



FOR IMMEDIATE RELEASE

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**Governor Palin Signs FY2009 Budgets
Vetoes \$268 Million**

May 23, 2008, Anchorage, Alaska – Governor Sarah Palin signed into law House Bill 310, the FY2009 Operating Budget; House Bill 312, the FY2009 Mental Health Operating and Capital Budget; and Senate Bill 221, the FY2009 Capital Budget. The Governor also signed House Bill 314, authorizing \$315 million in general obligation bonds for transportation projects to appear before voters on the November 2008 general election ballot.

“In this time of unprecedented resource revenue, we have an opportunity to address needed deferred maintenance, transportation and infrastructure projects,” Governor Palin said. “Alaska is blessed to invest in education, public safety and revenue sharing for our communities and citizens while putting a significant amount of surplus revenues into savings.

“I commend legislators for committing \$5 billion to savings and for focusing a significant portion of their proposed spending on the key priorities of public safety, education and infrastructure. I appreciate that legislators acknowledged that nothing in this budget was veto-proof. Our comprehensive review of the budgets confirmed that those legislators who prioritized projects made a concerted effort to follow new guidelines in making changes to the budget process and we appreciate their desire to do things better.”

The FY2009 Operating Budget Bill totals \$11.1 billion and includes funding for public education, the university system, public health and safety, transportation and resource development. In signing the bill, the Governor committed to saving at least \$20 million in state agencies’ operating budgets.

“This administration takes its fiscal responsibility seriously,” Governor Palin said. “Especially during this time of extraordinary revenue, we must be responsible stewards of Alaska’s resources to prepare for the future.”

Commissioners are developing strategies to achieve this savings target within the budget beginning on July 1. Savings achieved during the fiscal year will roll into the Constitutional Budget Reserve fund at the end of FY2009. The governor removed \$2.6 million in the operating budget through line-item veto.

Also signed was HB 312, the Mental Health Operating and Capital Budget.

"This legislation is a cooperative effort between state agencies and the Alaska Mental Health Trust Authority which has made a positive difference for Alaska's mental health beneficiaries," Governor Palin said. The comprehensive mental health program bill totals \$189.6 million and was signed into law as passed by the legislature.

Governor Palin also signed the Capital Budget Bill, SB 221, which totals \$3.6 billion.

"This capital budget contains a significant number of projects that will help communities across the state address deferred maintenance to improve infrastructure. It provides the tools the private sector needs to grow and thrive," Governor Palin said.

Following a thorough review of the budget, many projects requested by the legislature were partially funded, noted as one-time only or marked for future consideration. Projects with local bond approval or other matching funds received greater consideration in the budget process. In all, \$268 million was vetoed from the budget bills.

"The budgets will provide needed services, will leverage other funds and will make a significant investment in Alaska's future," Governor Palin said. "Now, I look forward to working with lawmakers as we pursue our shared goal of building a gas line."

More information on the budgets can be found at:

www.gov.state.ak.us/omb

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