



FOR IMMEDIATE RELEASE

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Governor Parnell Proposes \$1 Billion Less in State Spending

December 14, 2012, Anchorage, Alaska – Governor Sean Parnell today released his budget for the next fiscal year, and it is nearly \$1.1 billion less than the current year's general fund spending.

In its proposal, the Parnell administration holds the state operating budget to less than one percent growth. The budget totals \$6.49 billion in state general funds and \$12.8 billion when federal funds and the Permanent Fund are included. The budget leaves more than \$500 million in surplus revenue.

"This balanced budget spends less than the current year," Governor Parnell said. "As we prepared this budget, we faced the facts – oil production is down, and oil prices, too, have decreased. Production decline and the increasing cost of producing Alaska's oil profoundly impacts Alaska's revenues. As I've done in the past, I am asking legislators to join me early in session to set a spending limit. A self-imposed, reasonable limit is the key to successful and sustainable spending. A spending limit promotes spending restraint and greater accountability for Alaskans."

Governor Parnell's budget focuses on resource development, public safety, education, and transportation and infrastructure.

The governor's proposed capital budget contains significant investments in energy development, roads to resources, water and sewer projects, school construction and major maintenance, as well as matching funds to leverage federal and local dollars.

"Our fiscal plan is based on budget discipline, saving for the future, and prudently managing reserves to help us through times when revenue is down," Governor Parnell said. "Our plan also relies on resource development, so Alaskans, today and in the future, will have access to economic opportunity and essential public services."

Draft budget bills and more detailed information on the budget are available on the Office of Management & Budget website at omb.alaska.gov.

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