

# ALASKA STATE LEGISLATURE

**Chair:**

House Finance Subcommittees for;  
Department of Public Safety  
Department of Law

**Member:**

House Finance Committee  
Legislative Council



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

**Interim:**  
PO Box 464  
Chugiak, AK 99567

## REPRESENTATIVE BILL STOLTZE

Representative\_Bill\_Stoltze@legis.state.ak.us

**Sponsor Statement  
For  
House Joint Resolution 9  
“Proposing amendments to the Constitution of the State of Alaska  
relating to an appropriation limit and a spending limit.”**

---

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

The existing constitutional appropriation limit, adopted by voters in 1981, has not worked as anticipated and has never been effective in restraining state spending. One main reason for its failure is that the starting amount of \$2.5 billion and the escalation factor based on inflation and population growth was too liberal. Given the increases in inflation and population over the last 20 years, the spending limit imposed by [Article IX, Section 16](#) is more than \$6 billion. That is about \$3 billion more than appropriated in Fiscal Year 2002.

The key to this proposed amendment is to start with a base appropriation limit that is equal to the appropriation level of the earliest complete fiscal year. All increases in spending would require a three-fourths vote whether the increase was presented as an increment in the statewide appropriation measures or through another piece of legislation as a fiscal note or stand-alone appropriation. The intent of this approval process is to allow the legislature to focus on significant increases apart from the ongoing needs of general government expenditures.

Specified appropriations are excluded from the appropriation limit for reasons already established in law.

If the amount appropriated exceeds the limit, the governor shall reduce expenditures by the executive branch for its operation and administration in order to bring expenditures back in line with the constitutional limit.

**DISTRICT 16**

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

Sponsor Statement  
HJR 9  
February 3, 2003

And finally, an additional provision states that this appropriation guideline remain in place for six years, if passed by a vote of the people, and if it is not revised or passed again in a general election, it would be removed as a Constitutional provision. This caveat is included to either eliminate a provision that may not be working as anticipated without cost to the state or allow revisions to the provision as deemed necessary by future legislatures and Alaskan citizens.

Without a meaningful constitutional amendment in place that limits the amount of state expenditures, there is no guarantee that the state will restrain, let alone reduce, spending. [HJR 9](#) would limit state spending and is a key component of any new long-range plan to ensure Alaska's long-term fiscal health.

**DISTRICT 16**

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