



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Office of the Governor

OFFICE OF MANAGEMENT AND BUDGET
Pat Pitney, Director

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March 8, 2018

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

Dear Co-Chair Seaton and Co-Chair Foster:

This letter provides information to clarify facts regarding the Governor's contingency fund. Attached is a full review of reductions and uses of the Governor's contingency fund. The contingency fund is for unanticipated needs. It is not an emergency/disaster fund, although it could be if necessary.

A contingency fund of \$550,000 for the Chief Executive of the State of Alaska is a reasonable and responsible amount. Fortunately, in the recent past, the full contingency fund has not been needed. It is important to point out that remaining balances are returned to the general fund or otherwise appropriated by the Legislature.

Sincerely,

A handwritten signature in blue ink that reads "Pat Pitney".

Pat Pitney
Director

Enclosures

1. Contingency Fund Appropriation History

cc: House Finance members
Darwin Peterson, Director, Governor's Legislative Office

Bill Walker
Governor



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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

TO: Pat Pitney, Director
Office of Management & Budget

FROM: Shawn Henderson
Administrative Director
Office of the Governor

DATE: March 8, 2018

SUBJECT: Contingency Fund

The purpose of this memo is to set out the recent funding for and expenditure history from the Governor's Office, Contingency Fund appropriation.

History of the Contingency Fund and Recent Funding Level Changes

The Contingency Fund has been included as a separate item in the Governor's Office for at least the past 30 years. The budget document sets out the Fund's purpose as "a funding resource for the Governor to meet unanticipated needs during the fiscal year."

From FY 10 to FY 14, the Fund received an annual unrestricted general fund (UGF) appropriation of \$800,000. Since then there have been three reductions, all sponsored by a governor. In his FY15 budget, Governor Parnell reduced the funding level by \$150,000. In FY 16, Governor Walker made a reduction of \$50,000. In FY 17, Governor Walker made an additional reduction of \$50,000.

Recent Uses of the Contingency Fund

FY	Purpose	Amount
FY 09	DNR In-State Gasline Project	\$ 115.8
	Legal Costs	\$ 23.7
FY 10	DCCED Legacy Adapt Conference	\$ 2.3
	U.S. v. Kernell Trial Costs	\$ 9.6
	Capitol Building/House Security Upgrades	\$ 80.0
	Catastrophic Reserve Fund/Working Reserve Shortfall Contribution	\$ 202.4
FY 11	Legal Services	\$ 5.7
FY 12	Redistricting Board legal costs associated with Alaska Supreme Court order	\$ 300.0
	Office of Management and Budget furniture costs	\$ 30.0
FY 13	Catastrophic Reserve Shortfall Contribution	\$ 200.0
FY 14	Citizens Advisory Commission on Federal Areas	\$ 49.6
FY 15	Walker/Mallott Transition Expenses	\$ 194.7
	Working Reserve Shortfall Contribution	\$ 40.0
FY 16	Professional Services Contract relating to Permanent Fund Protection Act	\$ 89.1
FY 17	No expenditures.	