

STATE CAPITOL
P.O. Box 110001
Juneau, AK 99811-0001
907-465-3500
fax: 907-465-3532



550 West Seventh Avenue, Suite 1700
Anchorage, AK 99501
907-269-7450
fax 907-269-7461
www.Gov.Alaska.Gov
Governor@Alaska.Gov

Governor Sean Parnell
STATE OF ALASKA

January 17, 2014

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

Dear President Huggins,

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the State's operating budget for Fiscal Year 2015 (FY 2015).

Leaving a strong, vibrant Alaska for our children and grandchildren requires living within our means and prioritizing spending for Alaskans' future. My operating budget for FY 2015 proposes to pay down State debt and significantly reduce State government spending. Even at this reduced level, the budget represents my continued commitment to Alaska's constitutional priorities including resource development, public safety, education, transportation, and infrastructure.

The operating budget also proposes a solution to address Alaska's single largest cost driver – unfunded pension liabilities. I am recommending a transfer of \$3 billion from the Constitutional Budget Reserve fund into the State's retirement trust funds. The effect is to pay down debt, resulting in lower fixed annual payments for the State. Your approval of this plan will significantly reduce our annual operating costs instead of pushing it off to future generations.

With a responsible budget plan, and the increased jobs and economic activity being generated by the More Alaska Production Act, our state will continue to be prosperous and full of opportunity. I look forward to working with the Legislature to finalize the operating budget for the upcoming fiscal year.

Thank you for your consideration of this bill.

Sincerely,

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

Sean Parnell
Governor

Enclosure

STATE CAPITOL
P.O. Box 110001
Juneau, AK 99811-0001
907-465-3500
fax: 907-465-3532



550 West Seventh Avenue, Suite 1700
Anchorage, AK 99501
907-269-7450
fax 907-269-7461
www.Gov.Alaska.Gov
Governor@Alaska.Gov

Governor Sean Parnell
STATE OF ALASKA

January 17, 2014

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 operating budget for Fiscal Year 2015 (FY 2015).

Leaving a strong, vibrant Alaska for our children and grandchildren requires living within our means and prioritizing spending for Alaskans' future. My operating budget for FY 2015 proposes to pay down State debt and significantly reduce State government spending. Even at this reduced level, the budget represents my continued commitment to Alaska's constitutional priorities including resource development, public safety, education, transportation, and infrastructure.

The operating budget also proposes a solution to address Alaska's single largest cost driver – unfunded pension liabilities. I am recommending a transfer of \$3 billion from the Constitutional Budget Reserve fund into the State's retirement trust funds. The effect is to pay down debt, resulting in lower fixed annual payments for the State. Your approval of this plan will significantly reduce our annual operating costs instead of pushing it off to future generations.

With a responsible budget plan, and the increased jobs and economic activity being generated by the More Alaska Production Act, our state will continue to be prosperous and full of opportunity. I look forward to working with the Legislature to finalize the operating budget for the upcoming fiscal year.

Thank you for your consideration of this bill.

Sincerely,

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

Sean Parnell
Governor

Enclosure