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Governor Bill Walker
STATE OF ALASKA

January 17, 2017

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

Dear President Kelly:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to the State's comprehensive mental health program for Fiscal Year (FY) 2018. As required by statute, it includes both operating and capital appropriations. Also as required, the enclosed report outlines the differences between the recommendations of the Alaska Mental Health Trust Authority (Trust) and my proposed budget.

The total FY 2018 mental health budget of \$229.4 million represents a \$9.1 million reduction from FY 2017. The FY 2018 budget includes \$16.7 million of the Trust's \$16.9 million operating budget recommendations and \$12.1 million of the Trust's \$15.2 million capital budget recommendations. These amounts are in addition to \$200.6 million of annual base funding. The mental health operating budget reflects reductions to grant programs, reform to the Medicaid program, increases to criminal justice recidivism reduction programs, and salary and health benefit adjustments. Reports comparing Trust recommendations to those included in the FY 2018 Governor's operating and capital mental health budgets are available at https://www.omb.alaska.gov/ombfiles/18_budget/PDFs/Mental_Health_Budget_Reports_01-10-17.pdf.

The State's fiscal situation requires that all areas of government maximize efficiencies. The Trust's encouragement and support of Medicaid and criminal justice reform have had a positive impact on the State. Moving forward, a comprehensive fiscal plan to address State revenue will help ensure the sustainability of programs to support Alaska's mental health beneficiaries. We look forward to working with the Legislature on the FY 2018 budget bills and revenue solutions.

Thank you for your consideration of this bill.

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 17, 2017

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

Dear Speaker Edgmon,

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to the State's comprehensive mental health program for Fiscal Year (FY) 2018. As required by statute, it includes both operating and capital appropriations. Also as required, the enclosed report outlines the differences between the recommendations of the Alaska Mental Health Trust Authority (Trust) and my proposed budget.

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Bill Walker
Governor

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