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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 13, 2007

The Honorable Lyda Green
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Green:

Under the authority of article III, section 18 of the Alaska Constitution, I am transmitting to you today a supplemental appropriation bill for Fiscal Year 2007 that totals \$51.4 million in general funds. This reflects necessary program cost increases for the remainder of Fiscal Year 2007. For your consideration, there is a separate section in the appropriation bill for issues that are time sensitive. These requests total \$8.5 million in general funds, and could be shifted to the early supplemental bill, SB 61, at your discretion.

The remaining items in the supplemental bill total \$42.9 million in general funds. The largest item in the "regular" portion of the measure is \$17.7 million in general funds for capitalizing the disaster relief fund for costs associated with the Hooper Bay fire, Southcentral flood, Southern storm and damage to the Kivalina sea wall. This bill also has \$21.3 million in general funds for the Alaska Marine Highway System, including \$10.7 million to eliminate the negative balance in the marine highway fund. This is due in large part to the undercollection of revenues to support the amounts appropriated from that fund for the operation of the system.

I appreciate your consideration of this supplemental request.

Sincerely,

A handwritten signature in black ink that reads "Sarah Palin". The signature is fluid and cursive, with a large loop at the end.

Sarah Palin
Governor