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Governor Sean Parnell  
STATE OF ALASKA

January 14, 2011

The Honorable Mike Chenault  
Speaker of the House  
Alaska State Legislature  
State Capitol, Room 208  
Juneau, AK 99801-1182

Dear Speaker Chenault,

Under the authority of Article III, Section 18, of the Alaska constitution, I am transmitting a bill relating to the State's capital budget for Fiscal Year 2012 (FY 2012).

My budget proposal for FY 2012 continues to focus on fostering jobs and economic development. The framework for the budget is based on our constitutional responsibilities for spending – education, public safety, transportation, and responsible resource development.

The proposed capital budget totals \$1.6 billion and includes resource development and infrastructure projects throughout Alaska. The budget includes \$103 million in State general funds to leverage over \$705 million in federal and other funds. I have also included projects designed to lower energy costs and meet the long term goal of generating 50 percent of Alaska's electricity through renewable energy sources by 2025. State investment in large-scale hydroelectric development, weatherization, and renewable energy will help us achieve these objectives. Continuing gas line development, including in-state gas, are also key elements of the proposed capital budget. The budget contains funding for school construction and major maintenance projects and requests the second year of a five-year deferred maintenance plan to take care of the State's assets.

My proposed capital budget recognizes that responsible resource development is the foundation for our future prosperity. We must leverage our funds to promote safe, sound development and to promote private-sector investment and job creation. The capital budget represents a significant investment in Alaska's infrastructure including roads to access resources, surface transportation, airport improvements, water and wastewater projects, and port facilities.

I look forward to working with the Legislature to finalize the capital budget for the upcoming fiscal year.

Sincerely,

A handwritten signature in blue ink that reads "Sean Parnell".

Sean Parnell  
Governor

Enclosure