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January 19, 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 pay for nonunion state employees, public officials, and legislators.

The bill would freeze salaries by prohibiting the payment of general salary increases and eliminating the payment of merit step increases and pay increments, between July 1, 2017, and June 30, 2019, for partially exempt, exempt, and other nonunion employees in the Executive Branch, Legislative Branch, and employees of the University of Alaska. Additionally, the bill would give the Governor the authority to waive any portion of the Governor's salary during the period July 1, 2017, through July 1, 2019. The bill would not apply to persons who are members of a collective bargaining unit established under AS 23.40.070 - 23.40.260 (Public Employment Relations Act).

This two-year freeze in employee pay will allow time for the State to responsibly address the serious budget deficit.

I urge your prompt and favorable action on this measure.

Walker\_

Sincerely,

Bill Walker Governor

Enclosure