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Governor Bill Walker  
STATE OF ALASKA

January 15, 2016

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

Dear President Meyer:

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 2017 (FY 2017).

The proposed capital budget totals \$1.3 billion, of which \$957 million is federal funds, \$195 million is unrestricted general funds, and \$111 million is other funds. The budget provides minimum capital funding for housing programs, limited energy and school maintenance and construction projects, and matching funds for transportation, water, and sewer.

The largest component of the capital budget is the State's transportation program, totaling \$68.9 million in State funds and \$860 million in matching federal funds. The second largest is minimum maintenance projects to address the life, health, and safety needs of State agencies and school districts, and the required maintenance for annual certification for the Alaska Marine Highway System vessels. Three priority school construction projects are included: the highest priority school (Kachemak Selo), remaining funding required for the Kivalina school, and a school kitchen facility for the Bethel school damaged in a recent fire. The capital budget also proposes \$5 million for criminal justice reform initiatives, which will strengthen public safety protections and reduce corrections spending, and \$1 million for the Bethel Scout Battalion, which will provide support to local communities facing natural and manmade disasters.

My Administration looks forward to working with the Legislature to finalize a capital budget at a sustainable level and is interested in collectively looking at a disciplined approach to using General Obligation Bonds for existing capital requirements.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in blue ink that reads "Bill Walker".

Bill Walker  
Governor

Enclosure

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Governor Bill Walker  
STATE OF ALASKA

January 15, 2016

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 2017 (FY 2017).

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Bill Walker  
Governor

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