

**SJR 202**  
**SUSTAINABLE AND STABLE SPENDING**

CONCEPT  
SIMULATIONS

# KEY ELEMENTS OF CONCEPT

- Amends constitution
- Eliminates 2% surplus kicker provision in constitution
- Replaces with excess revenue calculation based on personal income growth
- Establishes constitutional general purpose reserve fund
- Allocates excess revenue to reserve fund until cap is reached
- Returns excess revenue to taxpayers when cap is reached

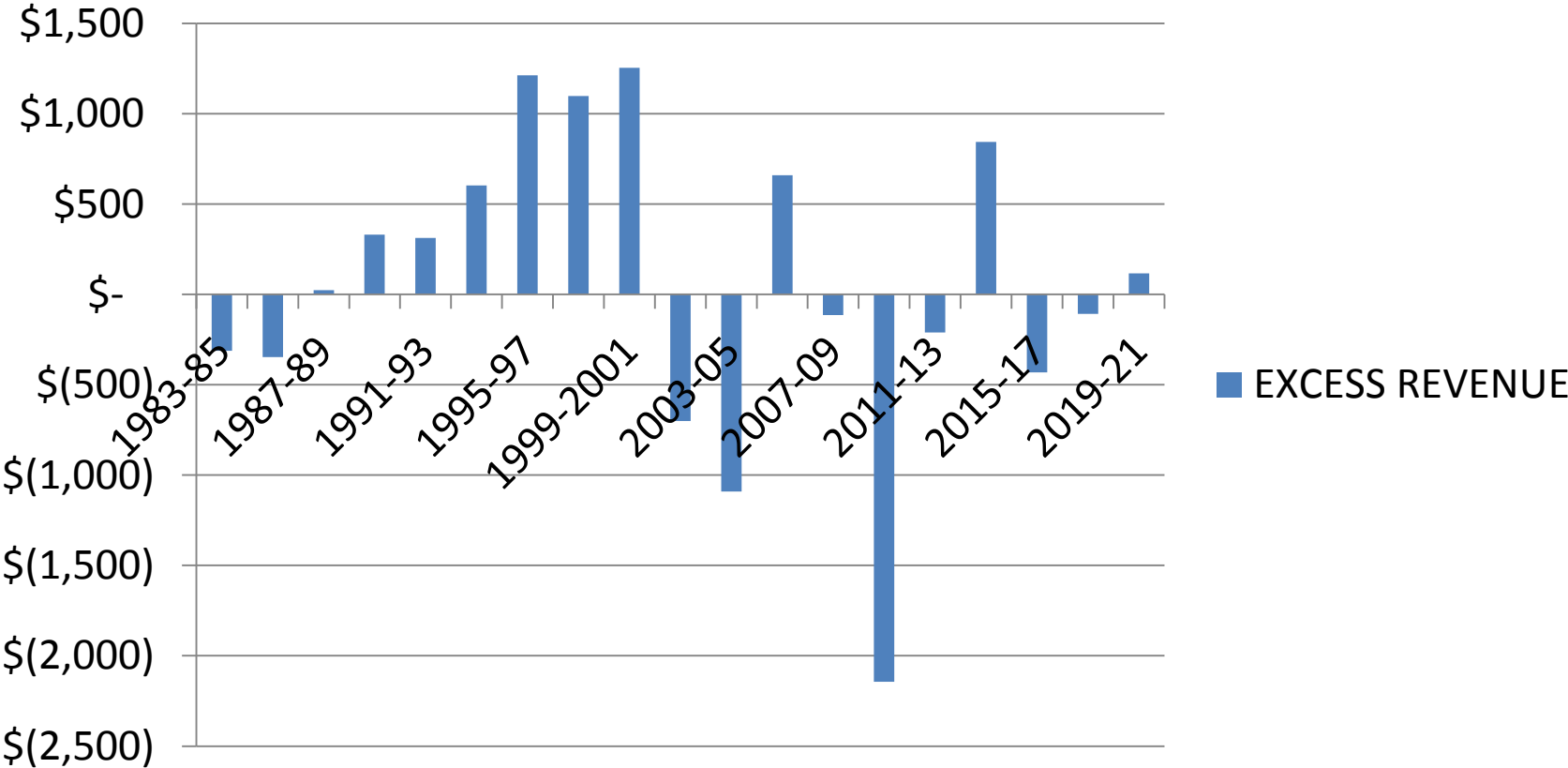
# DETAILS OF KEY ELEMENTS

- Excess Revenue
  - Compare revenue growth with average personal income growth over 3 past biennia
  - Excess revenue occurs when revenue growth exceeds average income growth over the prior 6 years
  - Allocate excess revenue to reserve fund until cap is reached
  - When cap is reached, return excess revenue to taxpayers
- Reserve Fund
  - Same triggers as ESF including 3/5 vote requirement
  - Withdrawals may be used for general purposes
  - Withdrawals are limited to 2/3 of beginning fund balance
  - Cap reserve fund at 12% of prior biennium General Fund revenue

# CALCULATION OF EXCESS REVENUE UNDER SJR 202

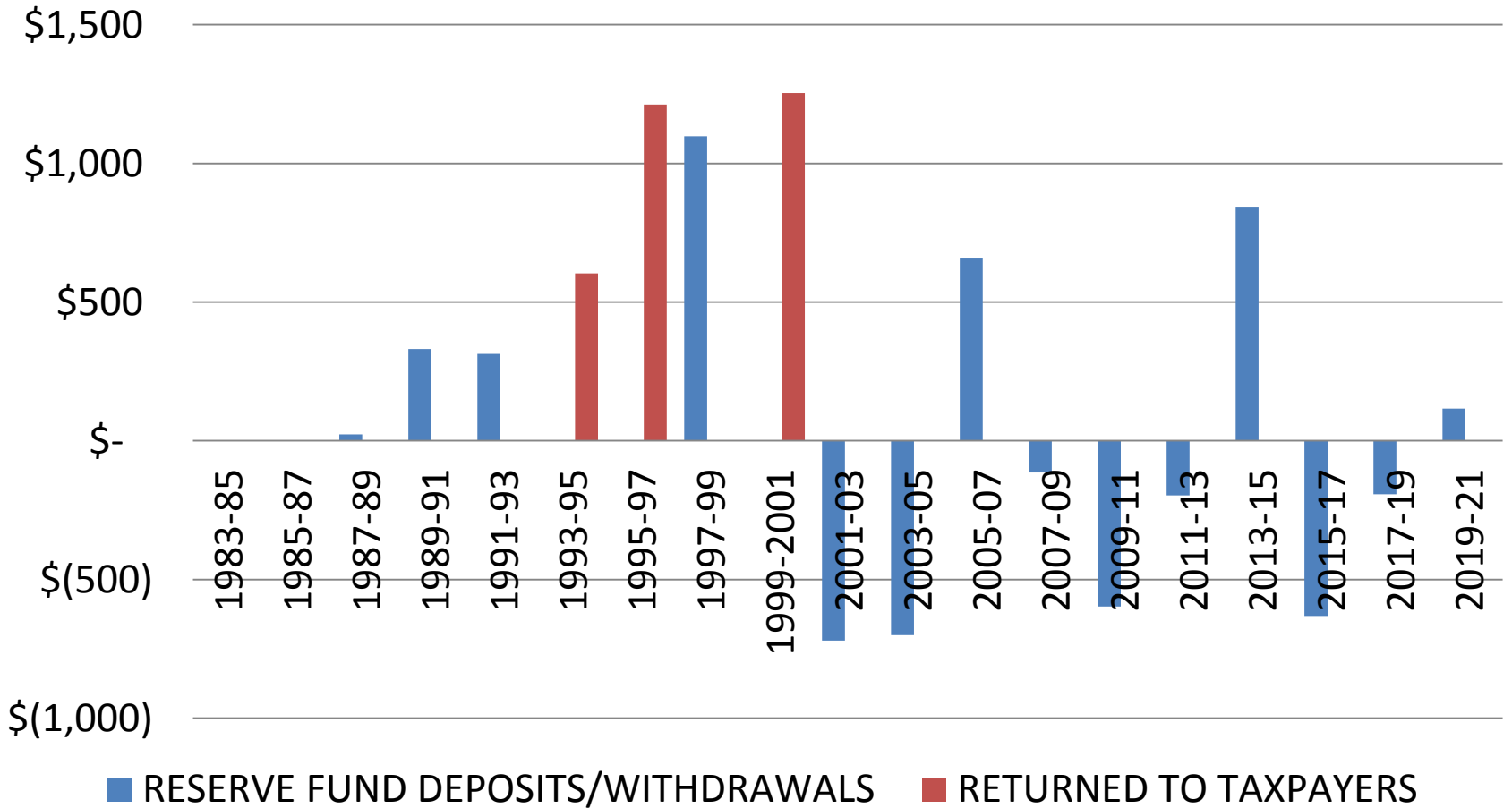
(IN MILLIONS)

## EXCESS REVENUE



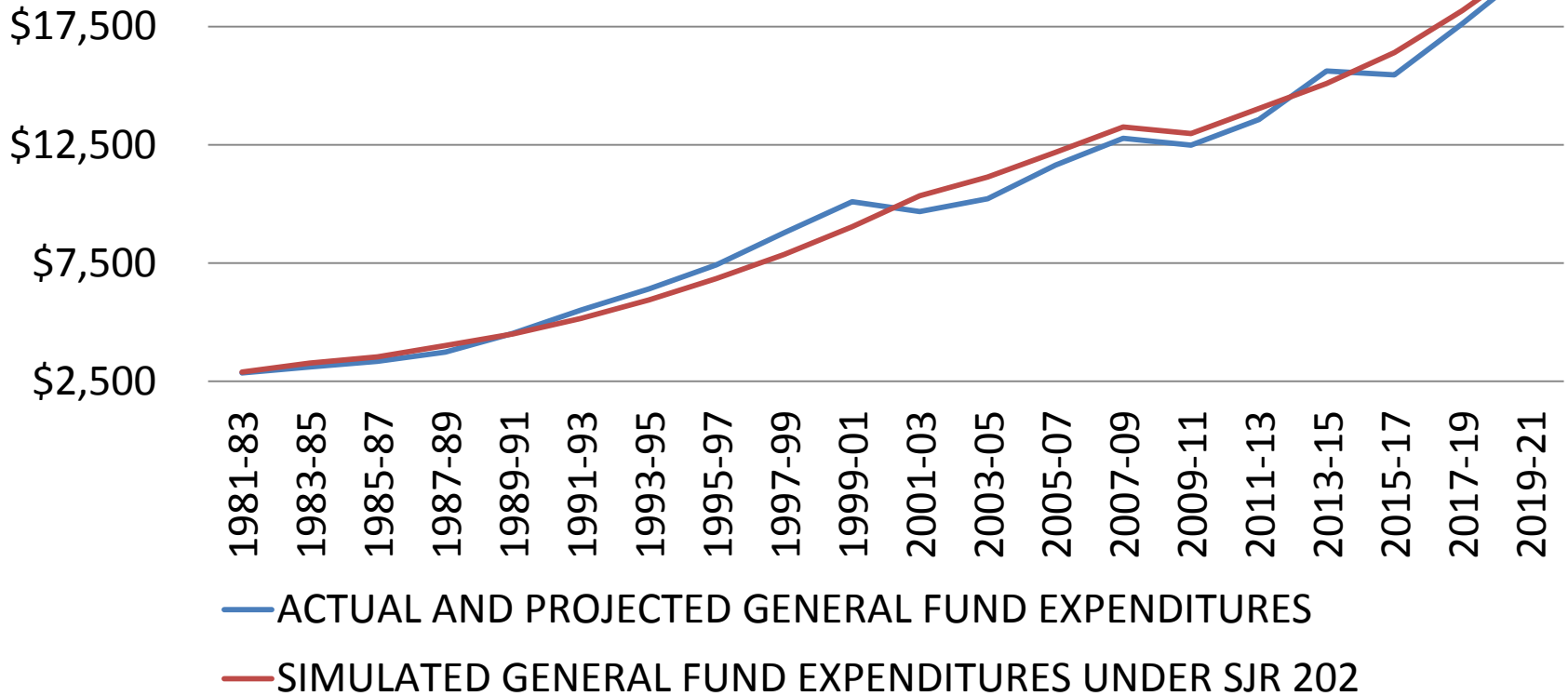
# ALLOCATION OF EXCESS REVENUE UNDER SJR 202

(IN MILLIONS)

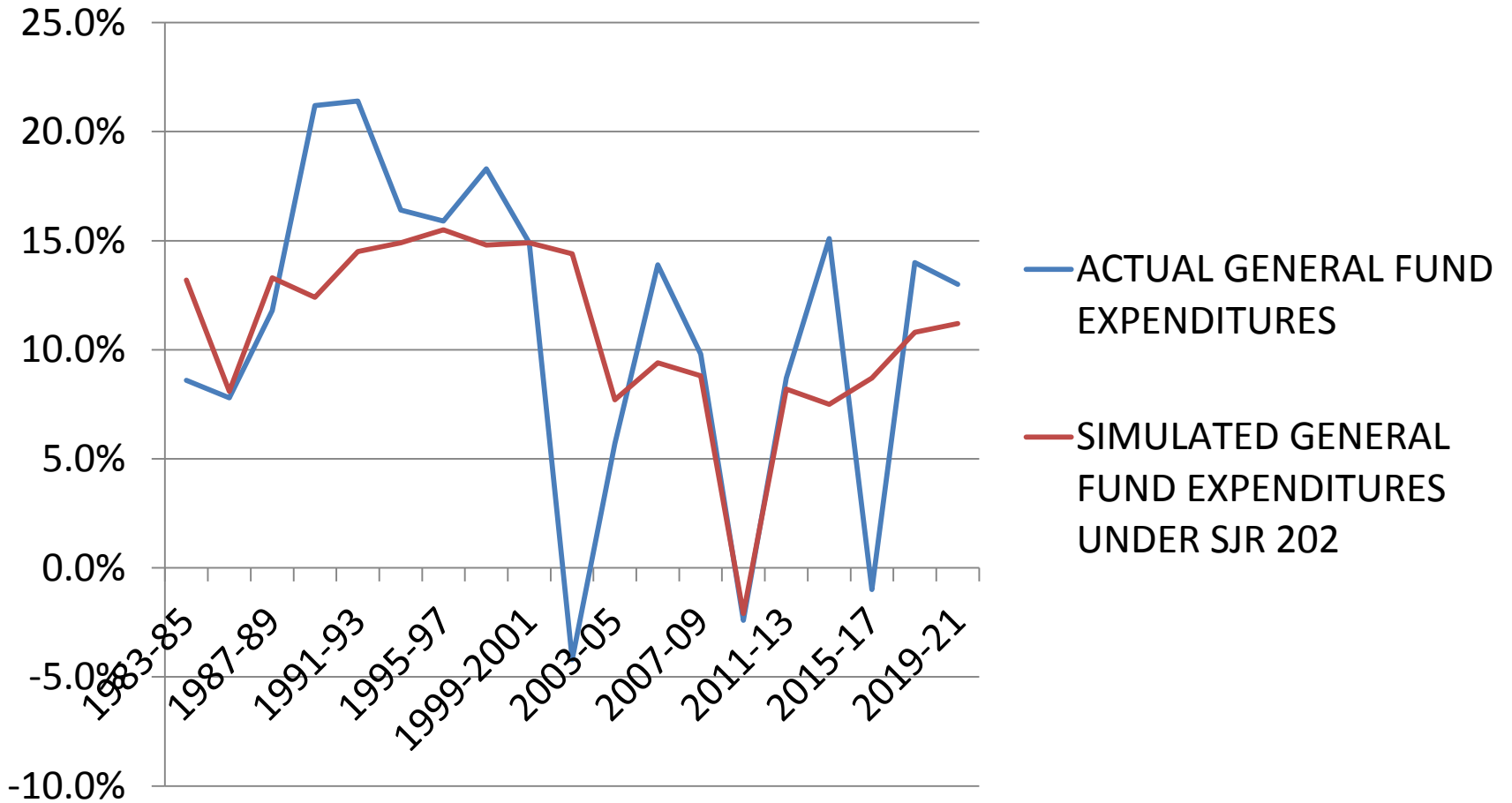


# ACTUAL VERSUS SIMULATED GENERAL FUND EXPENDITURES (IN MILLIONS)

## General Fund Expenditures



# ACTUAL GENERAL FUND EXPENDITURES COMPARED TO SIMULATED EXPENDITURES UNDER SJR 202 (PERCENT CHANGE)



# VOLATILITY OF FISCAL MEASURES

