

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.

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Governor Bill Walker
STATE OF ALASKA

June 13, 2018

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

Dear President Kelly:

I have signed, with line item vetoes, the following bill passed during the second session of the Thirtieth Alaska State Legislature and am transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

HCS CSSB 142(FIN) AM H

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

Chapter No. 19, SLA 2018

As passed by the Legislature, HCS FCCS SB 142 contains a total of \$1.6 billion, including unrestricted general fund appropriations of \$212.1 million for FY2018 and FY2019 capital projects and \$104.9 million for FY2018 and FY2019 operating appropriations. The bill prioritizes funding for projects that leverage federal and local dollars; housing and energy; public safety; and urgent state, school district, and university facilities maintenance. Spending must be taken in context of the fiscal deficit and remaining savings given our difficult fiscal time. While progress has been made in closing the fiscal gap, an ongoing deficit persists, only enabling the state to afford this austere capital budget. Given this constrained capital budget, I have made limited use of my veto power.

I have vetoed \$2.5 million for the Knik Arm Crossing. This project is in the process of being closed-down and no significant progress can be made with the amount of funding authorized in this bill. I have also vetoed the repeal of a project installing pedestrian lighting in an Anchorage neighborhood. After the passage of this bill, it has been brought to our attention that this project has not been completed and the pedestrian lighting is needed in the community. This veto action will ensure this project remains funded.

The Honorable Pete Kelly

June 13, 2018

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While I commend you and your fellow legislators on working together with my staff to solve 80 percent of the state deficit over the past 3 years, our work is not yet finished. I look forward to future actions towards closing the remaining fiscal gap. Doing so will give Alaskans and investors greater certainty and confidence in Alaska's future.

Sincerely,



Bill Walker

Governor

Enclosure

1 (46) sec. 7, ch. 17, SLA 2012, page 167, lines 19 - 20 (Department of
2 Transportation and Public Facilities, Chugiak, pedestrian safety improvements - \$500,000),
3 estimated balance of \$5,162;

4 (47) sec. 27(e), ch. 17, SLA 2012 (Department of Transportation and Public
5 Facilities, traffic signal modifications at the intersection of the Parks Highway and Pittman
6 Road), estimated balance of \$3,360;

7 (48) sec. 1, ch. 16, SLA 2013, page 7, lines 26 - 29 (Anchorage, 78th Avenue
8 upgrade, Jewel Lake Road to Blackberry Street - \$1,000,000), estimated balance of \$907,360;

9 ~~(49) sec. 1, ch. 16, SLA 2013, page 10, lines 27 - 31 (Anchorage, Mountain
10 View Drive pedestrian lighting improvements, Taylor Street to Boniface Parkway -
11 \$1,000,000), estimated balance of \$347,569;~~

12 (50) sec. 1, ch. 16, SLA 2013, page 21, lines 3 - 6 (Matanuska-Susitna
13 Borough, permanent emergency operations center planning - \$300,000), estimated balance of
14 \$174,167;

15 (51) sec. 1, ch. 16, SLA 2013, page 54, lines 11 - 16 (Norton Sound Health
16 Corporation, feasibility, planning, and preliminary design work for construction of assisted
17 living facility - \$400,000), estimated balance of \$266,303;

18 (52) sec. 1, ch. 16, SLA 2013, page 59, lines 6 - 7 (Funny River, natural gas
19 pipeline - \$1,300,000), estimated balance of \$273,920;

20 (53) sec. 1, ch. 16, SLA 2013, page 70, lines 15 - 17, and allocated on page
21 71, lines 4 - 6, as amended by sec. 21(j)(81), ch. 1, TSSLA 2017 (Department of Military and
22 Veterans' Affairs, deferred maintenance, renewal, repair and equipment, Southeast armories,
23 deferred maintenance), estimated balance of \$249,311;

24 (54) sec. 1, ch. 16, SLA 2013, page 70, lines 15 - 17, and allocated on page
25 71, lines 7 - 8 (Department of Military and Veterans' Affairs, deferred maintenance, renewal,
26 repair and equipment, Valdez Armory deferred maintenance - \$1,300,000), estimated balance
27 of \$150,931; and

28 (55) sec. 1, ch. 18, SLA 2014, page 56, line 3, and allocated on page 56, lines
29 6 - 8, as amended by sec. 21(j)(94), ch. 1, TSSLA 2017 (Department of Military and Veterans'
30 Affairs, armory facilities projects, Joint Base Elmendorf Richardson facilities projects),
31 estimated balance of \$455,843.

1 line 26, as amended by sec. 20(k), ch. 30, SLA 2007, and secs. 14(b)(1), 21(d)(1), and 21(e),
2 ch. 1, TSSLA 2017 (Department of Transportation and Public Facilities, enhancement of
3 transportation and infrastructure in the greater Lynn Canal area);

4 (2) sec. 1, ch. 16, SLA 2013, page 80, line 13, as amended by secs. 14(b)(2),
5 21(d)(2), and 21(e), ch. 1, TSSLA 2017 (Department of Transportation and Public Facilities,
6 enhancement of transportation and infrastructure in the greater Lynn Canal area);

7 (3) sec. 32(b), ch. 16, SLA 2013, as amended by secs. 14(b)(3), 21(d)(3), and
8 21(e), ch. 1, TSSLA 2017 (Department of Transportation and Public Facilities, enhancement
9 of transportation and infrastructure in the greater Lynn Canal area); and

10 (4) sec. 1, ch. 18, SLA 2014, page 63, line 4, and allocated on page 63, line
11 11, as amended by secs. 14(b)(4), 21(d)(4), and 21(e), ch. 1, TSSLA 2017 (Department of
12 Transportation and Public Facilities, enhancement of transportation and infrastructure in the
13 greater Lynn Canal area).

14 ~~(j) The sum of \$2,500,000 is appropriated from the general fund to the Department~~
15 ~~of Transportation and Public Facilities for the Knik Arm Crossing project.~~

16 * **Sec. 27. FUND CAPITALIZATION.** (a) The unexpended and unobligated balance,
17 estimated to be \$1,968,897, of the appropriation made in sec. 4(c), ch. 82, SLA 2006, page
18 117, lines 21 - 22, as amended by secs. 23(c) and (d), ch. 11, SLA 2008, and sec. 18(b), ch. 2,
19 4SSLA 2016 (Alaska Energy Authority, Kake-Petersburg intertie) is reappropriated to the
20 harbor facility grant fund (AS 29.60.800).

21 (b) The sum of \$4,000,000 is appropriated from the general fund to the community
22 assistance fund (AS 29.60.850) to be added to the amount to be distributed under
23 AS 29.60.850(c), before the distribution under AS 29.60.855, for a total distribution of
24 \$34,000,000 for the fiscal year ending June 30, 2019.

25 (c) The sum of \$19,500,000 is appropriated from the general fund to the curriculum
26 improvement and best practices fund (AS 14.07.182).

27 * **Sec. 28. FUND TRANSFER.** The balance of the large passenger vessel gaming and
28 gambling tax account (AS 43.35.220) on June 30, 2019, estimated to be \$8,700,000, is
29 appropriated to the Alaska marine highway system fund (AS 19.65.060).

30 * **Sec. 29. HOUSE DISTRICTS 1 - 40.** The amount of the fees collected under
31 AS 28.10.421(d) during the fiscal year ending June 30, 2018, estimated to be \$6,000, for the