



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Office of the Governor

OFFICE OF MANAGEMENT AND BUDGET
Pat Pitney, Director

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February 14, 2017

The Honorable Anna MacKinnon
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801-1182

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 518
Juneau, AK 99801-1182

The Honorable Paul Seaton
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 505
Juneau, AK 99801-1182

The Honorable Neal Foster
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 410
Juneau, AK 99801-1182

Re: FY 2018 Operating Budget Amendments HB 57/SB 22
FY 2018 Mental Health Budget Amendments HB 59/SB 24
FY 2018 Capital Budget Amendments HB 58/SB 23
FY 2017 Supplemental Budget Amendments HB 95/SB 43

Dear Finance Committee Co-Chairs,

Enclosed, please find proposed amendments to the FY 2018 operating budget, FY 2018 mental health budget, FY 2018 capital budget, and FY 2017 supplemental budget. These amendments increase FY 2018 unrestricted general fund spending by \$2.5 million from the December 15, 2016 Governor's FY 2018 budget. The FY 2017 supplemental amendments with additions and reductions total \$14.5 million in unrestricted general fund authority.

The noteworthy amendments include:

- \$15.0 million unrestricted general fund supplemental amendment for fire suppression activities.
- \$27.7 million in International Airport Revenue Fund authority request for early redemption of international airports revenue bonds. The early redemption of revenue bonds was initially planned for FY 2017 but is now scheduled to occur in FY 2018. A corresponding reduction is reflected as a FY 2017 supplemental amendment.
- \$10.2 additional federal receipt authority for the Child Nutrition Program in Department of Education due to an increase in grant funding for the National School Lunch Program, School Breakfast Program, and Summer Food Service Program.

- \$1.2 million in statutory designated program receipts for Department of Fish and Game industry supported research and assessment projects.
- A \$1.2 million reduction for the Technical and Vocational Education Program (TVEP) due to a projected decline in taxable wages that support the program.
- A \$10.0 million capital reappropriation for the Izembek road project.
- A \$15.0 million capital amendment from Highways and Equipment Working Capital Funds (Other Funds) for already collected replacement and refurbishment fees for equipment and vehicles that have reached the end of their useful life. This will replace the most aged, deteriorated, and costly equipment of the \$49.0 million current replacement-eligible equipment.
- A \$1.5 million unrestricted general fund capital request for Alaska Land Mobile Radio System that will cover a portion of the \$4.5 million needed for system upgrades. The remaining \$3 million needed was requested as a reappropriation in the supplemental bill. This system is critical for 125 agencies that use the public safety communication system for which there is currently no replacement.

Thank you for your consideration of these budget amendments.

Sincerely,



Pat Pitney
Director

Enclosures

cc: David Teal, Director, Legislative Finance Division