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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 15, 2008

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

Dear President Green:

The capital budget bill that I am transmitting to you today represents a significant investment in expanding and improving Alaska's infrastructure. The bill contains nearly \$758 million for transportation-related projects, including \$262 million for the airport improvement program, \$237 million for the surface transportation program, and \$115 million for statewide federal programs. The Alaska Student Loan Corporation's final installment of the return of initial organizational capital is included in this budget bill and is reflected as \$60 million in bond proceeds that fund deferred maintenance projects in eleven agencies. The Susitna Valley High School replacement project and 20 school major maintenance projects comprise nearly \$100 million. In addition, the University of Alaska will receive \$40 million for deferred maintenance projects statewide. Water and wastewater infrastructure projects total \$121 million.

The capital budget also contains my municipal revenue sharing proposal of \$75 million, an increase of \$26.3 million from FY2008. In addition, the budget funds nearly \$37 million of information technology projects with a FY2008 effective date in order to utilize \$29 million of the FY2008 general fund surplus.

I believe that this capital budget is a responsible approach to addressing the needs of Alaskans. I look forward to working with the Legislature to secure passage of this bill.

Sincerely,

A handwritten signature in black ink that reads "Sarah Palin". The signature is fluid and cursive, with a large loop at the end.

Sarah Palin
Governor

Enclosure