

REPRESENTATIVE
CATHY TILTON

R - WASILLA



PRESS RELEASE

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REP. TILTON AIMS TO STRENGTHEN CONSTITUTIONAL SPENDING LIMIT

Wednesday, January 25, 2017 – Earlier today, state Rep. Cathy Tilton (R-Chugiak/MatSu) introduced HJR 7 which proposes changes to existing language in Alaska’s constitution limiting annual spending. Passed in 1982, the current provision ratified by Alaska Voters has been ineffective at restraining state spending.

Rep. Tilton stated, “When Alaskans overwhelmingly supported the current amendment and reaffirmed that support 4 years later, they made a clear statement they want state spending to be constrained in a responsible manner. Unfortunately, hindsight is 20/20 and the current language has proven meaningless.”

The current amendment provides that appropriations cannot exceed \$2.5 billion in 1982 dollars. That number, adjusted for inflation, equated to approximately \$10 billion in 2016; in 2016 state appropriations were a little over \$5 billion. Only twice in the last decade have state appropriations even come close to the current cap—in 2008 and 2012.

Tilton’s legislation keeps much of the constitutional language the same while making two important changes. First, rather than tying future appropriations to a specific dollar figure, it limits future spending increases to the previous year, adjusted for inflation and population growth. Second, it stipulates that in any year where there is a projected deficit, there can be no appropriation increase. Between 2012 and 2013, state spending increased by nearly \$650 million. Had Tilton’s proposed language been in effect, spending could have only increased by approximately \$100 million. State spending has continually decreased since 2013.

Rep. Tilton commented, “As we wrestle with our fiscal gap and things like new taxes or dividend caps are being proposed by others, it is essential we restore confidence in our ability to responsibly manage state finances. To me, this isn’t about a technical change to the state constitution but rather a contract with Alaskans that we won’t let this explosive growth happen again.”

HJR 7 was referred to House State Affairs, Judiciary and Finance committees. Rep. Tilton will be requesting hearings on the measure at the earliest opportunity.

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