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Governor Michael J. Dunleavy
STATE OF ALASKA

February 12, 2019

The Honorable Cathy Giessel
Senate President
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Giessel:

Under the authority of Article III, Section 18, of the Alaska Constitution, and in accordance with Alaska Statute 37.07.070(2), I am transmitting a sponsor substitute for SB 19: Approp: Capital Budget for consideration by the 31st Alaska State Legislature.

This budget funds village safe water, required state match for federal highway dollars, and needed deferred maintenance for public facilities and the Alaska Court system. These are investments necessary to protect Alaska's assets and basic public safety and infrastructure needs.

Past capital budgets have resulted in growth in infrastructure that create ongoing operating obligations for the state. In evaluating what projects to move forward, care was taken to ensure that project proposals included a path to self-sufficiency. Development of the South Denali Visitor's Center will not only provide a steady funding stream for the Division of Parks and Outdoor Recreation, but will provide new opportunity for the tourism industry and increase access to one of Alaska's most magnificent landmarks.

The Governor's proposed amended capital budget includes \$143.4 million in general funds and leverages over \$1 billion in federal dollars. My administration and I look forward to working with the Legislature to pass a sustainable capital budget for FY 2020.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Dunleavy".

Michael J. Dunleavy
Governor

Enclosure