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**Governor Walker Line-Item Vetoes Unfunded Budget Bill**

May 18, 2015 ANCHORAGE—Governor Bill Walker today vetoed much of House Bill 72, the unfunded budget bill the legislature transmitted May 1.

“I am gravely concerned about the effects this legislative impasse is having on the state,” Governor Walker said. “Tomorrow is the deadline by which I must take action. Today, to honor the terms of our contracts to give 10 to 30 days of notice, I let state employees know that layoff notices may be coming. Public services, employees and our economy are all in limbo because of this unfunded budget.”

By transmitting an unfunded operating budget bill, legislative leadership left Governor Walker with three choices: allow the unfunded budget to become law; line-item veto all fiscal year 2016 budget items; or line-item veto the unfunded portions of the budget so available funds could be spent on critical health, life, safety and debt service obligations.

“I chose the least detrimental of the three options,” Governor Walker said. “I have approved the fiscal year 2015 supplemental budget items, and vetoed much of the fiscal year 2016 budget items. The funded portions will be allocated for critical health, life and safety functions—like trooper duties and keeping prisons and health care facilities open.”

The legislature is gridlocked over \$90 million dollars added to the budget as a compromise to soften the blow to Alaska’s economy; \$90 million is 3 percent of the \$3 billion deficit. In the long term, spending \$90 million more now will shorten the life of our reserves by just seven days.

“It is time to stop debating the merits of the \$90 million differences in cuts, so we can begin the discussion on how to solve the \$3 billion deficit,” Governor Walker said. “We need to shift our focus from arguing over 3 percent to working toward solving 97 percent of the problem. I urge legislators to come back to the negotiating table and reach a compromise for the good of Alaska.”

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