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Governor Bill Walker
STATE OF ALASKA

June 28, 2016

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

Dear President Meyer:

On this date, I have signed, with line item vetoes, the following bill passed by the Fourth Special Session of the Twenty-Ninth Alaska State Legislature and am transmitting the engrossed and enrolled copies to the Office of the Lieutenant Governor for permanent filing:

HCS CSSB 138(FIN) AM H(BRF SUP MAJ FLD H)

“An Act making and amending appropriations, including capital appropriations, supplemental appropriations, reappropriations, and other appropriations; making appropriations to capitalize funds; and providing for an effective date.”

Chapter 2, 4SSLA 2016
[Effective Date: See Chapter]

As passed by the Legislature, the bill contains capital appropriations, supplemental appropriations, reappropriations, and other appropriations for fiscal years 2016 and 2017, totaling \$1.67 billion, including \$171.6 million in unrestricted general funds and \$59 million in designated general funds. The bill prioritizes funding for projects that leverage federal and local dollars, energy and housing, maintenance, legal obligations, and critical school replacement. In this difficult fiscal time, any spending must be taken in the context of the fiscal deficit and remaining savings. I commend the Legislature for limiting capital appropriations; however, given our significant fiscal restraints, I have made the following changes to the bill through line item veto:

Section 1, page 5, line 33, is an appropriation to the Department of Natural Resources for a Snowmobile Trail Development Program of \$250,000. These funds are collected by the Alaska Division of Motor Vehicles through snowmobile registration fees and should stay in the general fund to preserve state savings.

Section 1, page 6, line 33, is an appropriation to the Department of Revenue, Alaska Housing Finance Corporation (AHFC) for Supplemental Housing Development of \$3,000,000. This project has been reduced by \$750,000 to preserve state savings.

The Honorable Kevin Meyer
HCS CSSB 138(FIN) AM H(BRF SUP MAJ FLD H)
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Section 26(b), page 42, line 31, is a reappropriation of the unexpended and unobligated balances, not to exceed \$6,600,000 from the AHFC Home Energy Rebate Program to the AHFC Weatherization Program. This reappropriation has been reduced by \$1,650,000 to preserve state savings. Further, the AHFC is in the process of discontinuing the Home Energy Rebate Program and these funds will be returned to the state's savings account.

Section 31, page 48, lines 25 – 29, proposes to reappropriate the unexpended and unobligated balance, estimated to be \$18,852,256, of the appropriation made in Sec. 1, Ch. 16, SLA 2013, page 12, lines 20 – 25 (Anchorage, U-Med district northern access – \$20,000,000) to the University of Alaska for the design and construction of the U-Med district northern access project. This transportation project falls outside of the Department of Transportation and Public Facilities' federal Surface Transportation Program which receives 91 percent federal match for state projects. This project will be suspended to preserve the estimated general fund balance.

In regard to the appropriation to purchase the Wells Fargo building for the Anchorage Legislative Information Office, I will respect the Legislature's appropriation authority and space needs. Although I did not veto the funding, I challenge the Legislature to consider the state's fiscal situation before buying a new building.

While these vetoes do not come close to solving our deficit, they are a necessary step in the process of preserving savings until appropriate revenue measures are available to provide a sustainable balanced budget.

Sincerely,



Bill Walker
Governor

Enclosure

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Governor Bill Walker
STATE OF ALASKA

June 28, 2016

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Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

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Bill Walker
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