



FOR IMMEDIATE RELEASE

No. 11-197

Governor Releases Balanced Budget for Fiscal Year 2013
State General Funding Reduced \$600 Million

December 15, 2011, Anchorage, Alaska – Governor Sean Parnell today released his proposed budget for Fiscal Year 2013. The budgets represent a \$600 million decrease in state general fund spending. The budgets total \$6.4 billion in state general funds and \$12.1 billion in all funds including Permanent Fund and federal dollars.

“With a lower starting point on dollars and positions, we can have a public conversation with the Legislature about more effective use of the public’s dollars,” Governor Parnell said. “My proposed budget includes a reasonable operating budget that holds the line on government spending and looks long-term to provide a more stable and secure future for our families.”

The governor’s Fiscal Year 2013 budget will spend considerably less than what the new fall forecast projects for available revenue. Governor Parnell’s budget plan will leave \$3.7 billion in surplus. The governor proposes saving the surplus for the future while investing in infrastructure and jobs.

The Office of Management and Budget will eliminate 289 vacant full-time and part-time positions. The move will allow the state to better absorb new positions coming online with the completion of the Goose Creek Correctional Center.

Governor Parnell’s priorities guided the development of disciplined operating, capital, and mental health budgets for the next fiscal year. Those priorities include: resource development, education, safe homes and communities for Alaskans, and transportation/infrastructure.

In addition to the capital budget, the governor will propose a \$350 million general obligation bond package for several port projects throughout the state. With today’s financial climate, it is cheaper to borrow, rather than use the state’s cash reserves which earn a higher rate of return.

“With declining oil production and global uncertainty, responsible budgeting requires we save more for the future,” Governor Parnell added.

Draft budget bills and more detailed information on the budget are available on the Office of Management & Budget website at omb.alaska.gov/.

###