by inflation and population growth. Inflation will be measured by the increase in the consumer price index for the preceding calendar year and population growth will be an annual average calculated from federal censuses or renumerations. These two measures of growth will allow the state to keep up with increasing cost factors, while constraining growth within reasonable and responsible bounds.

Certain exceptions are allowed to provide for particular requirements and circumstances which relate to the Alaska situation. These exceptions are listed below:

1. Contributions to the Permanent Fund (the State's savings account).
2. Payments of the Permanent Fund Dividend (the public's return on those savings).

3. Appropriations to loan funds, provided that any loan subsidies are appropriated and are constrained by the spending limit.
4. Appropriations for capital improvements approved by the voters so long as life cycle operating costs have been identified.
5. Appropriations to repay outstanding general obligation debt of state.
6. Appropriations funded through increased user fees.
7. Appropriations required by court orders or federal transfer of functions to state government.
8. Appropriations for natural disasters. Such appropriations would require a gubernatorial declaration of disaster, passage by a two-thirds majority of membership of each house, and approval by the Governor.

If this proposal is passed by the Legislature, it will go on the 1982 general election ballot and would, if approved by voters, be effective for the fiscal year 1984 budget.

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SPONSOR SUBSTITUTE FOR

3 SENATE JOINT RESOLUTION NO. 4

4 IN THE LEGISLATURE OF THE STATE OF ALASKA

5 TWELFTH LEGISLATURE - FIRST SESSION

6 Proposing an amendment to the Constitu-
7 tion of the State of Alaska relating to
8 limitations on appropriations of state
9 money.

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

11 * Section 1. Article IX of the Constitution of the State of Alaska is
12 amended by adding new sections to read:

13 SECTION 16. APPROPRIATION LIMITATIONS. The amount of State money
14 The governor may request or the legislature may appropriate during a
15 fiscal year shall not exceed the amount of \$2.5 billion for the base
16 fiscal year of 1982 by more than the cumulative increase in the federal
17 consumer price index for the State for the calendar years preceding the
18 governor's submission of the budget under section 12 of this article
19 plus or minus a percentage equal to the cumulative average yearly
20 growth or loss in the State's population as shown by the last two
21 federal censuses or renumerations. Money appropriated under any excep-
22 tion prescribed by section 17 of this article shall not be included in
23 the base for determining the allowable increase from year to year.

24 SECTION 17. EXCEPTIONS FROM APPROPRIATION LIMITATIONS. The limi-
25 tations on increases in appropriations do not apply to money received
26 in trust for a specific purpose; to appropriations of money to be
27 deposited in the permanent fund; money appropriated to pay permanent
28 fund dividends; money appropriated to capitalize loan funds, but only
29 if the money to subsidize these loans at below market interest rates is

1 appropriated separately under the limitations; money appropriated to
2 construct capital improvements, whether of bond proceeds or otherwise,
3 where the appropriation for the capital improvements is approved by the
4 voters; money appropriated to escrow accounts or otherwise to repay
5 general obligation bonds; money appropriated as a reserve for disasters
6 of natural or human origin or other emergencies; money appropriated to
7 coincide with increases in user fees; money appropriated to meet
8 increases in costs to the State resulting from court orders or a trans-
9 fer of authority or responsibility to the State from the federal
10 government; money derived from one-quarter of the income from those
11 contributions made to the permanent fund which exceed the minimum
12 required by this constitution; or money appropriated by a vote of
13 two-thirds of the membership of each house and approved by the governor
14 to meet disasters of natural or human origin which are declared by the
15 governor.

16 * Sec. 2. The amendment proposed by this resolution shall be placed be-
17 fore the voters of the state at the next general election in conformity with
18 art. XIII, sec. 1, Constitution of the State of Alaska, and the election
19 laws of the state.
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Original sponsor: Rules/Governor

Offered: 5/5/81
Referred: Finance

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 CS FOR SENATE JOINT RESOLUTION NO. 4 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the Constitu-
6 tion of the State of Alaska relating to
7 limitations on appropriations of state
8 money.

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

10 * Section 1. Article IX of the Constitution of the State of Alaska is
11 amended by adding new sections to read:

12 SECTION 16. APPROPRIATION LIMITATIONS. The amount of State money
13 requested by the governor and appropriated by the legislature during a
14 fiscal year shall not exceed the amount appropriated in the preceding
15 fiscal year by more than the increase in the federal consumer price
16 index for the state for the calendar year preceding the governor's
17 submission of the budget under section 12 of this article plus a per-
18 centage equal to the average yearly growth in the State's population as
19 shown by the last two federal censuses or renumerations. Money appro-
20 priated under any exemption prescribed by section 17 of this article
21 shall not be included in the base for determining the allowable increase
22 from year to year.

23 SECTION 17. EXEMPTIONS FROM APPROPRIATION LIMITATIONS. The limi-
24 tations on increases in appropriations do not apply to appropriations
25 of money to be deposited in the permanent fund; money appropriated to
26 pay permanent fund dividends; money appropriated to capitalize loan
27 funds, but the money to subsidize low interest loans must be appro-
28 priated separately and is subject to the limitations; money appropriated
29 to construct capital improvements, whether of bond proceeds or other-

1 wise, where the appropriation for the capital improvements is approved
2 by the voters; money appropriated to escrow accounts or otherwise to
3 repay general obligation bonds; money appropriated as a reserve for
4 disasters of natural or human origin or other emergencies; money appro-
5 priated to coincide with increases in user fees; money appropriated to
6 meet increases in costs to the State resulting from court orders or a
7 transfer of authority or responsibility to the State from the federal
8 government; money derived from one-quarter of the income from those
9 contributions made to the permanent fund which exceed the minimum
10 required by this constitution; or money appropriated by a vote of
11 two-thirds of the membership of each house and approved by the governor
12 to meet disasters of natural or human origin which are declared by the
13 governor.

14 * Sec. 2. The amendment proposed by this resolution shall be placed be-
15 fore the voters of the state at the next general election in conformity with
16 art. XIII, sec. 1, Constitution of the State of Alaska, and the election
17 laws of the state.

Introduced: 2/4/81
Referred: Finance and
Judiciary

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE JOINT RESOLUTION NO. 5

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the Constitu-
6 tion of the State of Alaska relating to
7 limitations on appropriations of state
8 money.

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

10 * Section 1. Article IX of the Constitution of the State of Alaska is
11 amended by adding new sections to read:

12 SECTION 16. APPROPRIATION LIMITATIONS. The amount of State money
13 appropriated during a fiscal year shall not exceed the amount appropri-
14 ated in the preceding fiscal year by more than the increase in the fed-
15 eral consumer price index for the state for the calendar year preceding
16 the governor's submission of the budget under section 12 of this arti-
17 cle plus a percentage equal to the average yearly growth in the State's
18 population as shown by the last two federal censuses or renumerations.
19 Money appropriated under any exception prescribed by section 17 of this
20 article shall not be included in the base for determining the allowable
21 increase from year to year.

22 SECTION 17. EXCEPTIONS FROM APPROPRIATION LIMITATIONS. The limi-
23 tations on increases in appropriations do not apply to appropriations
24 of money to be deposited in the permanent fund; money appropriated to
25 pay permanent fund dividends; money appropriated to capitalize loan
26 funds, but the money to subsidize low interest loans must be appro-
27 priated separately and is subject to the limitations; money appropriated
28 to construct capital improvements, whether of bond proceeds or other-
29 wise, where the appropriation for the capital improvements is approved

1 by the voters; money appropriated to escrow accounts or otherwise to
2 repay general obligation bonds; money appropriated as a reserve for
3 disasters of natural or human origin or other emergencies; money appro-
4 priated to coincide with increases in user fees; money appropriated to
5 meet increases in costs to the State resulting from court orders or a
6 transfer of authority or responsibility to the State from the federal
7 government; money derived from one-quarter of the income from those
8 contributions made to the permanent fund which exceed the minimum
9 required by this constitution; or money appropriated by a vote of
10 two-thirds of the membership of each house and approved by the governor
11 to meet disasters of natural or human origin which are declared by the
12 governor.

13 * Sec. 2. The amendment proposed by this resolution shall be placed be-
14 fore the voters of the state at the next general election in conformity with
15 art. XIII, sec. 1, Constitution of the State of Alaska, and the election
16 laws of the state.

Arless:

This is the best of the amendments I've seen so far.

① Delete the reference to "loans to be made by the state,"
and ② add in the population growth/inflation index, and ③ make
the limit the lesser of the two.

Introduced: 2/4/81
Referred: Finance and
Judiciary

John

1 IN THE HOUSE

BY GARDINER

2 HOUSE JOINT RESOLUTION NO. 4

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the
6 Constitution of the State of Alaska
7 relating to limiting increases in
8 expenditures and requiring payment
9 by the state of mandated increased
10 expenditures of a political sub-
11 division of the state.

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

13 * Section 1. Article IX, Constitution of the State of Alaska, is amended
14 by adding a new section to read:

15 SECTION 16. APPROPRIATION GROWTH LIMIT. In no year shall the
16 rate of growth of appropriations from state revenues, excepting ap-
17 propriations to the permanent fund established in Section 15 of this
18 article and excepting appropriations made for the purpose of ^{income producing use.} loans to
19 be made by the State, exceed the estimated rate of growth of the
20 economy of the State as determined by law. An appropriation in excess
21 of this limit shall not be made unless a state of emergency is declared
22 to exist, as provided by law. A state of emergency may not be declared
23 if a state of emergency has been declared within the preceding three
24 years. The appropriation limit for each of the three years following
25 the declaration of emergency shall be adjusted equally so that the
26 total appropriations for the year of the emergency and the succeeding
27 three years do not exceed the appropriations which could have been made
28 under this section if no emergency had been declared. The limit on
29 rate of growth of appropriations for each year shall be calculated

1 without regard to a declared emergency or the subsequent three-year
2 adjustment.

3 * Sec. 2. The amendment proposed by this resolution shall be placed
4 before the voters of the state at the next general election in conformity
5 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elect-
6 ion laws of the state.

Introduced: 2/4/81
Referred: Finance and
Judiciary

1 IN THE HOUSE

BY GARDINER

2 HOUSE JOINT RESOLUTION NO. 4

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the
6 Constitution of the State of Alaska
7 relating to limiting increases in
8 expenditures ~~and requiring payment~~
9 by the state of mandated increased
10 ~~expenditures of a political sub-~~
11 division of the state.

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

13 * Section 1. Article IX, Constitution of the State of Alaska, is amended
14 by adding a new section to read:

15 SECTION 16. APPROPRIATION GROWTH LIMIT. In no year shall the
16 rate of growth of appropriations from state revenues, excepting ap-
17 propriations to ~~the permanent fund established in Section 15 of this~~
18 ~~article and excepting appropriations made for the purpose of loans to~~
19 ~~be made by the State, exceed the estimated rate of growth of the~~
20 ~~economy of the State as determined by law. An appropriation in excess~~
21 ~~of this limit shall not be made unless a state of emergency is declared~~
22 ~~to exist, as provided by law. A state of emergency may not be declared~~
23 ~~if a state of emergency has been declared within the preceding three~~
24 ~~years. The appropriation limit for each of the three years following~~
25 ~~the declaration of emergency shall be adjusted equally so that the~~
26 ~~total appropriations for the year of the emergency and the succeeding~~
27 ~~three years do not exceed the appropriations which could have been made~~
28 ~~under this section if no emergency had been declared. The limit on~~
29 ~~rate of growth of appropriations for each year shall be calculated~~

1 without regard to a declared emergency or the subsequent three-year
2 adjustment.

3 * Sec. 2. The amendment proposed by this resolution shall be placed
4 before the voters of the state at the next general election in conformity
5 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elect-
6 ion laws of the state.
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Introduced: 1/13/81
Referred: Transportation,
Judiciary and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE JOINT RESOLUTION NO. 4

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the Constitu-
6 tion of the State of Alaska relating to
7 limitations on appropriations of state
8 money.

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

10 * Section 1. Article IX of the Constitution of the State of Alaska is
11 amended by adding new sections to read:

12 SECTION 16. APPROPRIATION LIMITATIONS. The amount of State money
13 appropriated during a fiscal year shall not exceed the amount appropri-
14 ated in the preceding fiscal year by more than the increase in the federal
15 consumer price index for the state for the calendar year preceding
16 the governor's submission of the budget under section 12 of this arti-
17 cle plus a percentage equal to the average yearly growth in the State's
18 population as shown by the last two federal censuses or renumerations.
19 Money appropriated under any exception prescribed by section 17 of this
20 article shall not be included in the base for determining the allowable
21 increase from year to year.

22 SECTION 17. EXCEPTIONS FROM APPROPRIATION LIMITATIONS. The limi-
23 tations on increases in appropriations do not apply to appropriations
24 of money to be deposited in the permanent fund; money appropriated to
25 pay permanent fund dividends; money appropriated to capitalize loan
26 funds, but the money to subsidize low interest loans must be appro-
27 priated separately and is subject to the limitations; money appropriated
28 to construct capital improvements, whether of bond proceeds or other-
29 wise, where the appropriation for the capital improvements is approved

1 by the voters; money appropriated to escrow accounts or otherwise to
2 repay general obligation bonds; money appropriated as a reserve for
3 disasters of natural or human origin or other emergencies; money appro-
4 priated to coincide with increases in user fees; money appropriated to
5 meet increases in costs to the State resulting from court orders or a
6 transfer of authority or responsibility to the State from the federal
7 government; money derived from one-quarter of the income from those
8 contributions made to the permanent fund which exceed the minimum
9 required by this constitution; or money appropriated by a vote of
10 two-thirds of the membership of each house and approved by the governor
11 to meet disasters of natural or human origin which are declared by the
12 governor.

13 * Sec. 2. The amendment proposed by this resolution shall be placed be-
14 fore the voters of the state at the next general election in conformity with
15 art. XIII, sec. 1, Constitution of the State of Alaska, and the election
16 laws of the state.

AMENDMENT

①

OFFERED IN THE SENATE:

By: FISCHER

To: _____ SENATE BILL No. SJR 4

HOUSE BILL No. _____

PAGE: 1

LINE: 15-20

Strike rest of sentence after
first "the" in line 15 and
insert: "change in the
State's population and
inflation is determined
by law."

AMENDMENT

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OFFERED IN THE SENATE:

By: FISCHER

To: _____ SENATE BILL No. 57R 4

HOUSE BILL No. _____

PAGE: 100

LINE: _____

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delete all material
after semicolon on
page 1, line 29, through
semicolon on page 2, line 6

IN THE SENATE

BY THE FINANCE COMMITTEE

CS FOR SENATE JOINT RESOLUTION NO. 4 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

Proposing an amendment to the Constitution of the State of Alaska relating to limitations on appropriations of state money.

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

* Section 1. Article IX of the Constitution of the State of Alaska is amended by adding new sections to read:

SECTION 16. APPROPRIATION LIMITATION. The amount of state money the governor may request or the legislature may appropriate during a fiscal year shall not exceed the amount appropriated in the preceding fiscal year as adjusted for national inflation as defined by law for the calendar year preceding the governor's submission of the budget under Section 12 of this article, plus or minus a percentage equal to the cumulative average yearly growth or loss in the state's population as shown by the last two federal censuses or renumerations. For purposes of this section the amount of \$_____ billion is to be used as the amount of appropriations in fiscal year 1982.

SECTION 17. EXCEPTION FROM APPROPRIATION LIMITATION. The limitation on increases in appropriations in Section 16 of this article does not apply to appropriations to the Alaska permanent fund or to appropriations to other funds that produce income at market rates. Income from appropriations excepted from the appropriation limitation shall be returned to the general fund and is subject to the appropriation limitation. The legislature may, by affirmative vote of two-thirds of the membership of each house, make an extraordinary appropriation without

1 regard to the appropriation limitation under Section 16 of this article,
2 but each extraordinary appropriation shall be limited to a single item
3 of appropriation for a single purpose. Each extraordinary appropriation
4 shall be subject to the provisions regarding vetoes in Sections 15 and
5 16 of Article II, except that a three-quarters vote of the membership
6 of each house shall be required to override a veto of an extraordinary
7 appropriation. The governor may not propose an extraordinary appropri-
8 ation in the budget submitted under Section 12 of this article. Extra-
9 ordinary appropriations shall not be included in calculating the appro-
10 priation limitation for the next fiscal year.

11 * Sec. 2. The amendment proposed by this resolution shall be placed
12 before the voters of the state at the next general election in conformity
13 with art. XIII, sec. 1, Constitution of the State of Alaska, and the election
14 laws of the state.
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1 IN THE SENATE

BY STURGULEWSKI

2 SENATE JOINT RESOLUTION NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SPECIAL SESSION

5 Proposing an amendment to the
6 Constitution of the State of Alaska
7 relating to limiting increases in
8 appropriations.

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

10 * Section 1. Article IX, Constitution of the State of Alaska, is amended
11 by adding a new section to read:

12 SECTION 16. APPROPRIATION LIMITATIONS. Except for appropriations
13 to the Alaska permanent fund, appropriations required to pay the princi-
14 pal and interest on general obligation bonds, and appropriations of
15 money received from a non-state source in trust for a specific purpose,
16 appropriations from the treasury for a fiscal year shall not exceed .
17 \$2,000,000,000 by more than the cumulative change, derived from federal
18 indices designated by law, in population and inflation since July 1,
19 1979. The limitation on increases in appropriations established by
20 this section does not apply to money appropriated for construction of
21 capital improvements not to exceed in a fiscal year the sum of \$1,250
22 per capita if the appropriation is approved by an affirmative vote of
23 two-thirds of the membership of each house. This appropriation shall
24 be subject to the provisions regarding vetoes in Sections 15 and 16 of
25 Article II, except that a three-fourths vote of the membership of each
26 house shall be required for the appropriation, although vetoed, to
27 become law. No other appropriation in excess of this limit may be
28 proposed by the governor or approved by the legislature unless to meet
29 a state of disaster declared by the governor as prescribed by law. The

1 governor shall cause any unappropriated balance to be invested so as to
2 yield competitive market rates to the treasury.

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

Bill
versions

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SPONSOR SUBSTITUTE FOR

3 SENATE JOINT RESOLUTION NO. 4

4 IN THE LEGISLATURE OF THE STATE OF ALASKA

5 TWELFTH LEGISLATURE - FIRST SESSION

6 Proposing an amendment to the Constitu-
7 tion of the State of Alaska relating to
8 limitations on appropriations of state
9 money.

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

11 * Section 1. Article IX of the Constitution of the State of Alaska is
12 amended by adding new sections to read:

13 SECTION 16. APPROPRIATION LIMITATIONS. The amount of State money
14 The governor may request or the legislature may appropriate during a
15 fiscal year shall not exceed the amount of \$2.5 billion for the base
16 fiscal year of 1982 by more than the cumulative increase in the federal
17 consumer price index for the State for the calendar years preceding the
18 governor's submission of the budget under section 12 of this article
19 plus or minus a percentage equal to the cumulative average yearly
20 growth or loss in the State's population as shown by the last two
21 federal censuses or renumerations. Money appropriated under any excep-
22 tion prescribed by section 17 of this article shall not be included in
23 the base for determining the allowable increase from year to year.

24 SECTION 17. EXCEPTIONS FROM APPROPRIATION LIMITATIONS. The limi-
25 tations on increases in appropriations do not apply to money received
26 in trust for a specific purpose; to appropriations of money to be
27 deposited in the permanent fund; money appropriated to pay permanent
28 fund dividends; money appropriated to capitalize loan funds, but only
29 if the money to subsidize these loans at below market interest rates is

1 appropriated separately under the limitations; money appropriated to
2 construct capital improvements, whether of bond proceeds or otherwise,
3 where the appropriation for the capital improvements is approved by the
4 voters; money appropriated to escrow accounts or otherwise to repay
5 general obligation bonds; money appropriated as a reserve for disasters
6 of natural or human origin or other emergencies; money appropriated to
7 coincide with increases in user fees; money appropriated to meet
8 increases in costs to the State resulting from court orders or a trans-
9 fer of authority or responsibility to the State from the federal
10 government; money derived from one-quarter of the income from those
11 contributions made to the permanent fund which exceed the minimum
12 required by this constitution; or money appropriated by a vote of
13 two-thirds of the membership of each house and approved by the governor
14 to meet disasters of natural or human origin which are declared by the
15 governor.

16 * Sec. 2. The amendment proposed by this resolution shall be placed be-
17 fore the voters of the state at the next general election in conformity with
18 art. XIII, sec. 1, Constitution of the State of Alaska, and the election
19 laws of the state.
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Introduced: 1/13/81
Referred: Community & Regional
Affairs and Finance

1 IN THE SENATE

BY COLLETTA

2 SENATE JOINT RESOLUTION NO. 3

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the Consti-
6 tution of the State of Alaska relat-
7 ing to limiting increases in expendi-
8 tures and requiring payment by the
9 state of mandated increased expendi-
10 tures of a political subdivision of
11 the state.

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

13 * Section 1. Article IX, Constitution of the State of Alaska is amended
14 by adding new sections to read:

15 SECTION 16. APPROPRIATION GROWTH LIMIT. In no year shall the
16 rate of growth of appropriations from state revenues, excepting appropria-
17 tions to the permanent fund established in Section 15 of this article
18 and excepting appropriations for capital improvements, exceed the esti-
19 mated rate of growth of the economy of the State as determined by law.
20 An appropriation in excess of this limit shall not be made unless a
21 state of emergency is declared to exist, as provided by law. The
22 appropriation limit for each of the three years following the
23 declaration of emergency shall be adjusted equally so that the total
24 appropriations for the year of the emergency and the succeeding three
25 years do not exceed the appropriations which could have been made under
26 this section if no emergency had been declared. The limit on rate of
27 growth of appropriations for each year shall be calculated without
28 regard to a declared emergency or the subsequent three-year adjustment.

29 SECTION 17. RETURN OF REVENUES TO TAXPAYERS. Revenues received

1 by the State in excess of the amount appropriated in compliance with
2 this article during a fiscal year shall be distributed to the taxpayers
3 of the State as provided by law. No appropriation is required for a
4 distribution under this section within the succeeding fiscal year.

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

7 SECTION 22. INCREASED COSTS TO POLITICAL SUBDIVISIONS. No general
8 law requiring increased expenditures by a political subdivision shall
9 become effective unless the legislature has provided that the State pay
10 the amount of increased cost to the political subdivision.

11 * Sec. 3. The amendments proposed by this resolution shall be placed
12 before the voters of the state at the next general election in conformity
13 with art. XIII, sec. 1, Constitution of the State of Alaska, and the
14 election laws of the state.
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SUMMARY OF SJR 4 --
CONSTITUTIONAL AMENDMENT ON SPENDING LIMITATIONS

The expenditure limitation proposed by Governor Hammond will constitutionally limit the growth in appropriations of state funds to a rate determined by inflation and population growth. Inflation will be measured by the increase in the consumer price index for the preceding calendar year and population growth will be an annual average calculated from federal censuses or renumerations. These two measures of growth will allow the state to keep up with increasing cost factors, while constraining growth within reasonable and responsible bounds.

Certain exceptions are allowed to provide for particular requirements and circumstances which relate to the Alaska situation. These exceptions are listed below:

1. Contributions to the Permanent Fund (the state's savings account).
2. Payments of the Permanent Fund Dividend (the public's return on those savings).
3. Appropriations to loan funds, provided that any loan subsidies are appropriated and are constrained by the spending limit.
4. Appropriations for capital improvements approved by the voters.
5. Appropriations to repay outstanding general obligation debt of the state.
6. Appropriations to a disaster reserve account (rainy-day account).

7. Appropriations funded through increased user fees.
8. Appropriations required by court orders or federal transfer of functions to state government.
9. Appropriations funded by one-quarter of the earnings which result from extra contributions to the Permanent Fund, i.e., contributions in excess of those required by the Constitution.
10. Appropriations for natural disasters. This includes reserve funds from the account referred to in 6. above. Such appropriations would require a gubernatorial declaration of disaster, passage by a two-thirds majority of membership of each house, and approval by the Governor.

If this proposal is passed by the Legislature, it will go on the 1982 general election ballot and would, if approved by voters, be effective for the fiscal year 1984 budget.

House

SECTION 16. APPROPRIATION GROWTH LIMIT. Beginning in fiscal year 1983, in no fiscal year shall the rate of growth of general fund appropriations, excepting appropriations for income-producing investments, exceed the cumulative rate of growth of the economy of the State since fiscal year 1980 as determined by law. ^{No} An appropriation in excess of this limit shall ~~not~~ be made unless a state of emergency is declared by the governor to exist, as provided by law.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA

Section 1. Article IX of the Constitution of the State of Alaska is amended by adding a new section to read:

Section 16. APPROPRIATION LIMITATIONS. The amount of State money the Governor may request or the Legislature may appropriate during a fiscal year shall not exceed the amount _____ billion for the base fiscal year of 1982 by more than the cumulative increase in the national consumer price index for the calendar years preceding the Governor's submission of the budget under Section 12 of this Article, plus or minus a percentage equal to the cumulative average yearly growth or loss in the State's population as shown by the last two federal censuses or reenumerations. Money appropriated under any exception prescribed in Section 17 shall not be included in the base for determining the allowable increase from year to year.

Section 17. EXCEPTION FROM APPROPRIATION LIMITATIONS. The limitation on increases in appropriation do not apply to appropriations to the Permanent Fund or to other funds which produce income at market rates. Income from appropriations excepted from the appropriation limitation shall be returned to the General Fund and subject to the appropriation limitation. The Legislature may, by affirmative vote of threequarters of the membership of each house, or by a two-thirds vote of the membership of each house on appropriation requests from the Governor, make appropriations in excess of this limit by enactment of appropriation bills limited to a single item of appropriation for a single purpose, but these appropriations shall not be included in calculating the limit for the next fiscal year.

Section 2: The amendment proposed by this resolution shall be placed before the voters of the State at the next General Election in conformity with ART. XIII, Sec. 1, Constitution of the State of Alaska, and the election laws of the State.

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nat'l law*

← BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA

Section 1. Article IX of the Constitution of the State of Alaska is amended by adding a new section to read:

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Section 16. APPROPRIATION LIMITATIONS. The amount of State money the Governor may request or the Legislature may appropriate during a fiscal year shall not exceed the amount _____ billion for the base fiscal year of 1982 by more than the ~~increase in~~ *amount* ~~the national consumer price index~~ for the calendar years preceding the Governor's submission of the budget under Section 12 of this Article, plus or minus a percentage equal to the cumulative average yearly growth or loss in the State's population as shown by the last two federal ~~census~~ or renumerations. ~~Money appropriated under any exception prescribed in Section 17 shall not be included in the base for determining the allowable increase from year to year.~~

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Section 17. EXCEPTION FROM APPROPRIATION LIMITATIONS. The limitation on increases in appropriation do not apply to appropriations to the Permanent Fund or to other funds which produce income at market rates. ~~Income from appropriations excepted from the appropriation limitation shall be returned to the General Fund and subject to the appropriation limitation.~~ The Legislature may, by affirmative vote of threequarters of the membership of each house, or by a two-thirds vote of the membership of each house on appropriation requests from the Governor, make appropriations in excess of this limit by enactment of appropriation bills limited to a single item of appropriation for a single purpose, but these appropriations shall not be included in calculating the limit for the next fiscal year.

Section 2: The amendment proposed by this resolution shall be placed before the voters of the State at the next General Election in conformity with ART. XIII, Sec. 1, Constitution of the State of Alaska, and the election laws of the State.

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

* Section 1. Article IX of the Constitution of the State of Alaska is amended by adding new sections to read:

Section 16. APPROPRIATION LIMITATION. The amount of state money the governor may request or the legislature may appropriate during a fiscal year shall not exceed the amount of \$ _____ for the base fiscal year of 1982 by more than the cumulative increase in the national consumer price index for the calendar years preceding the governor's submission of the budget under section 12 of this Article, plus or minus a percentage equal to the cumulative average yearly growth or loss in the state's population as shown by the last two federal censuses or reenumerations. Money appropriated under any exception prescribed in section 17 of this Article shall not be included in the base for determining the allowable increase in appropriations from year to year.

Section 17. EXCEPTIONS FROM APPROPRIATION LIMITATION. The limitation on increases on appropriations under section 16 of this Article does not apply to appropriations to the permanent fund established in section 15 of this Article or to other funds which produce income at market rates. Income that is returned to the general fund from the permanent fund or from other funds producing income at market rates shall be subject to the appropriation limitation under section 16 of this Article. The legislature may, by affirmative vote of two-thirds of the membership of each house, make an ^{extraordinary} ~~extraordinary~~ appropriation in excess of the limitation under section 16 of this Article, but each extraordinary appropriation shall be limited to a single item of appropriation for a single purpose. Each extraordinary appropriation shall be subject to the provisions regarding vetoes in Article II, sections 15 and 16 of this Constitution, except that a three-quarters vote of the membership of each house shall be required to override a veto of an extraordinary appropriation. In the budget submitted under section 12 of this Article, the governor may not propose any extraordinary appropriation other than an appropriation to the permanent fund, and no item of appropriation submitted in the budget by the governor under section 12 of this Article may be made an extraordinary appropriation, ^{but these} ~~but these~~ ^{for} ~~for~~

appropriations shall not be included in the base for
* Sec. 2. The amendment proposed by this resolution shall be placed before the voters of the state at the next general election in conformity with Article XIII, sec. 1 of the Constitution of the State of Alaska and the election laws of the state.

the next fiscal year

Introduced: 5/19/81
Referred: Finance and
Judiciary

1 IN THE HOUSE

BY MALONE AND BEIRNE

2 HOUSE JOINT RESOLUTION NO. 57

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the Con-
6 stitution of the State of Alaska
7 relating to limitations on appropri-
8 ations of state money.

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

10 * Section 1. Article IX of the Constitution of the State of Alaska is
11 amended by adding a new section to read:

12 SECTION 16. APPROPRIATION LIMITATIONS. Except for appropriations
13 to the permanent fund and appropriations required to pay the principal
14 and interest on general obligation bonds, the amount of money appro-
15 priated during a fiscal year, from whatever source and for whatever
16 purpose, shall not exceed the amount appropriated in the base fiscal
17 year by more than the cumulative increase in the federal consumer price
18 index for the State for the calendar years preceding the governor's
19 submission of the budget under Section 12 of this article plus or minus
20 a percentage equal to the cumulative average yearly growth or loss in
21 the State's population as shown by the last two federal censuses or
22 renumerations. The legislature may, by affirmative vote of two-thirds
23 of the membership of each house, make appropriations in excess of this
24 limit by enactment of appropriation bills limited to a single item of
25 appropriation for a single purpose but the excess appropriations, if
26 any, shall not be included in calculating the limit for the next fiscal
27 year. The governor shall cause any unappropriated balance to be
28 invested at market rates. The base fiscal year for purposes of this
29 section is the period from July 1, 1980 to June 30, 1981.

1 * Sec. 2. The amendment proposed by this resolution shall be placed
2 before the voters of the state at the next general election in conformity
3 with art. XIII, sec. 1, Constitution of the State of Alaska, and the election
4 laws of the state.

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HOGAN'S VERSION

POSITION PAPER

To limit only the operating budget of the State, while allowing other expenditures to accumulate without limitation means two things. First, it means parallel budgets, one which is limited, the other which is not. People of the State want State expenditures to be limited, not just slices of particular budgets. Secondly, to allow uncontrolled growth outside the limitation means to place a time bomb at the heart of the operating budget which will eventually explode the ceiling. Capital projects create operating budget impacts. The current rule of thumb is that their operational expenses are \$1 for every \$4 construction costs -- on an annual basis. Similarly, loan programs and all other programs which would be allowed under this version impact the operating budget.

It should be remembered that the operational cost of government per se has been but a minor percentage of the increase in State expenditures. Far more important have been capital projects, loan capitalization, and such new projects as the Energy Center and Delta Barley.

Unless the expenditures outside the operating budget are controlled, there will be no way eventually to keep within the limitation except by facing the choice of abandoning facilities or eliminating services. At this point, there would be a strong incentive to repealing the expenditure limitation.

It should also be remembered that one of the goals of the expenditure limitation is not just the control of the operating budget so that government costs can be carried when Prudhoe Bay revenues decline. People also want to be sure that there are funds which have been either preserved or wisely invested so that there is an economic return to the citizens to offset declining oil revenues. Under this version, there is no way of insuring that this goal will occur -- as a matter of fact, all the non-operating budget funds could be spent rather than invested for future use.

All the portions of current expenditures which have primarily inflated the State budget are outside the appropriation limitation. Loans and loan subsidies, capital projects, special projects and every other sort of constituent desire are exempted from limitation. This means that legislators are left in much the same position they now occupy: there is no reason to say no.

The operating budget override mechanism applies only to amounts in excess of the operating budget limitation, where there is less pressure to overspend. Even when there is a desire for an operating budget item, if there is no room left under the ceiling, it will be simple enough to place it in the capital budget, as now occurs or simply to pass a separate appropriation bill.

Hence, the net effect of this version will be to give the appearance of a spending limit while in no way restricting the flexibility of either the Governor or the Legislature to spend as they wish.

Introduced: 5/19/81
Referred: Finance and
Judiciary

1 IN THE HOUSE

BY MALONE AND BEIRNE

2 HOUSE JOINT RESOLUTION NO. 57

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the Con-
6 stitution of the State of Alaska
7 relating to limitations on appropri-
8 ations of state money.

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

10 * Section 1. Article IX of the Constitution of the State of Alaska is
11 amended by adding a new section to read:

12 SECTION 16. APPROPRIATION LIMITATIONS. ~~Except-for-appropriations~~
13 ~~to-the-permanent-fund-and-appropriations-required-to-pay-the-principal~~
14 ~~and-interest-on-general-obligation-bonds,~~ the amount of money appro-
15 priated during a fiscal year, ^{for the operating costs of state government*} from whatever source and for whatever
16 purpose, shall not exceed the amount appropriated in the base fiscal
17 year by more than the cumulative increase in the federal consumer price
18 index for the State for the calendar years preceding the governor's
19 submission of the budget under Section 12 of this article plus or minus
20 a percentage equal to the cumulative average yearly growth or loss in
21 the State's population as shown by the last two federal censuses or
22 renumerations. The legislature may, by affirmative vote of two-thirds
23 of the membership of each house, make appropriations in excess of this
24 limit by enactment of appropriation bills limited to a single item of
25 appropriation for a single purpose but the excess appropriations, if
26 any, shall not be included in calculating the limit for the next fiscal
27 year. ~~The-governor-shall-cause-any-unappropriated-balance-to-be~~
28 ~~invested-at-market-rates.~~ The base fiscal year for purposes of this
29 section is the period from July 1, ¹⁹⁸¹ ~~1980~~ to June 30, ¹⁹⁸² ~~1981~~.

* Additional language could specify "and state operating grants to local governments."

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5 Proposing an amendment to the Constitu-
6 tion of the State of Alaska relating to
7 limitations on appropriations of state
8 money.

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

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13 the governor may request or the legislature may appropriate during a
14 fiscal year shall not exceed the amount appropriated in the preceding
15 fiscal year by more than the increase in the federal consumer price in-
16 dex for the State for the calendar year preceding the governor's sub-
17 mission of the budget under section 12 of this article plus or minus a
18 percentage equal to the cumulative average yearly growth or loss in the
19 State's population as shown by the last two federal censuses or renum-
20 erations. Money appropriated under any exception prescribed by section
21 17 of this article shall not be included in the base for determining
22 the allowable increase from year to year. For purposes of this sec-
23 tion, the amount of \$2.7 billion shall be used as the amount of appro-
24 priations in fiscal year 1982.

25 SECTION 17. EXEMPTIONS FROM APPROPRIATION LIMITATIONS. The limi-
26 tations on increases in appropriations do not apply to money received
27 from another in trust for a specific purpose; to appropriations of
28 money to be deposited in the permanent fund; money appropriated to pay
29 principal and interest on general obligation bonds; money appropriated

1 to capitalize loan funds, but only if the money to subsidize these
2 loans at below market interest rates is appropriated separately under
3 the limitations; money appropriated by the affirmative vote of two-
4 thirds of the membership of each house, whether of bond proceeds or
5 otherwise, to construct capital improvements, not to exceed \$1,500 per
6 capita; or money appropriated by a vote of two-thirds of the membership
7 of each house and approved by the governor to meet disasters of natural
8 or human origin which are declared by the governor.

9 * Sec. 2. The amendment proposed by this resolution shall be placed be-
10 fore the voters of the state at the next general election in conformity with
11 art. XIII, sec. 1, Constitution of the State of Alaska, and the election
12 laws of the state.

Introduced: 5/19/81
Referred: Finance and
Judiciary

1 IN THE HOUSE

BY MALONE AND BEIRNE

2 HOUSE JOINT RESOLUTION NO. 57

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the Con-
6 stitution of the State of Alaska
7 relating to limitations on appropri-
8 ations of state money.

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

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11 amended by adding a new section to read:

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13 ~~to-the-permanent-fund-and-appropriations-required-to-pay-the-principal~~
14 ~~and-interest-on-general-obligation-bonds,~~ the amount of money appro-
15 priated during a fiscal year, ^{for the operating costs of state government*} from whatever source and for whatever
16 purpose, shall not exceed the amount appropriated in the base fiscal
17 year by more than the cumulative increase in the federal consumer price
18 index for the State for the calendar years preceding the governor's
19 submission of the budget under Section 12 of this article plus or minus
20 a percentage equal to the cumulative average yearly growth or loss in
21 the State's population as shown by the last two federal censuses or
22 renumerations. The legislature may, by affirmative vote of two-thirds
23 of the membership of each house, make appropriations in excess of this
24 limit by enactment of appropriation bills limited to a single item of
25 appropriation for a single purpose but the excess appropriations, if
26 any, shall not be included in calculating the limit for the next fiscal
27 year. ~~The-governor-shall-cause-any-unappropriated-balance-to-be~~
28 ~~invested-at-market-rates.~~ The base fiscal year for purposes of this
29 section is the period from July 1, ¹⁹⁸¹ ~~1980~~ to June 30, ¹⁹⁸² ~~1981~~.

* Additional language could specify "and state operating grants to local governments."

Introduced: 5/19/81
Referred: Finance and
Judiciary

IN THE HOUSE

BY MALONE AND BEIRNE

HOUSE JOINT RESOLUTION NO. 57

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

Proposing an amendment to the Con-
stitution of the State of Alaska
relating to limitations on appropri-
ations of state money.

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

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SECTION 16. APPROPRIATION LIMITATIONS. Except for appropriations
to the permanent fund and appropriations required to pay the principal
and interest on general obligation bonds, ^{general fund} ~~the amount of money appro-~~
^{prations} ~~priated~~ during a fiscal year, ~~from whatever source and for whatever~~
~~purpose~~, shall not exceed the amount appropriated in ^{fiscal year 1980} ~~the base fiscal~~
~~year~~ by more than ^{cumulative inflation and population} ~~the cumulative increase in the federal consumer price~~
^{growth as defined by law.} ~~index for the State for the calendar years preceding the governor's~~
~~submission of the budget under Section 12 of this article plus or minus~~
~~a percentage equal to the cumulative average yearly growth or loss in~~
~~the State's population as shown by the last two federal censuses or~~
~~enumerations. The legislature may, by affirmative vote of two thirds~~
~~of the membership of each house, make appropriations in excess of this~~
~~limit by enactment of appropriation bills limited to a single item of~~
~~appropriation for a single purpose but the excess appropriations, if~~
~~any, shall not be included in calculating the limit for the next fiscal~~
~~year. The governor shall cause any unappropriated balance to be~~
~~invested at market rates. The base fiscal year for purposes of this~~
~~section is the period from July 1, 1980 to June 30, 1981.~~

No appropriation in excess of this limit may be
made unless a state of emergency is declared by
the governor, as provided by law. ~~as defined by law,~~

Berrier

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE JOINT RESOLUTION NO. 4 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the Consti-
6 tution of the State of Alaska relat-
7 ing to limitations on appropriations
8 of state money.

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

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13 the governor may request or the legislature may appropriate during a
14 fiscal year shall not exceed the amount appropriated in the preceding
15 fiscal year as adjusted for national inflation as defined by law for
16 the calendar year preceding the governor's submission of the budget
17 under Section 12 of this article, plus or minus a percentage equal to
18 the cumulative average yearly growth or loss in the state's population
19 as shown by the last two federal censuses or renumerations. For pur-
20 poses of this section the amount of \$ _____ billion is to be used as
21 the amount of appropriations in fiscal year 1982.

22 SECTION 17. EXCEPTION FROM APPROPRIATION LIMITATION. The limita-
23 tion on increases in appropriations in Section 16 of this article does
24 not apply to appropriations to the Alaska permanent fund or to appropri-
25 ations to other funds that produce income at market rates. Income from
26 appropriations excepted from the appropriation limitation shall be
27 returned to the general fund and is subject to the appropriation limita-
28 tion. The legislature may, by affirmative vote of two-thirds of the
29 membership of each house, make an extraordinary appropriation without

1 regard to the appropriation limitation under Section 16 of this article,
2 but each extraordinary appropriation shall be limited to a single item
3 of appropriation for a single purpose. Each extraordinary appropriation
4 shall be subject to the provisions regarding vetoes in Sections 15 and
5 16 of Article II, except that a three-quarters vote of the membership
6 of each house shall be required to override a veto of an extraordinary
7 appropriation. The governor may not propose an extraordinary appropri-
8 ation in the budget submitted under Section 12 of this article. Extra-
9 ordinary appropriations shall not be included in calculating the appro-
10 priation limitation for the next fiscal year.

11 * Sec. 2. The amendment proposed by this resolution shall be placed
12 before the voters of the state at the next general election in conformity
13 with art. XIII, sec. 1, Constitution of the State of Alaska, and the election
14 laws of the state.
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Introduced: 1/13/81
Referred: Community & Regional
Affairs and Finance

1 IN THE SENATE

BY COLLETTA

2 SENATE JOINT RESOLUTION NO. 3

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the Consti-
6 tution of the State of Alaska relat-
7 ing to limiting increases in expendi-
8 tures and requiring payment by the
9 state of mandated increased expendi-
10 tures of a political subdivision of
11 the state.

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

13 * Section 1. Article IX, Constitution of the State of Alaska is amended
14 by adding new sections to read:

15 SECTION 16. APPROPRIATION GROWTH LIMIT. In no year shall the
16 rate of growth of appropriations from state revenues, excepting appropria-
17 tions to the permanent fund established in Section 15 of this article
18 and excepting appropriations for capital improvements, exceed the esti-
19 mated rate of growth of the economy of the State as determined by law.
20 An appropriation in excess of this limit shall not be made unless a
21 state of emergency is declared to exist, as provided by law. The
22 appropriation limit for each of the three years following the
23 declaration of emergency shall be adjusted equally so that the total
24 appropriations for the year of the emergency and the succeeding three
25 years do not exceed the appropriations which could have been made under
26 this section if no emergency had been declared. The limit on rate of
27 growth of appropriations for each year shall be calculated without
28 regard to a declared emergency or the subsequent three-year adjustment.

29 SECTION 17. RETURN OF REVENUES TO TAXPAYERS. Revenues received

1 by the State in excess of the amount appropriated in compliance with
2 this article during a fiscal year shall be distributed to the taxpayers
3 of the State as provided by law. No appropriation is required for a
4 distribution under this section within the succeeding fiscal year.

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

7 SECTION 22. INCREASED COSTS TO POLITICAL SUBDIVISIONS. No general
8 law requiring increased expenditures by a political subdivision shall
9 become effective unless the legislature has provided that the State pay
10 the amount of increased cost to the political subdivision.

11 * Sec. 3. The amendments proposed by this resolution shall be placed
12 before the voters of the state at the next general election in conformity
13 with art. XIII, sec. 1, Constitution of the State of Alaska, and the
14 election laws of the state.

Introduced: 6/8/81
Referred: Finance

1 IN THE HOUSE

BY MEEKINS AND ~~BUCHHOLDT~~

2 HOUSE BILL NO. 607

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act limiting expenditures which may be proposed by
7 the governor."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 37.07.020 is amended by adding new subsections to read:

10 (e) Proposed expenditures during a fiscal year may not exceed the
11 amount appropriated in the preceding fiscal year by more than the
12 increase in the federal consumer price index for the state for the
13 calendar year preceding the governor's submission of the budget plus a
14 percentage equal to the average yearly growth in the state's population
15 as shown by the last two federal censuses or renumerations. Expendi-
16 tures proposed under an exception prescribed by (f) of this section may
17 not be included in the base for determining the allowable increase from
18 year to year.

19 (f) The limitations on increases in proposed expenditures in
20 AS 37.07.020(e) do not apply to money

- 21 (1) to be deposited in the permanent fund;
22 (2) requested to pay permanent fund dividends;
23 (3) requested to capitalize loan funds, but the money to
24 subsidize low-interest loans must be requested separately and is sub-
25 ject to the limitations;
26 (4) requested to construct capital improvements, from bond
27 proceeds;
28 (5) requested for escrow accounts or otherwise requested to
29 repay general obligation bonds;

1 (6) requested as a reserve for disasters of natural or human
2 origin or other emergencies;

3 (7) requested to coincide with increases in user fees;

4 (8) requested to meet increases in costs to the state
5 resulting from court orders or from a transfer of authority or responsi-
6 bility to the state from the federal government;

7 (9) derived from one-quarter of the income from those
8 contributions made to the permanent fund which exceed the minimum
9 required by art. 14, sec. 15 of the Constitution of the State of
10 Alaska; or

11 (10) requested to meet disasters of natural or human origin
12 which are declared by the governor.

13 * Sec. 2. AS 37.07.100 is amended to read:

14 Sec. 37.07.100. PROPOSED SUPPLEMENTAL OR DEFICIENCY APPROPRIA-
15 TIONS. The governor from time to time may transmit to the legislature
16 proposed supplemental or deficiency appropriations which in his judg-
17 ment are necessary on account of laws enacted after the transmission of
18 the budget, or are otherwise in the public interest. He shall accompany
19 each proposal with a statement of the reasons for it, including the
20 reasons for its omission from the budget. The total amount of all
21 appropriations proposed by the governor may not exceed the limitations
22 of AS 37.07.020(e).
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Introduced: 5/19/81
Referred: Finance and
Judiciary

1 IN THE HOUSE

BY MALONE AND BEIRNE

2 HOUSE JOINT RESOLUTION NO. 57

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the Con-
6 stitution of the State of Alaska
7 relating to limitations on appropri-
8 ations of state money.

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

10 * Section 1. Article IX of the Constitution of the State of Alaska is
11 amended by adding a new section to read:

12 SECTION 16. APPROPRIATION LIMITATIONS. Except for appropriations
13 to the permanent fund and appropriations required to pay the principal
14 and interest on general obligation bonds, the amount of money appro-
15 priated during a fiscal year, from whatever source and for whatever
16 purpose, shall not exceed the amount appropriated in the base fiscal
17 year by more than the cumulative increase in the federal consumer price
18 index for the State for the calendar years preceding the governor's
19 submission of the budget under Section 12 of this article plus or minus
20 a percentage equal to the cumulative average yearly growth or loss in
21 the State's population as shown by the last two federal censuses or
22 renumerations. The legislature may, by affirmative vote of two-thirds
23 of the membership of each house, make appropriations in excess of this
24 limit by enactment of appropriation bills limited to a single item of
25 appropriation for a single purpose but the excess appropriations, if
26 any, shall not be included in calculating the limit for the next fiscal
27 year. The governor shall cause any unappropriated balance to be
28 invested at market rates. The base fiscal year for purposes of this
29 section is the period from July 1, 1980 to June 30, 1981.

What rate would
this be at
percent?

Why this
clause?

Wouldn't he
calculate any
way the rest
is needed
bill

1 * Sec. 2. The amendment proposed by this resolution shall be placed
2 before the voters of the state at the next general election in conformity
3 with art. XIII, sec. 1, Constitution of the State of Alaska, and the election
4 laws of the state.

Introduced: 5/19/81
Referred: Finance and
Judiciary

1 IN THE HOUSE

BY MALONE AND BEIRNE

2 HOUSE JOINT RESOLUTION NO. 57

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the Con-
6 stitution of the State of Alaska
7 relating to limitations on appropri-
8 ations of state money.

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

10 * Section 1. Article IX of the Constitution of the State of Alaska is
11 amended by adding a new section to read:

12 SECTION 16. APPROPRIATION LIMITATIONS. ~~Except for appropriations~~
13 ~~to the permanent fund and appropriations required to pay the principal~~
14 ~~and interest on general obligation bonds,~~ the amount of money appro-
15 priated during a fiscal year ^{for the operating costs of state government*} from whatever source and for whatever
16 purpose, shall not exceed the amount appropriated in the base fiscal
17 year by more than the cumulative increase in the federal consumer price
18 index for the State for the calendar years preceding the governor's
19 submission of the budget under Section 12 of this article plus or minus
20 a percentage equal to the cumulative average yearly growth or loss in
21 the State's population as shown by the last two federal censuses or
22 renumerations. The legislature may, by affirmative vote of two-thirds
23 of the membership of each house, make appropriations in excess of this
24 limit by enactment of appropriation bills limited to a single item of
25 appropriation for a single purpose but the excess appropriations, if
26 any, shall not be included in calculating the limit for the next fiscal
27 year. ~~The governor shall cause any unappropriated balance to be~~
28 ~~invested at market rates.~~ The base fiscal year for purposes of this
29 section is the period from July 1, ¹⁹⁸¹ ~~1980~~ to June 30, ¹⁹⁸² ~~1981~~.

* Additional language could specify "and state operating grants to local governments."

Introduced: 6/8/81
Referred: State Affairs,
Resources and Finance

1 IN THE SENATE

BY FISCHER

2 SENATE BILL NO. 591

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska permanent fund."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. AS 37.13.010(a) is repealed and reenacted to read:

9 (a) Under art. IX, sec. 15 of the state constitution, there is
10 established as a separate fund the Alaska permanent fund. The Alaska
11 permanent fund consists of

12 (1) 75 percent of all mineral lease rentals, royalties,
13 royalty sale proceeds, net profit shares under AS 38.05.180(f) and (g),
14 and federal mineral revenue sharing payments received by the state from
15 all mineral leases issued on or before December 1, 1979;

16 (2) 25 percent of all bonuses received by the state from
17 mineral leases issued on or before February 15, 1980;

18 (3) 50 percent of all bonuses received by the state from
19 mineral leases issued after February 15, 1980 and before the effective
20 date of this Act;

21 (4) 75 percent of all bonuses received by the state from
22 mineral leases issued after the effective date of this Act; and

23 (5) any other money appropriated to or otherwise allocated
24 by law to the Alaska permanent fund.
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**PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT**

Hogan

SSSJR 4
ANALYSIS OF PROPOSED CHANGES

1. APPROPRIATION LIMITATIONS:

Line 13 - "The amount of State money..."

The delegates to the constitutional convention discussed differentiating between State money and "other funds". We don't have much recorded information on the discussions, but the decision was not to create different kinds of public money. To include the phrase "State money" would lead to extensive wrangling between the legislature and the executive as to what constitutes State money.

2. EXCEPTIONS FROM APPROPRIATION LIMITATIONS:

Lines 25 & 26 - "money received in trust for a specific purpose"

1 and 2 are inter-related. "trust fund" is a favorite term of the Attorney General for funds that should bypass the legislative appropriation process. If "money received in trust" or "trust funds" are allowed in the constitution where currently no such term exists, the Attorney General could proceed to overturn the Superior court decision in Kelly vs. Hammond by seeking a judgement that such grants are trust funds and therefore exempt from the limitation, and from appropriation by the legislature.

Lines 26 & 27 - "appropriation of money to be deposited in the permanent fund"

#318

Permanent fund appropriations should not be exempt from the limitation. They should be subject to the voter approval provision for capital projects.

Lines 27 & 28 - "money appropriated to pay permanent fund dividends"

#4 Permanent fund dividends should not be exempt from the limitations. They should be subject to the voter approval provision for capital projects.

Line 28 & 29 and page 2, line 1 - "money appropriated to capitalize loan funds..."

#5
#6 Loan fund capitalization should not be exempt from the limitations. They should be subject to the voter approval provision for capital projects.

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*1469 am*BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SPONSOR SUBSTITUTE FOR

3 SENATE JOINT RESOLUTION NO. 4

4 IN THE LEGISLATURE OF THE STATE OF ALASKA

5 TWELFTH LEGISLATURE - FIRST SESSION

6 Proposing and amendment to the Constitu-
7 tion of the State of Alaska relating to
8 limitations on appropriations of state
9 money.

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

11 * Section 1. Article IX of the Constitution of the State of Alaska is
12 amended by adding new sections to read:

13 SECTION 16. APPROPRIATION LIMITATIONS. The amount of money the
14 governor may request or the legislature may appropriate during a fiscal
15 year shall not exceed the amount of \$2.5 billion for the base fiscal
16 year of 1982 by more than the cumulative increase in the federal
17 consumer price index for the State for the calendar years preceeding
18 the governor's submission of the budget under section 12 of this
19 article plus or minus a percentage equal to the cumulative average
20 yearly growth or loss in the State's population as shown by the last
21 two federal censuses or renumerations. Money appropriated under any
22 exception prescribed by section 17 of this article shall not be
23 included in the base for determining the allowable increase from year
24 to year.

25 SECTION 17. EXCEPTIONS FROM APPROPRIATION LIMITATIONS. The
26 limitations on increases in appropriations do not apply to money
27 appropriated capital improvements, whether of bond
28 proceeds or otherwise, where the appropriation for the capital
29 improvements is approved by the voters; money appropriated to escrow

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1 accounts or otherwise to repay general obligation bonds; money
2 appropriated as a reserve for disasters of natural or human origin or
3 other emergencies; money appropriated to coincide with increases in
4 user fees; money appropriated to meet increases in costs to the State
5 resulting from court orders or a transfer of authority or responsi-
6 bility to the State from the federal government; or money appropriated
7 by a vote of two-thirds of the membership of each house and approved
8 by the governor to meet disasters of natural or human origin which
9 are declared by the governor.

10 * Sec. 2. The amendment proposed by this resolution shall be placed
11 before the voters of the state at the next general election in conformity
12 with art. XIII, sec. 1, Constitution of the State of Alaska, and the
13 election laws of the state.
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**PLEASE NOTE: THE PRECEDING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.**

8 suggested deletions

IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

SPONSOR SUBSTITUTE FOR

SENATE JOINT RESOLUTION NO. 4

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

Proposing an amendment to the Constitu-
tion of the State of Alaska relating to
limitations on appropriations of state
money.

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

* Section 1. Article IX of the Constitution of the State of Alaska is
amended by adding new sections to read:

SECTION 16. APPROPRIATION LIMITATIONS. The amount of ^{#1} State money
The governor may request or the legislature may appropriate during a
fiscal year shall not exceed the amount of \$2.5 billion for the base
fiscal year of 1982 by more than the cumulative increase in the federal
consumer price index for the State for the calendar years preceding the
governor's submission of the budget under section 12 of this article
plus or minus a percentage equal to the cumulative average yearly
growth or loss in the State's population as shown by the last two
federal censuses or renumerations. Money appropriated under any excep-
tion prescribed by section 17 of this article shall not be included in
the base for determining the allowable increase from year to year.

SECTION 17. EXCEPTIONS FROM APPROPRIATION LIMITATIONS. The limi-
tations on increases in appropriations do not apply ^{#2} to money received
in trust for a specific purpose ^{#3} to appropriations of money to be
deposited in the permanent fund; ^{#4} money appropriated to pay permanent
fund dividends; ^{#5} money appropriated to capitalize loan funds; ^{#6} but only
if the money to subsidize these loans at below market interest rates is

appropriated separately under the limitations; ^{#7} money appropriated to construct capital improvements, whether of bond proceeds or otherwise, where the appropriation for the capital improvements is approved by the voters; money appropriated to escrow accounts or otherwise to repay general obligation bonds; money appropriated as a reserve for disasters of natural or human origin or other emergencies; money appropriated to coincide with increases in user fees; money appropriated to meet increases in costs to the State resulting from court orders or a transfer of authority or responsibility to the State from the federal government; ^{#8} money derived from one-quarter of the income from those contributions made to the permanent fund which exceed the minimum required by this constitution; or money appropriated by a vote of two-thirds of the membership of each house and approved by the governor to meet disasters of natural or human origin which are declared by the governor.

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

395

****COPY****
ALASKA SENATE
CS SJR 4 FIN AM 1

1ST SESSION 12TH LEG

6/12/81 11:37 AM

7 YEAS 12 NAYS 0 EXC 1 ABS

Y	BENNETT	N	FERGUSON	N	MULCAHY	N	STURGULEWSKI
N	BRADLEY	Y	FISCHER	Y	FARR	N	ZIEGLER
Y	COLLETTA	N	GILMAN	N	RAY		
Y	DANKWORTH	Y	HOHMAN	Y	RODEY		
N	ELIASON	N	KELLY	A	SACKETT		
N	FAHRENKAMP	N	KERTTULA	N	STIMSON		

+ VOTED FOR

* CHANGED VOTE

396

****COPY****
ALASKA SENATE
CS SJR 4 FIN AM 2

1ST SESSION 12TH LEG

6/12/81 11:40 AM

		11 YEAS	9 NAYS	0 EXC	0 ABS		
Y	BENNETT	N	FERGUSON	N	MULCAHY	N	STURGULEWSKI
N	BRADLEY	Y	FISCHER	Y	PARR	Y	ZIEGLER
Y	COLLETTA	N	GILMAN	Y	RAY		
Y	DANKWORTH	Y	HOHMAN	Y	RODEY		
N	ELIASON	N	KELLY	N	SACKETT		
N	FAHRENKAMP	Y	KERTTULA	Y	STIMSON		

+ VOTED FOR

* CHANGED VOTE

397

****COPY****
ALASKA SENATE
CS SJR 4 AM AM 3

1ST SESSION 12TH LEG

6/12/81 11:41 AM

14 YEAS 6 NAYS 0 EXC 0 ABS

Y	BENNETT	N	FERGUSON	N	MULCAHY	N	STURGOLEWSKI
Y	BRADLEY	Y	FISCHER	Y	PARR	Y	ZIEGLER
Y	COLLETTA	N	GILMAN	Y	RAY		
Y	DANKWORTH	Y	HORMAN	Y	RODEY		
N	ELIASON	Y	KELLY	Y	SACKETT		
Y	FAHRENKAMP	Y	KERTTULA	N	STIMSON		

+ VOTED FOR

* CHANGED VOTE

HOGAN'S VERSION

POSITION PAPER

Adrian

To limit only the operating budget of the State, while allowing other expenditures to accumulate without limitation means two things. First, it means parallel budgets, one which is limited, the other which is not. People of the State want State expenditures to be limited, not just slices of particular budgets. Secondly, to allow uncontrolled growth outside the limitation means to place a time bomb at the heart of the operating budget which will eventually explode the ceiling. Capital projects create operating budget impacts. The current rule of thumb is that their operational expenses are \$1 for every \$4 construction costs -- on an annual basis. Similarly, loan programs and all other programs which would be allowed under this version impact the operating budget.

It should be remembered that the operational cost of government per se has been but a minor percentage of the increase in State expenditures. Far more important have been capital projects, loan capitalization, and such new projects as the Energy Center and Delta Barley.

Unless the expenditures outside the operating budget are controlled, there will be no way eventually to keep within the limitation except by facing the choice of abandoning facilities or eliminating services. At this point, there would be a strong incentive to repealing the expenditure limitation.

It should also be remembered that one of the goals of the expenditure limitation is not just the control of the operating budget so that government costs can be carried when Prudhoe Bay revenues decline. People also want to be sure that there are funds which have been either preserved or wisely invested so that there is an economic return to the citizens to offset declining oil revenues. Under this version, there is no way of insuring that this goal will occur -- as a matter of fact, all the non-operating budget funds could be spent rather than invested for future use.

All the portions of current expenditures which have primarily inflated the State budget are outside the appropriation limitation. Loans and loan subsidies, capital projects, special projects and every other sort of constituent desire are exempted from limitation. This means that legislators are left in much the same position they now occupy: there is no reason to say no.

The operating budget override mechanism applies only to amounts in excess of the operating budget limitation, where there is less pressure to overspend. Even when there is a desire for an operating budget item, if there is no room left under the ceiling, it will be simple enough to place it in the capital budget, as now occurs or simply to pass a separate appropriation bill.

Hence, the net effect of this version will be to give the appearance of a spending limit while in no way restricting the flexibility of either the Governor or the Legislature to spend as they wish.

Introduced: 5/19/81
Referred: Finance and
Judiciary

IN THE HOUSE

BY MALONE AND BEIRNE

HOUSE JOINT RESOLUTION NO. 57

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

Proposing an amendment to the Constitution of the State of Alaska relating to limitations on appropriations of state money.

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

* Section 1. Article IX of the Constitution of the State of Alaska is amended by adding a new section to read:

SECTION 16. APPROPRIATION LIMITATIONS. ~~Except for appropriations to the permanent fund and appropriations required to pay the principal and interest on general obligation bonds,~~ the amount of money appropriated during a fiscal year ^{for the operating costs of state government*} from whatever source and for whatever purpose, shall not exceed the amount appropriated in the base fiscal year by more than the cumulative increase in the federal consumer price index for the State for the calendar years preceding the governor's submission of the budget under Section 12 of this article plus or minus a percentage equal to the cumulative average yearly growth or loss in the State's population as shown by the last two federal censuses or renumerations. The legislature may, by affirmative vote of two-thirds of the membership of each house, make appropriations in excess of this limit by enactment of appropriation bills limited to a single item of appropriation for a single purpose but the excess appropriations, if any, shall not be included in calculating the limit for the next fiscal year. ~~The governor shall cause any unappropriated balance to be invested at market rates.~~ The base fiscal year for purposes of this section is the period from July 1, ¹⁹⁸¹1980 to June 30, ¹⁹⁸²1981.

* Additional language could specify "and state operating grants to local governments."

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA

Section 1. Article IX of the Constitution of the State of Alaska is amended by adding a new section to read:

Section 16. APPROPRIATION LIMITATIONS. The amount of State money the Governor may request or the Legislature may appropriate during a fiscal year shall not exceed the amount _____ billion for the base fiscal year of 1982 by more than the cumulative increase in the national consumer price index for the calendar years preceding the Governor's submission of the budget under Section 12 of this Article, plus or minus a percentage equal to the cumulative average yearly growth or loss in the State's population as shown by the last two federal censuses or reenumerations. Money appropriated under any exception prescribed in Section 17 shall not be included in the base for determining the allowable increase from year to year.

Section 17. EXCEPTION FROM APPROPRIATION LIMITATIONS. The limitation on increases in appropriation do not apply to appropriations to the Permanent Fund or to other funds which produce income at market rates. Income from appropriations excepted from the appropriation limitation shall be returned to the General Fund and subject to the appropriation limitation. The Legislature may, by affirmative vote of threequarters of the membership of each house, or by a two-thirds vote of the membership of each house on appropriation requests from the Governor, make appropriations in excess of this limit by enactment of appropriation bills limited to a single item of appropriation for a single purpose, but these appropriations shall not be included in calculating the limit for the next fiscal year.

Section 2: The amendment proposed by this resolution shall be placed before the voters of the State at the next General Election in conformity with ART. XIII, Sec. 1, Constitution of the State of Alaska, and the election laws of the State.

EXPLANATION

The working philosophy behind this amendment is an aim for consistency with the bulk of the Alaska Constitution. The Alaska Constitution contains simple and explicit statements of intent and design. To lose this simplicity of approach is to also lose ease of understanding by readers. Further, it was felt that keeping a spending limitation as simple as possible would ease voter understanding of the issue when the issue comes on the ballot.

Also in keeping with the idea of mirroring the Constitution, this amendment attempts to reinforce and strengthen the existing system of checks and balances so that the addition of an amendment does not do damage to the political system. The philosophical approach used in this amendment is the desire to limit expenditures of State revenues.

BASE

The amendment calls for a number to be used instead of a fiscal year or other indication of the starting point. Specification of a number will, most likely, decrease ambiguity and lessen the likelihood of litigation. Further fiscal analysis is necessary to determine the proper number.

COVERAGE

The spending limitation will apply to any appropriation from the General Fund. This allows for the direct control of expenditures of all General Fund revenues. Language included in the amendment would also require that the return on any investment or trust funds established through State appropriations be contributed to the General Fund. This will ensure that the expenditure of those receipts will also come under the spending limitation.

Federal receipts and program receipts from other non-State sources (such as user fees and private endowments) would be exempt from the expenditure limitation. This will allow flexibility for State programs to respond to changes in non-State revenues, while requiring that any State assumption of the funding of those programs come under the spending limitation.

Because of the variability of non-State revenues, the inclusion of only State-source General Fund revenues in the spending limitation makes the identification of a base year figure easier and makes future year revenue projections similarly easier.

FORMULA

The formula for adjusting the base year figure is a national measurement of inflation and a measure for State population growth. The change in the national consumer price index has been used as the measure of inflation rather than a measure of inflation in Anchorage or in Alaska as a whole.

This is necessary in that the rate of inflation within Alaska results, in part, from State spending levels. The pattern of State spending has affected living costs in Alaska, and would likely continue to do so under spending at current levels. The rate of inflation reflected in the national consumer price index should be more stable and will not be influenced by the State's own spending pattern.

The portion of the formula which allows adjustment of the spending limit for the average rate of State population growth over the past two census periods is the same as is contained in both versions of the spending limit bill (HJR 57 and SJR 4). The identification of the federal census as a basis for population growth rates ensures that the population change figures are determined by a source outside State Government. Any other formula which would allow a State entity to set population growth figures could potentially create a situation wherein the State adjusts its spending limit (upward) based on its own (inflated) population growth figures. It is questionable whether the State has a reliable population monitoring system.

EXTRAORDINARY APPROPRIATIONS

A mechanism is included within the amendment to allow for unusual, unanticipated events or for needed projects which have wide general support. Since an addition is being made to the Constitution, we need to insure that future Governors, legislators, and citizens have an opportunity to respond to events and needs which we cannot foresee. However, it was felt to be equally important to insure that a door was not left open to routinely exceed the spending limitation. Therefore, the amendment presents a means by which to exceed the spending limit, but makes use of that means only by an extraordinary majority. In keeping with the concept of checks and balances, two options were provided. The first means calls for initiation of the extraordinary appropriation from the Governor. When so initiated, passage of the appropriation act depends upon the concurrence of two-thirds vote of each house of the legislature. Extraordinary appropriations can also be initiated by the Legislature; but in this case, three-fourths vote of each house must pass the appropriation measure, thus insuring a majority sufficient to overcome a possible veto. The reason for the differences in the majority needed for passage lies in the belief that the chief executive is elected statewide and is more responsive to statewide needs than a coalition of legislators. On the other hand, a three-quarters majority of both houses is fully as representative of statewide interests; hence, the inclusion of a means for legislatively initiated extraordinary appropriations.

The amendment specifies that each appropriation bill can contain only a single item. Again, this works toward the goal of common agreement on need to exceed the limitation, as "log rolling" is more difficult when single appropriation bills are at issue.

It should be pointed out that, while there is no mention made in this amendment, the amendment does not change the Governor's existing power to act in cases of disaster or emergency. Furthermore, the referendum process remains unchanged, whereby the Legislature can decide by simple majority vote to put spending questions before the voters, although funding of these items (aside from revenue bonds) falls under the spending limitation.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA

Section 1. Article IX of the Constitution of the State of Alaska is amended by adding a new section to read:

Section 16. APPROPRIATION LIMITATIONS. The amount of State money the Governor may request or the Legislature may appropriate during a fiscal year shall not exceed the amount _____ billion for the base fiscal year of 1982 by more than the cumulative increase in the national consumer price index for the calendar years preceding the Governor's submission of the budget under Section 12 of this Article, plus or minus a percentage equal to the cumulative average yearly growth or loss in the State's population as shown by the last two federal census or reenumerations. Money appropriated under any exception prescribed in Section 17 shall not be included in the base for determining the allowable increase from year to year.

Section 17. EXCEPTION FROM APPROPRIATION LIMITATIONS. The limitation on increases in appropriation do not apply to appropriations to the Permanent Fund or to other funds which produce income at market rates. Income from appropriations excepted from the appropriation limitation shall be returned to the General Fund and subject to the appropriation limitation. The Legislature may, by affirmative vote of threequarters of the membership of each house, or by a two-thirds vote of the membership of each house on appropriation requests from the Governor, make appropriations in excess of this limit by enactment of appropriation bills limited to a single item of appropriation for a single purpose, but these appropriations shall not be included in calculating the limit for the next fiscal year.

Section 2: The amendment proposed by this resolution shall be placed before the voters of the State at the next General Election in conformity with ART. XIII, Sec. 1, Constitution of the State of Alaska, and the election laws of the State.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA

Section 1. Article IX of the Constitution of the State of Alaska is amended by adding a new section to read:

Section 16. APPROPRIATION LIMITATIONS. The amount of money the Governor may request or the Legislature may appropriate during a fiscal year may not exceed the sum of \$_____ per capita, as adjusted for national inflation.

Section 17. EXCEPTION FROM APPROPRIATION LIMITATIONS. The per capita limitation on appropriations does not apply to appropriations to the Permanent Fund or to other funds producing market rate income. Except for Permanent Fund principal, principal and income of funds excepted from the appropriation limitation shall be returned to the general fund and subject to the appropriation limitation. The Legislature may, by affirmative vote of two-thirds of the membership of each house, make a one time extraordinary appropriation in excess of the limitation under Section 16 of this Article, but each extraordinary appropriation shall be limited to a single item of appropriation for a single purpose. Each extraordinary appropriation shall be subject to the provisions regarding vetoes in Article II, Sections 15 and 16 of this Constitution, except that a three-quarters vote of the membership of each house shall be required to override a veto of an extraordinary appropriation. In the budget submitted under section 12 of this Article, the governor may not propose any extraordinary appropriation other than an appropriation to the Permanent Fund, and no item of appropriation submitted in the budget by the governor under Section 12 of this Article may be made an extraordinary appropriation, but these appropriations shall not be included in calculating the limit for the next fiscal year.

Section 2: The amendment proposed by this resolution shall be placed before the voters of the State at the next General Election in conformity with ART. XIII, Sec. 1, Constitution of the State of Alaska, and the election laws of the State.

~~Permanent Fund~~

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA

Section 1. Article IX of the Constitution of the State of Alaska is amended by adding a new section to read:

Section 16. APPROPRIATION LIMITATIONS. The amount of State money the Governor may request or the Legislature may appropriate during a fiscal year shall not exceed the amount appropriated in the preceeding fiscal year as adjusted for national inflation for the calendar year preceding the Governor's submission of the budget under Section 12 of this Article, plus or minus a percentage equal to the cumulative average yearly growth or loss in the State's population as shown by the last two federal census or renumerations. For purposes of this section the amount of _____ billion is to be used as the amount of appropriations in fiscal year 1982.

Section 17. EXCEPTION FROM APPROPRIATION LIMITATIONS. The limitation on increases in appropriation does not apply to appropriations to the Permanent Fund or to other funds which produce income at market rates. Except for the principal of the Permanent Fund, principal and income from appropriations excepted from the appropriation limitation shall be returned to the General Fund and subject to the appropriation limitation. The Legislature may, by affirmative vote of two-thirds of the membership of each house, make a one time extraordinary appropriation in excess of the limitation under Section 16 of this Article, but each extraordinary appropriation shall be limited to a single item of appropriation for a single purpose. Each extraordinary appropriation shall be subject to the provisions regarding vetoes in Article II, Sections 15 and 16 of this Constitution, except that a three-quarters vote of the membership of each house shall be required to override a veto of an extraordinary appropriation. In the budget submitted under section 12 of this Article, the governor may not propose any extraordinary appropriation other than an appropriation to the Permanent Fund, and no item of appropriation submitted in the budget by the governor under Section 12 of this Article may be made an extraordinary appropriation, but these appropriations shall not be included in calculating the limit for the next fiscal year.

Section 2: The amendment proposed by this resolution shall be placed before the voters of the State at the next General Election in conformity with ART. XIII, Sec. 1, Constitution of the State of Alaska, and the election laws of the State.

House

SECTION 16. APPROPRIATION GROWTH LIMIT. Beginning in fiscal year 1983, in no fiscal year shall the rate of growth of general fund appropriations, excepting appropriations for income-producing investments, exceed the cumulative rate of growth of the economy of the State since fiscal year 1980 as determined by law. ^{No} An appropriation in excess of this limit shall ~~not~~ be made unless a state of emergency is declared by the governor to exist, as provided by law.

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

* Section 1. Article IX of the Constitution of the State of Alaska is amended by adding new sections to read:

Section 16. APPROPRIATION LIMITATION. The amount of state money the governor may request or the legislature may appropriate during a fiscal year shall not exceed the amount of \$ _____ for the base fiscal year of 1982 by more than the cumulative increase in the national consumer price index for the calendar years preceding the governor's submission of the budget under section 12 of this Article, plus or minus a percentage equal to the cumulative average yearly growth or loss in the state's population as shown by the last two federal censuses or renumerations. Money appropriated under any exception prescribed in section 17 of this Article shall not be included in the base for determining the allowable increase in appropriations from year to year.

Section 17. EXCEPTIONS FROM APPROPRIATION LIMITATION. The limitation on increases on appropriations under section 16 of this Article does not apply to appropriations to the permanent fund established in section 15 of this Article or to other funds which produce income at market rates. Income that is returned to the general fund from the permanent fund or from other funds producing income at market rates shall be subject to the appropriation limitation under section 16 of this Article. The legislature may, by affirmative vote of two-thirds of the membership of each house, make an extraordinary appropriation in excess of the limitation under section 16 of this Article, but each extraordinary appropriation shall be limited to a single item of appropriation for a single purpose. Each extraordinary appropriation shall be subject to the provisions regarding vetoes in Article II, sections 15 and 16 of this Constitution, except that a three-quarters vote of the membership of each house shall be required to override a veto of an extraordinary appropriation. In the budget submitted under section 12 of this Article, the governor may not propose any extraordinary appropriation other than an appropriation to the permanent fund, and no item of appropriation submitted in the budget by the governor under section 12 of this Article may be made an extraordinary appropriation.

* Sec. 2. The amendment proposed by this resolution shall be placed before the voters of the state at the next general election in conformity with Article XIII, sec. 1 of the Constitution of the State of Alaska and the election laws of the state.



I don't like this, in other Tom's or Margo's bill.

Possible to not pass through the General Fund

This is a very good clause it the philosophy can't be circumvented by technical changes

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

* Section 1. Article IX of the Constitution of the State of Alaska is amended by adding new sections to read:

Section 16. APPROPRIATION LIMITATION. The amount of state money the governor may request or the legislature may appropriate during a fiscal year shall not exceed the amount of \$ _____ for the base fiscal year of 1982 by more than the cumulative increase in the national consumer price index for the calendar years preceding the governor's submission of the budget under section 12 of this Article, plus or minus a percentage equal to the cumulative average yearly growth or loss in the state's population as shown by the last two federal censuses or renumerations. Money appropriated under any exception prescribed in section 17 of this Article shall not be included in the base for determining the allowable increase in appropriations from year to year.

Section 17. EXCEPTIONS FROM APPROPRIATION LIMITATION. The limitation on increases on appropriations under section 16 of this Article does not apply to appropriations to the permanent fund established in section 15 of this Article or to other funds which produce income at market rates. Income that is returned to the general fund from the permanent fund or from other funds producing income at market rates shall be subject to the appropriation limitation under section 16 of this Article. The legislature may, by affirmative vote of two-thirds of the membership of each house, make an extraordinary appropriation in excess of the limitation under section 16 of this Article, but each extraordinary appropriation shall be limited to a single item of appropriation for a single purpose. Each extraordinary appropriation shall be subject to the provisions regarding vetoes in Article II, sections 15 and 16 of this Constitution, except that a three-quarters vote of the membership of each house shall be required to override a veto of an extraordinary appropriation. In the budget submitted under section 12 of this Article, the governor may not propose any extraordinary appropriation other than an appropriation to the permanent fund, and no item of appropriation submitted in the budget by the governor under section 12 of this Article may be made an extraordinary appropriation.

* Sec. 2. The amendment proposed by this resolution shall be placed before the voters of the state at the next general election in conformity with Article XIII, sec. 1 of the Constitution of the State of Alaska and the election laws of the state.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA

Section 1. Article IX of the Constitution of the State of Alaska is amended by adding a new section to read:

Section 16. APPROPRIATION LIMITATIONS. The amount of State money the Governor may request or the Legislature may appropriate during a fiscal year shall not exceed the amount _____ billion for the base fiscal year of 1982 by more than the cumulative increase in the national consumer price index for the calendar years preceding the Governor's submission of the budget under Section 12 of this Article, plus or minus a percentage equal to the cumulative average yearly growth or loss in the State's population as shown by the last two federal censuses or reenumerations. Money appropriated under any exception prescribed in Section 17 shall not be included in the base for determining the allowable increase from year to year.

Section 17. EXCEPTION FROM APPROPRIATION LIMITATIONS. The limitation on increases in appropriation do not apply to appropriations to the Permanent Fund or to other funds which produce income at market rates. Income from appropriations excepted from the appropriation limitation shall be returned to the General Fund and subject to the appropriation limitation. The Legislature may, by affirmative vote of threequarters of the membership of each house, or by a two-thirds vote of the membership of each house on appropriation requests from the Governor, make appropriations in excess of this limit by enactment of appropriation bills limited to a single item of appropriation for a single purpose, but these appropriations shall not be included in calculating the limit for the next fiscal year.

Section 2: The amendment proposed by this resolution shall be placed before the voters of the State at the next General Election in conformity with ART. XIII, Sec. 1, Constitution of the State of Alaska, and the election laws of the State.

EXPLANATION

The working philosophy behind this amendment is an aim for consistency with the bulk of the Alaska Constitution. The Alaska Constitution contains simple and explicit statements of intent and design. To lose this simplicity of approach is to also lose ease of understanding by readers. Further, it was felt that keeping a spending limitation as simple as possible would ease voter understanding of the issue when the issue comes on the ballot.

Also in keeping with the idea of mirroring the Constitution, this amendment attempts to reinforce and strengthen the existing system of checks and balances so that the addition of an amendment does not do damage to the political system. The philosophical approach used in this amendment is the desire to limit expenditures of State revenues.

BASE

The amendment calls for a number to be used instead of a fiscal year or other indication of the starting point. Specification of a number will, most likely, decrease ambiguity and lessen the likelihood of litigation. Further fiscal analysis is necessary to determine the proper number.

COVERAGE

The spending limitation will apply to any appropriation from the General Fund. This allows for the direct control of expenditures of all General Fund revenues. Language included in the amendment would also require that the return on any investment or trust funds established through State appropriations be contributed to the General Fund. This will ensure that the expenditure of those receipts will also come under the spending limitation.

Federal receipts and program receipts from other non-State sources (such as user fees and private endowments) would be exempt from the expenditure limitation. This will allow flexibility for State programs to respond to changes in non-State revenues, while requiring that any State assumption of the funding of those programs come under the spending limitation.

Because of the variability of non-State revenues, the inclusion of only State-source General Fund revenues in the spending limitation makes the identification of a base year figure easier and makes future year revenue projections similarly easier.

FORMULA

The formula for adjusting the base year figure is a national measurement of inflation and a measure for State population growth. The change in the national consumer price index has been used as the measure of inflation rather than a measure of inflation in Anchorage or in Alaska as a whole.

This is necessary in that the rate of inflation within Alaska results, in part, from State spending levels. The pattern of State spending has affected living costs in Alaska, and would likely continue to do so under spending at current levels. The rate of inflation reflected in the national consumer price index should be more stable and will not be influenced by the State's own spending pattern.

The portion of the formula which allows adjustment of the spending limit for the average rate of State population growth over the past two census periods is the same as is contained in both versions of the spending limit bill (HJR 57 and SJR 4). The identification of the federal census as a basis for population growth rates ensures that the population change figures are determined by a source outside State Government. Any other formula which would allow a State entity to set population growth figures could potentially create a situation wherein the State adjusts its spending limit (upward) based on its own (inflated) population growth figures. It is questionable whether the State has a reliable population monitoring system.

EXTRAORDINARY APPROPRIATIONS

A mechanism is included within the amendment to allow for unusual, unanticipated events or for needed projects which have wide general support. Since an addition is being made to the Constitution, we need to insure that future Governors, legislators, and citizens have an opportunity to respond to events and needs which we cannot foresee. However, it was felt to be equally important to insure that a door was not left open to routinely exceed the spending limitation. Therefore, the amendment presents a means by which to exceed the spending limit, but makes use of that means only by an extraordinary majority. In keeping with the concept of checks and balances, two options were provided. The first means calls for initiation of the extraordinary appropriation from the Governor. When so initiated, passage of the appropriation act depends upon the concurrence of two-thirds vote of each house of the legislature. Extraordinary appropriations can also be initiated by the Legislature; but in this case, three-fourths vote of each house must pass the appropriation measure, thus insuring a majority sufficient to overcome a possible veto. The reason for the differences in the majority needed for passage lies in the belief that the chief executive is elected statewide and is more responsive to statewide needs than a coalition of legislators. On the other hand, a three-quarters majority of both houses is fully as representative of statewide interests; hence, the inclusion of a means for legislatively initiated extraordinary appropriations.

The amendment specifies that each appropriation bill can contain only a single item. Again, this works toward the goal of common agreement on need to exceed the limitation, as "log rolling" is more difficult when single appropriation bills are at issue.

It should be pointed out that, while there is no mention made in this amendment, the amendment does not change the Governor's existing power to act in cases of disaster or emergency. Furthermore, the referendum process remains unchanged, whereby the Legislature can decide by simple majority vote to put spending questions before the voters, although funding of these items (aside from revenue bonds) falls under the spending limitation.

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SECTION 16. APPROPRIATION LIMITATIONS. Except for appropriations to the Alaska permanent fund, appropriations required to pay the principal and interest on general obligation bonds, and appropriations of money received from a non-state source in trust for a specific purpose, appropriations from the treasury for a fiscal year shall not exceed \$2 billion ^{dollar} by more than the cumulative change in population and inflation, ~~since July 1, 1980, as defined by law,~~ ^{as defined by law,} except that the governor may propose appropriations in excess of this limit for capital improvements of the same type in separate bills for each type of capital improvement, and the legislature may approve ^{without a referendum} each bill by the affirmative vote of ^{vote} two-thirds of the membership of each house. No other appropriation in excess of this limit may be proposed by the governor or approved by the legislature unless to meet a state of disaster declared by the governor as prescribed by law. The governor shall cause any unappropriated balance to be invested so as to yield competitive market rates to the treasury.

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13 SECTION 16. APPROPRIATION LIMITATIONS. Except for appropriations
14 to the Alaska permanent fund, appropriations required to pay the prin-
15 cipal and interest on general obligation bonds, and appropriations of
16 money received from a non-state source in trust for a specific purpose,
17 appropriations from the treasury for a fiscal year shall not exceed
18 \$2 billion by more than the cumulative change in population and infla-
19 tion since July 1, 1980⁷⁹, as defined by law, except that the governor may
20 propose appropriations in excess of this limit for capital improvements
21 of the same type in separate bills for each type of capital improvement
22 and the legislature may approve ^{without a referendum} each bill by the affirmative vote of
23 two-thirds of the membership of each house. No other appropriation in
24 excess of this limit may be proposed by the governor or approved by the
25 legislature unless to meet a state of disaster declared by the governor
26 as prescribed by law. The governor shall cause any unappropriated bal-
27 ance to be invested so as to yield competitive market rates to the
28 treasury.
29