

# Alaska State Legislature

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## Senator Dave Donley District J

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### **SEN. DAVE DONLEY LOOKS TO TRULY LIMIT GOVERNMENT SPENDING**

(ANCHORAGE) In a move Friday that was more reminiscent of a busy session day in Juneau, the House Judiciary Committee adopted a new version of SJR 23, a realistic Constitutional Spending Limit brought to the committee by Sen. Dave Donley (R-Anchorage), Co-Chair of the Senate Finance Committee.

The new House Judicial Committee Version of SJR 23 was drafted by Donley in cooperation with the Legislative Finance Division and Legislative Legal Offices and is just one of nine steps toward reforming the way State government does business. SJR 23 if passed and ratified would amend the existing spending limits in Article IX, Section 16 of the Alaska Constitution. The current law, adopted in 1981, established a state spending limit based on population growth and inflation. The current spending limit for the State is \$6 billion dollars, or more than \$3 billion more than the current level of spending. The current spending limit does nothing to limit State spending and fails to establish any realistic limits for the State to adhere to.

Donley says SJR 23 is just one of many next steps in fiscal reform for the State and Dr. Scott Goldsmith, a Professor of Economics at the University of Alaska Anchorage testified that Donley's numbers and time frame for this step appeared to be reasonable and on target.

If passed and ratified, Donley says State spending will be held to a 2-percent per year increase as a base line and 4-percent with a two-thirds vote of both houses. House Judiciary Chairman Norman Rokeberg (R-Anchorage), admitted at the end of the hearing he was previously a bit "skeptical" about the amendment, but after hearing the testimony he felt SJR 23 would be a "positive symbolic move" in limiting government spending, which most everyone agrees needs to happen before the government should even consider major new taxes.

Some in the hearing were concerned that such limits could be detrimental to the State in times of emergency, such as a natural disaster or terrorist attacks, when increased spending might be necessary. Donley reiterated the limits could be doubled to 4-percent with a two-thirds vote. Donley further explained to the committee that spending to address an emergency was exempt from spending limit. He also said General Obligation Bonds could be issued freeing up Capital Funding in times of dire emergency. And in a true spirit of bipartisan problem solving and compromise Donley said he could back a 6-percent increase with a three-fourth vote in both houses, if the committee chose to include such

a provision. Increases in years following emergency spending however, would be from the 2-percent level, not from any higher level, thus maintaining fiscal discipline.

Donley says he personally does not like placing artificial restraints on spending. He says he would rather see the Legislature and the Administration work together and make the needed cuts to spending, and other reforms to close the fiscal gap, but as that has not happened Alaskan's need a Constitutional Mandate to limit spending by the State.

Arrangements can be made to interview Sen. Donley on this or other issues by calling his Anchorage office at 269-0234.

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