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Governor Sean Parnell
STATE OF ALASKA

January 15, 2010

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

Dear Senator Stevens,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the State of Alaska's capital budget for Fiscal Year 2011 (FY2011).

My number one mission as Governor is to promote economic growth and opportunities for families. My budget proposal for Fiscal Year 2011 is based on clear priorities from our constitutional mandates for spending: education, public safety, transportation, and responsible resource development.

The proposed capital budget will fuel Alaska's economy and put Alaskans to work. The budget includes \$85.4 million to leverage over \$700 million in federal funds, as well as other funds. The budget also includes a request for \$100 million for the first year of a five-year deferred maintenance plan to repair the buildings and infrastructure already in place and to provide continuing maintenance on these structures, thereby taking care of the State of Alaska's assets. This bill will also keep Alaska's contractors employed. Energy and gas line development, including in-state gas, are key elements of the proposed capital budget.

My proposed capital budget recognizes that responsible resource development has allowed Alaska the opportunity to prosper and grow, and remains the foundation for our future prosperity. We must leverage our funds to fight for safe, sound development, and to promote private-sector investment and job creation. The capital budget represents a significant investment in Alaska's infrastructure, including surface transportation, airport improvements, water and wastewater projects, schools, and State facilities maintenance.

I have met with numerous Alaskans, including community and business leaders, as well as legislators regarding funding requests for many worthy projects in our State. As you know, I received far more requests than I could possibly propose in the budget submitted today. I

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look forward to working with the Legislature to finalize the capital budget for the upcoming fiscal year.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sean Parnell", written over the word "Sincerely,".

Sean Parnell
Governor