

Alaska State Legislature

Interim:

716 West 4th Ave., Suite 640
Anchorage, Alaska 99501-2133
(907) 269-0117



Session:

State Capitol Building, Room 118
Juneau, Alaska 99801-1182
(907) 465-4968

House Judiciary Committee

FOR IMMEDIATE RELEASE: Oct. 19, 2001

CONTACT: Rep. Norman Rokeberg, (907) 269-0117
Sen. Dave Donley, (907) 269-0234

Progress Made on Long-Range Fiscal Issues **Committee Improves Spending Cap Plan; More Hearings Set for Saturday**

(ANCHORAGE) – As part of the Legislature’s continuing effort to address the state’s fiscal challenges, the [House Judiciary Committee](#) today adopted an improved version of a Senate proposal for a constitutional amendment to place a lower limit on state government spending.

“We had a productive hearing today on three measures that represent a promising approach to getting Alaska’s financial house in order,” said Rep. Norman Rokeberg (R-Anchorage), chairman of the committee. Other legislators attending included Rep. John Coghill Jr. (R-Fairbanks), Rep. Kevin Meyer (R-Anchorage), Rep. Scott Ogan (R-Palmer), and Sen. Dave Donley (R-Anchorage).

Members discussed [House Joint Resolution 15](#), which would convert the Alaska Permanent Fund into an endowment making a sustainable 5 percent of its five-year average earnings available for Permanent Fund dividends and public services. Those testifying, including former state Sen. Arliss Sturgulewski and University of Alaska economist Scott Goldsmith, expressed support for the plan as a better way to inflation-proof the Fund and protect the dividend program than is currently provided by state statutes.

Donley, co-chair of the Senate Finance Committee, delivered presentations in support of [Senate Joint Resolutions 23](#) and 24. [SJR 24](#), sponsored by the Senate Finance Committee, would ask voters to amend the constitution to restore the simple majority vote of all legislators originally required to access the Constitutional Budget Reserve, eliminating the need to add extra millions in spending each year to win the support of three-quarters of the full Legislature.

SJR 23, sponsored by Donley, would replace the current constitutional appropriation limit that caps spending at \$6 billion, with a new mechanism that would establish a limit of about \$3.1 billion, and establish some exclusions from the cap. While an earlier Senate-passed version limited annual increases to no more than one-half of population and inflation increases, the new version adopted by the House Judiciary Committee today, at Donley’s request, sets a simpler 2 percent limit on increases and would allow a two-thirds majority of the Legislature to authorize a 4 percent increase. It also would allow voters the option to eliminate or renew the cap in four years, and every six years thereafter.

“Any new fiscal plan must start with reasonable limits on government spending, and this resolution gives Alaska voters the opportunity to put strong, but flexible, limits into the Alaska Constitution,” Donley said.

Donley will solicit additional public comment on SJR 23 and 24 at a Senate Finance Committee meeting scheduled to start 1 p.m. on Saturday, Oct. 20, in the basement conference room of the Anchorage Legislative Information Office building at 716 W. Fourth Ave.

###