



FOR IMMEDIATE RELEASE

No. 07-239

Governor Palin Releases Fiscal Year 2009 Budgets Vows to Slow the Trend of Government Growth

December 10, 2007, Anchorage, Alaska – Staying with her commitment to slow the growth of government, Governor Sarah Palin today released the fiscal year 2009 Operating and Capital Budgets. The budgets total \$4.4 billion in general funds and \$8.3 billion in total funds.

“We are also proposing to save and invest \$1.9 billion for the future, which is more than the \$1.8 billion proposed in state agency operations,” said Governor Palin.

Prior to the Palin administration, Alaskans had seen growth in government spending averaging 14 percent a year. Even with skyrocketing costs such as energy prices, health care and retirement costs, the Palin administration is committed to find way to slow the growth. It has changed direction by proposing a 1 percent increase in agency operations and a 4 percent increase in total General Fund Spending.

“This budget was built on a foundation with four core principals – saving for the future, living within our means, expanding resource development and focusing our investments on core services,” said Governor Palin. “We have funded core services and prioritized spending to enable us to focus on areas such as resource development, education, public health and safety – which will have a positive impact on our State’s future.”

Highlights of Governor Palin’s budget priorities for fiscal year 2009:

- Invest more than \$1 billion a year in K-12 education.
- \$100 million for school construction and major maintenance.
- \$10.1 million for workforce training and expanding health care, engineering and construction management programs at the University of Alaska.
- \$20.3 million to increase assistance to low income seniors.
- \$75 million to share the state’s oil wealth with local communities (an increase of more than 50 percent) to allow communities to provide tax relief or to help meet local priorities.
- \$406 million to help offset the rising retirement costs for the state, local governments and local school districts.

- Federal surface transportation program of \$237 million plus \$71 million in general funds for other highway improvements including traffic relief in south central Alaska.
- Deposit \$379 million into the Constitutional Budget Reserve.
- \$4.5 million to fill 20 vacant trooper positions and add 11 new trooper and court security officers.
- Deposit \$2.4 billion from the Permanent Fund Earnings Reserve into the corpus of the Permanent Fund – the largest in state’s history.

The fiscal year 2009 capital and operating budgets were released five days prior to the December 15 mandate.

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