

# Alaska State Legislature



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## Sponsor Statement for House Bill 440

# Agency Alternative Operating Budgets

**"An Act relating to alternative operating budgets for agencies."**

Many Alaskans are begging for a plan that substantially cuts the budget.

[HB 440](#) will require significant reductions in all State spending categories. This bill requires every State agency to submit an "alternative operating budget" in addition to the "standard operating budget" that is currently submitted by the Governor by December 15<sup>th</sup> each year. The bill requires that the alternative operating budget be five percent lower than the prior year's approved budget.

The bill will require the agencies to prioritize spending. The alternative budget must include:

- Identification of where reductions would be made,
- Explanations of why the particular cuts were selected,
- Explanations of the effect of the cuts on programs and functions of the agency, and,
- Descriptions of the services that would be provided by the agency

At the end of the first five years that this bill will be in effect, General Fund expenditures will be reduced by over \$500 million compared to this year's budget. Overall, the budget will be reduced by over \$1 billion annually compared to this year's budget.

This bill provides a pathway to State fiscal responsibility.