



The following pages show the Governor's line item vetoes and reductions. To view the complete text before the changes, click on the enrolled version.

u/29/16 - Y. Stam

STATE CAPITOL
P.O. Box 110001
Juneau, AK 99811-0001
907-465-3500
fax: 907-465-3532



550 West Seventh Avenue, Suite 1700
Anchorage, AK 99501
907-269-7450
fax 907-269-7461
www.Gov.Alaska.Gov
Governor@Alaska.Gov

Governor Bill Walker
STATE OF ALASKA

June 28, 2016

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

Dear President Meyer:

On this date, I have signed, with line item vetoes, the following bill passed by the Fourth Special Session of the Twenty-Ninth Alaska State Legislature and am transmitting the engrossed and enrolled copies to the Office of the Lieutenant Governor for permanent filing:

HCS CSSB 138(FIN) AM H(BRF SUP MAJ FLD H)

“An Act making and amending appropriations, including capital appropriations, supplemental appropriations, reappropriations, and other appropriations; making appropriations to capitalize funds; and providing for an effective date.”

Chapter 2, 4SSLA 2016
[Effective Date: See Chapter]

As passed by the Legislature, the bill contains capital appropriations, supplemental appropriations, reappropriations, and other appropriations for fiscal years 2016 and 2017, totaling \$1.67 billion, including \$171.6 million in unrestricted general funds and \$59 million in designated general funds. The bill prioritizes funding for projects that leverage federal and local dollars, energy and housing, maintenance, legal obligations, and critical school replacement. In this difficult fiscal time, any spending must be taken in the context of the fiscal deficit and remaining savings. I commend the Legislature for limiting capital appropriations; however, given our significant fiscal restraints, I have made the following changes to the bill through line item veto:

Section 1, page 5, line 33, is an appropriation to the Department of Natural Resources for a Snowmobile Trail Development Program of \$250,000. These funds are collected by the Alaska Division of Motor Vehicles through snowmobile registration fees and should stay in the general fund to preserve state savings.

Section 1, page 6, line 33, is an appropriation to the Department of Revenue, Alaska Housing Finance Corporation (AHFC) for Supplemental Housing Development of \$3,000,000. This project has been reduced by \$750,000 to preserve state savings.

The Honorable Kevin Meyer
HCS CSSB 138(FIN) AM H(BRF SUP MAJ FLD H)
June 28, 2016
Page 2

Section 26(b), page 42, line 31, is a reappropriation of the unexpended and unobligated balances, not to exceed \$6,600,000 from the AHFC Home Energy Rebate Program to the AHFC Weatherization Program. This reappropriation has been reduced by \$1,650,000 to preserve state savings. Further, the AHFC is in the process of discontinuing the Home Energy Rebate Program and these funds will be returned to the state's savings account.

Section 31, page 48, lines 25 – 29, proposes to reappropriate the unexpended and unobligated balance, estimated to be \$18,852,256, of the appropriation made in Sec. 1, Ch. 16, SLA 2013, page 12, lines 20 – 25 (Anchorage, U-Med district northern access – \$20,000,000) to the University of Alaska for the design and construction of the U-Med district northern access project. This transportation project falls outside of the Department of Transportation and Public Facilities' federal Surface Transportation Program which receives 91 percent federal match for state projects. This project will be suspended to preserve the estimated general fund balance.

In regard to the appropriation to purchase the Wells Fargo building for the Anchorage Legislative Information Office, I will respect the Legislature's appropriation authority and space needs. Although I did not veto the funding, I challenge the Legislature to consider the state's fiscal situation before buying a new building.

While these vetoes do not come close to solving our deficit, they are a necessary step in the process of preserving savings until appropriate revenue measures are available to provide a sustainable balanced budget.

Sincerely,

A handwritten signature in black ink that reads "Bill Walker". The signature is written in a cursive, flowing style.

Bill Walker
Governor

Enclosure

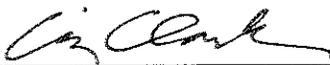
AUTHENTICATION

The following officers of the Legislature certify that the attached enrolled bill, HCS CSSB 138(FIN) am H(brf sup maj fld H), consisting of 50 pages, was passed in conformity with the requirements of the constitution and laws of the State of Alaska and the Uniform Rules of the Legislature.

Passed by the Senate May 31, 2016


Kevin Meyer, President of the Senate

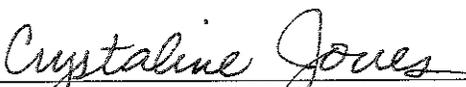
ATTEST:


Liz Clark, Secretary of the Senate

Passed by the House May 31, 2016


Mike Chenault, Speaker of the House

ATTEST:


Crystalline Jones, Chief Clerk of the House

Approved by the Governor *With 102 Yeas* June 28 20 16


Bill Walker, Governor of Alaska

	Appropriation	General	Other
	Allocations	Funds	Funds
	Items		
1			
2			
3	Completion (HD 1-40)		
4	Pioneer Homes Deferred Maintenance,	1,417,500	1,417,500
5	Renovation, Repair and Equipment (HD		
6	1-40)		
7	* * * * *	* * * * *	
8	* * * * * Department of Military and Veterans Affairs * * * * *		
9	* * * * *	* * * * *	
10	National Guard Counterdrug Support (HD	100,000	100,000
11	1-40)		
12	State Homeland Security Grant Programs	4,500,000	4,500,000
13	(HD 1-40)		
14	* * * * *	* * * * *	
15	* * * * * Department of Natural Resources * * * * *		
16	* * * * *	* * * * *	
17	Abandoned Mine Lands Reclamation	3,200,000	3,200,000
18	Federal Program (HD 1-40)		
19	Airborne Geophysical Data Collection	500,000	500,000
20	(HD 1-40)		
21	EVOS Trustee Council Purchase of	11,680,000	11,680,000
22	Conservation Easements at Termination		
23	Point and Long Island (HD 32)		
24	Federal and Local Government Funded	1,800,000	1,800,000
25	Forest Resource and Fire Program		
26	Receipts (HD 1-40)		
27	Geologic Mapping for Mineral Potential	200,000	200,000
28	(HD 1-40)		
29	National Historic Preservation Fund	800,000	150,000
30	(HD 1-40)		650,000
31	National Recreational Trails Federal	1,700,000	200,000
32	Grant Program (HD 1-40)		1,500,000
33	Snowmobile Trail Development Program	250,000	250,000

BW

	Appropriation		General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	and Grants (HD 1-40)			
4	USGS Statemap Grant to Spur Mineral	600,000	300,000	300,000
5	Investment and Exploration (HD 1-40)			
6	*****	*****		
7	***** Department of Public Safety *****			
8	*****	*****		
9	Marine Fisheries Patrol Improvements	1,200,000		1,200,000
10	(HD 1-40)			
11	*****	*****		
12	***** Department of Revenue *****			
13	*****	*****		
14	NSTAR Re-platforming Project (HD 1-40)	4,225,829	925,829	3,300,000
15	Alaska Housing Finance Corporation			
16	AHFC Cold Climate Housing Research	1,000,000	1,000,000	
17	Center (CCHRC) (HD 1-40)			
18	AHFC Competitive Grants for Public	1,100,000	350,000	750,000
19	Housing (HD 1-40)			
20	AHFC Facility Maintenance Program (HD	5,000,000		5,000,000
21	1-40)			
22	AHFC Federal and Other Competitive	4,500,000	1,500,000	3,000,000
23	Grants (HD 1-40)			
24	AHFC Housing and Urban Development	2,500,000		2,500,000
25	Capital Fund Program (HD 1-40)			
26	AHFC Housing and Urban Development	4,500,000	750,000	3,750,000
27	Federal HOME Grant (HD 1-40)			
28	AHFC Rental Assistance for Victims -	1,500,000	1,500,000	
29	Empowering Choice Housing Program			
30	(ECHP) (HD 1-40)			
31	AHFC Senior Citizens Housing	1,750,000		1,750,000
32	Development Program (HD 1-40)			
33	AHFC Supplemental Housing Development	3,000,000	3,000,000	

1 Community, and Economic Development, Alaska Energy Authority, energy plan
2 implementation - \$500,000) are reappropriated to the Department of Commerce, Community,
3 and Economic Development, Alaska Energy Authority, for rural power systems upgrades.

4 (c) The unexpended and unobligated balance, estimated to be \$3,000,000, of the
5 appropriation made in sec. 1, ch. 17, SLA 2012, page 5, lines 18 - 21 (Department of
6 Commerce, Community, and Economic Development, state support for rural roads and
7 waterfront development partnership - \$3,000,000) is reappropriated to the Department of
8 Commerce, Community, and Economic Development for payment as a grant under
9 AS 37.05.316 to the Denali Commission established under P.L. 105-277 for state support for
10 rural roads and waterfront development partnership.

11 * **Sec. 19.** DEPARTMENT OF CORRECTIONS. (a) The unexpended and unobligated
12 balance, not to exceed \$1,800,000, of the appropriation made in sec. 1, ch. 17, SLA 2012,
13 page 109, lines 13 - 15 (Department of Corrections, Goose Creek Correctional Center start-up
14 furniture and equipment - \$5,000,000) is reappropriated to the Department of Corrections for
15 electrical arc flash assessment and remediation required by the Occupational Safety and
16 Health Administration.

17 (b) The sum of \$1,500,000 is appropriated from the general fund to the Department of
18 Corrections for changes to the time accounting module of the Alaska Corrections Offender
19 Management System and Victim Information Notification System to accommodate new
20 probation and parole incentives.

21 *BLW* * **Sec. 20.** DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT. The sum
22 of ~~\$500,000~~^{300,000} is appropriated from the general fund to the Department of Education and Early
23 Development, education support services, executive administration, for multi-year funding
24 dedicated to a temporary position or contract personnel and other expenses relating to P.L.
25 114-95 (Every Student Succeeds Act) for the fiscal years ending June 30, 2017, and June 30,
26 2018.

27 * **Sec. 21.** DEPARTMENT OF ENVIRONMENTAL CONSERVATION. (a) The
28 unexpended and unobligated balances, not to exceed \$1,040,000 of the total estimated balance
29 of \$4,115,127, of the following appropriations are reappropriated to the Department of
30 Environmental Conservation for the Haines sewer treatment plant health and safety upgrades:

31 (1) sec. 1, ch. 82, SLA 2006, page 66, lines 14 - 15, and allocated on page 68,

1 * **Sec. 25.** DEPARTMENT OF PUBLIC SAFETY. (a) The unexpended and unobligated
2 balances, not to exceed \$2,269,500 of the total estimated balance of \$3,619,500, of the
3 appropriations made in sec. 1, ch. 17, SLA 2012, page 128, lines 19 - 21 (Department of
4 Public Safety, P/V Woldstad, engine repower and other dry dock maintenance - \$2,400,000)
5 and sec. 1, ch. 18, SLA 2014, page 60, lines 25 - 26 (Department of Public Safety, P/V
6 Woldstad, engine repower and other dry dock maintenance - \$1,300,000) are reappropriated
7 to the Department of Public Safety for aircraft and vessel repair and maintenance.

8 (b) The unexpended and unobligated balances remaining after the appropriation made
9 in (a) of this section of the appropriations made in sec. 1, ch. 17, SLA 2012, page 128, lines
10 19 - 21 (Department of Public Safety, P/V Woldstad, engine repower and other dry dock
11 maintenance - \$2,400,000) and sec. 1, ch. 18, SLA 2014, page 60, lines 25 - 26 (Department
12 of Public Safety, P/V Woldstad - engine repower and other dry dock maintenance -
13 \$1,300,000) are reappropriated to the Department of Public Safety for deferred maintenance,
14 renewal, repair, and equipment.

15 * **Sec. 26.** DEPARTMENT OF REVENUE. (a) The unexpended and unobligated balances,
16 not to exceed \$1,750,000 of the total estimated balance of \$20,000,000, of the following
17 appropriations are reappropriated to the Alaska Housing Finance Corporation for senior
18 citizen housing:

19 (1) sec. 4, ch. 5, FSSLA 2011, page 138, lines 5 - 7, and allocated on page
20 138, lines 10 - 11 (Department of Revenue, AHFC weatherization and home energy rebate
21 programs, AHFC home energy rebate program - \$37,500,000);

22 (2) sec. 1, ch. 17, SLA 2012, page 131, lines 25 - 27, and allocated on page
23 131, lines 28 - 29 (Department of Revenue, AHFC weatherization and home energy rebate
24 programs, AHFC home energy rebate program - \$20,000,000);

25 (3) sec. 1, ch. 16, SLA 2013, page 77, line 32, through page 78, line 3, and
26 allocated on page 78, lines 4 - 5 (Department of Revenue, AHFC weatherization and home
27 energy rebate programs, AHFC home energy rebate program - \$20,000,000);

28 (4) sec. 1, ch. 18, SLA 2014, page 62, line 14, and allocated on page 62, lines
29 15 - 16 (Department of Revenue, AHFC energy programs, AHFC home energy rebate
30 program - \$15,000,000).

31 (b) The unexpended and unobligated balances, not to exceed ^{BW 4,950,000}~~\$6,600,000~~, remaining

1 following appropriations are reappropriated to the Alaska Legislature, Legislative Council,
2 council and subcommittees, for video surveillance upgrades and other security enhancements
3 for the capitol complex:

4 (1) sec. 47, ch. 16, SLA 2013 (Alaska Legislature, Legislative Council, travel
5 costs and materials for the Task Force on Sustainable Education - \$250,000);

6 (2) sec. 1, ch. 23, SLA 2015, page 42, line 24 (Alaska Legislature, Budget and
7 Audit Committee - \$17,176,800);

8 (3) sec. 1, ch. 23, SLA 2015, page 42, line 28 (Alaska Legislature, Legislative
9 Council - \$29,800,000);

10 (4) sec. 1, ch. 23, SLA 2015, page 43, line 7 (Alaska Legislature, information
11 and teleconference - \$3,481,200);

12 (5) sec. 1, ch. 23, SLA 2015, page 43, line 10 (Alaska Legislature, legislative
13 operating budget - \$22,641,800);

14 (6) sec. 4, ch. 1, SSSLA 2015, page 52, line 12 (Alaska Legislature, Budget
15 and Audit Committee - \$289,600);

16 (7) sec. 4, ch. 1, SSSLA 2015, page 52, line 16 (Alaska Legislature,
17 Legislative Council - \$416,300); and

18 (8) sec. 4, ch. 1, SSSLA 2015, page 52, line 23 (Alaska Legislature, legislative
19 operating budget - \$465,400).

20 (b) The unexpended and unobligated general fund balances after the appropriations
21 made in (a) of this section of the appropriations listed in (a)(1) - (8) of this section are
22 reappropriated to the Alaska Legislature, Legislative Council, council and subcommittees, for
23 renovation of, repair of, technology improvements to, and other necessary projects related to
24 legislative buildings and facilities.

BW 25 ~~* Sec. 31. UNIVERSITY OF ALASKA. The unexpended and unobligated balance,
26 estimated to be \$18,852,256, of the appropriation made in sec. 1, ch. 16, SLA 2013, page 12,
27 lines 20 - 25 (Anchorage, U-Med district northern access - \$20,000,000) is reappropriated to
28 the University of Alaska for the design and construction of the U-Med district northern access
29 project.~~

30 * Sec. 32. FUND CAPITALIZATION. (a) The sum of \$4,100,000 is appropriated from the
31 general fund to the Alaska liquefied natural gas project fund (AS 31.25.110).