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**Governor Palin Signs Budget Bills
*Conservative Spending Plan Implemented for FY2010***

May 21, 2009, Juneau, Alaska – Governor Sarah Palin today signed into law six appropriations bills, including House Bill 81, the FY2010 Operating Budget; House Bill 83, the FY2010 Mental Health Operating and Capital Budget; House Bill 113, the FY2009 Supplemental Bill; House Bill 199, the Federal Economic Stimulus Bill; Senate Bill 75, the FY2010 capital budget; and Senate Bill 116, a one-time special appropriation for low-income energy assistance.

The governor struck a total of \$80.3 million through various line-item reductions in four of the six appropriations bills. HB 83, the mental health operating and capital budget, and SB 116, the energy assistance special appropriation, were signed into law as passed by the legislature.

“We submitted a responsible, fiscally conservative budget,” Governor Palin said. “Given the current revenue outlook and economic conditions, we must focus on providing essential public services, while continuing to invest in communities and resource development that will fuel our economy in the future.

“I am pleased that legislators agreed with us on the importance of slowing the growth of government and focusing on key priority areas of life, safety, transportation, education and infrastructure. The legislature and administration worked hard to minimize the draw from savings at the end of the fiscal year. Our comprehensive review of the budgets confirmed that legislators made a concerted effort to reduce spending. In contrast to prior years, there were very few legislative additions to the budget.”

The operating budget bill totals \$8.7 billion and includes funding for public education, the university, public health and safety, transportation, and resource development.

“We have taken significant steps to slow government growth and achieve savings in the current fiscal year,” Governor Palin said. “This administration takes fiscal responsibility seriously and reducing expenditures will extend the life of our savings accounts.”

The governor vetoed \$35 million of a \$450 million transfer from the oil and gas tax credit fund to the general fund in order to leave a sufficient balance to pay the FY2009 production tax credits.

"Direct payment of the production tax credits to explorers and new producers is an important component of the ACES production tax," Palin said. "Timely payments of the credits are essential for a stable tax structure."

Governor Palin also signed HB 83, the state's mental health operating and capital budget, totaling \$201.9 million.

Additionally, the governor signed the supplemental bill, HB 113, with the deletion of a fiscal note for legislation that did not pass this session and a reappropriation that was not necessary.

The federal economic stimulus appropriation bill, HB 199, was signed, and as previously announced, the governor did not accept the \$28.6 million for energy funds. The funds are tied to building codes that the state would be required to entice local communities to adopt. The governor noted that if legislators disagree with her decision, they can express that through a veto override.

"Alaskans and our communities have a long history of independence and opposing many mandates from Washington, D.C.," said Governor Palin. "The question of whether or not to adopt energy building codes is best determined by local governments, not Washington, D.C. Alaskans across the state are actively working to reduce energy costs. A federal government mandate is essentially another tax on Alaskans building or renovating a structure, thus increasing costs."

The FY2010 capital and operating budgets already include \$25.5 million for Alaska Energy Authority projects, \$25 million for renewable energy, \$38 million for power cost equalization, and \$26.4 million for heating assistance, along with hundreds of millions of dollars in conservation efforts.

"Combined with the significant investments in the current fiscal year, including \$260 million for weatherization, \$100 million for home energy rebates, and \$100 million for renewable energy projects, our commitment is clear in reducing energy costs," Governor Palin said.

The governor made a few line-item changes in HB 199 to delete duplicate or excess authorization to receive federal funds. The governor also vetoed \$200,000 in general funds for two new positions added by legislators to help with implementation and tracking of economic stimulus funds.

"I have directed state agencies to devote existing resources to meet the requirements without growing government," Governor Palin said.

The capital budget bill, SB 75, which totals \$1.87 billion, was also signed today.

"This capital budget contains a number of projects, including transportation, schools, and public safety, which will help communities across the state improve infrastructure and bolster the economy," said Palin. "With the robust capital budgets of the past two years and this capital spending bill, Alaskans will see many improvements and additional job opportunities."

After a thorough review of the capital budget, the governor vetoed \$11.9 million.

The final budget bill signed today was SB 116, a special appropriation for energy assistance to eligible residents. These one-time funds will help Alaskans hardest hit by the high cost of energy.

“I appreciate the legislators working with us on the budget during these challenging economic times,” Governor Palin said. “The conservative spending plan I signed today will provide basic government services, leverage additional federal and other funds, and make a significant investment in Alaska’s future.”

For more information on the signed budgets, please visit the Office of Management and Budget website at <http://omb.alaska.gov/>

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