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Governor Bill Walker  
STATE OF ALASKA

January 15, 2016

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

Dear President Meyer:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the State's operating budget for Fiscal Year 2017 (FY 2017).

The FY 2017 operating budget contains major components of the New Sustainable Alaska Plan. The multi-year plan provides for a balanced and long-term sustainable State budget by FY 2019. The FY 2017 budget includes reductions in State spending for operating agencies, appropriation language for implementing the Alaska Permanent Fund Protection Act (APFPA), and debt financing for current and future required pension payments.

This year's State operating budget is \$4,559.9 billion in unrestricted general funds. Of that total, \$3,997.9 billion is for agency operating budgets while the remaining is for debt, retirement, and oil and gas tax credits. The proposed FY 2017 State funding for agencies has a net reduction of \$114 million from FY 2016 and over \$500 million from FY 2015 after key investments of \$38.3 million for continued progress on the gasline project and \$1.3 million for the Department of Military and Veterans Affairs' Rural Initiative.

My administration looks forward to working with the Legislature on a FY 2017 budget and the New Sustainable Alaska Plan. The plan includes the FY 2017 operating and capital budgets, an oil and gas tax credit reform bill and several revenue bills. It is a comprehensive package to reach a long-term sustainable budget. I respectfully request full legislative deliberation on all provisions of the plan, and in turn, I will fully consider alternatives to improve the plan and ensure a long-term sustainable budget for Alaska.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in blue ink that reads "Bill Walker".

Bill Walker  
Governor

Enclosure

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Governor Bill Walker  
STATE OF ALASKA

January 15, 2016

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

Dear Speaker Chenault:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the State's operating budget for Fiscal Year 2017 (FY 2017).

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Bill Walker  
Governor

Enclosure