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Governor Sean Parnell
STATE OF ALASKA

May 21, 2013

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

Dear Speaker Chenault,

On this date, I have signed with line item vetoes the following bill passed by the first session of the Twenty-Eighth Alaska State Legislature and am transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

CCS HB 65

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs, capitalizing funds, and making reappropriations; and providing for an effective date."

Chapter No. 14, SLA 2013

As passed by the Legislature, CCS HB 65 contains appropriations for Fiscal Year 2013 and Fiscal Year 2014, totaling \$10.7 billion, including \$4.76 billion in unrestricted general funds. The budget includes special appropriations for tax credits, revenue sharing, and direct deposits to the retirement system costs, and includes funding for public education, the university, public health and safety, transportation, resource management, and funding for State government programs, services, and grants.

I am committed to a responsible budget that provides essential public services, makes strategic investments to grow our economy, and limits draws on budget reserves. Through line item veto, I have reduced the State operating budget as follows:

Adjustment for Non-Covered Geographic Differential Calculation

The Legislature passed Senate Bill 95, relating to compensation and geographic pay differentials for public officials not covered by collective bargaining agreements. In reviewing the fiscal note prepared for the bill, an error was discovered that overstated the

The Honorable Mike Chenault

May 21, 2013

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implementation costs for the geographic pay differential in certain locations. I have reduced appropriations in five departments and nine budget components by a total of \$1.8 million, of which \$1.42 million is unrestricted general fund.

Working together, we were able to set a general fund spending target, focus on key priorities, significantly reduce spending from the current year, and establish a lower band of State spending over the next five years.

Thank you for your leadership.

Sincerely,

A handwritten signature in blue ink that reads "Sean Parnell". The signature is written in a cursive, flowing style.

Sean Parnell

Governor

Enclosure

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Governor Sean Parnell STATE OF ALASKA

May 21, 2013

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

Dear President Huggins,

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Sean Parnell
Governor

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