

Republicans support form of spending limit

The Associated Press

Republican House leaders say there are two acceptable methods to limit state spending and they will support a "properly drafted" version of either when a special session of the Legislature convenes July 13.

The House balked last month at a proposed constitutional amendment to be voted on in 1982.

Immediately after the longest and costliest regular session in the State's history ended last month, Gov. Jay Hammond ordered a special session.

He warned lawmakers that if they didn't come up with a limit proposal for the ballot, much of their pet legislation may fall to his veto pen.

In a joint news release, Speaker Joe Hayes of Anchorage and Majority Leader Rick Halford of Chugiak said Wednesday that although they believe January is plenty soon enough to worry about it, they will support a "reasonable" limit.

Hayes and Halford, who gained their status during a dramatic power coup in the waning days of the regular session, listed the

option as:

*An absolute limit on the growth of the bureaucracy through the operating budget and a fixed amount for capital appropriations to be approved by the Legislature, subject to the governor's veto. Both amounts would be calculated by a formula including population growth and inflation.

*A two-pronged ballot proposal allowing voters to consider separately limitations on the operating budget and on the capital budget. Inflation and population factors would figure in both.

"It is important that ... that the operating and capital budgets are dealt with separately," Hayes and Halford said. "Otherwise continuing expansion of the bureaucracy would eliminate virtually all of the capital appropriations necessary to provide the capital improvements and economic base for Alaska's future economic development.

Halford and Hayes said both approaches were accepted "conditionally" by the Hammond administration. But they said the Senate's unwillingness to cooperate torpedoed the plan.