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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 operating budget for Fiscal Year (FY) 2018.

The FY 2018 budget shares many commonalities with the plan I submitted last year. The budget continues to reduce State spending for operating agencies through program reductions, efficiency measures such as the new Shared Services Division, provisions to increase unrestricted general fund revenue through sustainable use of the Permanent Fund Earnings Reserve, and tax increases.

This year's agency operating budget is \$3.75 billion in unrestricted general funds. This represents an unrestricted general fund reduction of \$123.0 million from FY 2017 and \$747.7 million from FY 2015. While continuing to reduce total spending, the budget maintains key services such as education and support to local communities. It maximizes federal funding opportunities to support Alaskans and the Alaskan economy. The budget reduces the draw on the Constitutional Budget Reserve by \$2 billion, from the estimated \$2.9 billion to \$892 million.

My administration included language in the FY 2018 budget and is introducing separate legislation for the Permanent Fund Protection Act and motor fuels tax, and stands ready to assist the Legislature in developing other broad based tax legislation in order to cover the cost of necessary government services.

My administration looks forward to working with the Legislature on the FY 2018 budget and related revenue measures to provide a long term balanced budget.

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 operating budget for Fiscal Year (FY) 2018.

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Sincerely,

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Bill Walker  
Governor

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