

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

SARAH PALIN, GOVERNOR

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March 1, 2007

The Honorable Lyman Hoffman
The Honorable Bert Stedman
The Honorable Mike Chenault
The Honorable Kevin Meyers
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Finance Committee Co-Chairs:

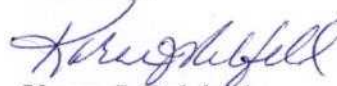
Attached are the Governor's amendments to the FY 2008 Operating, Mental Health, Capital, and Education Appropriation Bills for your consideration.

As you know, Governor Palin challenged state agencies to achieve a \$150 million reduction in the operating budget. After weeks of careful scrutiny and consideration of proposed reductions, the amended budget has a net reduction of \$124.4 million which is \$25.6 million short of the goal. However, the amended capital budget is \$26.7 million less in general funds making the overall amended budget \$1,062,700 less than the December 15, 2006 budget.

The amendments will be electronically transmitted to the Legislative Finance Division and available to the public today at: www.gov.state.ak.us/omb.

Thank you for your consideration of these budget amendments.

Sincerely,



Karen J. Rehfeld
Director

Attachments