

HB

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HFIN

FILE

Please delete the following proposed municipal capital matching grant projects. The fund source for these projects is the Municipal Capital Project Matching Grant Fund.

<u>Page/Line</u>	<u>Title</u>	<u>Amount</u>
22/7	Sitka Halibut Point Road Water Main Upgrade	291,267
25/12	Fairbanks North Star Borough Noel Wien Library Building Addition	58,162

Please correct the following fund source imbalance. The fund source for the project is the Municipal Capital Project Matching Grant Fund.

<u>Page/Line</u>	<u>Title</u>	<u>Amount</u>
23/16	Skagway Municipal Street and Sidewalk Construction	28,447 [28,477]



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 18, 1994

*The Honorable Ramona L. Barnes
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182*

Dear Speaker Barnes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making appropriations for capital projects for fiscal year 1995.

As with my proposed operating budget, the capital budget focuses on government meeting its basic and traditional responsibilities to its citizens. To this end, my capital budget provides over \$23.6 million for water and sewer projects throughout Alaska. For the first time, these state appropriations will help bring in federal funds to assist in rural water and sewer needs. This could provide up to \$25 million in additional federal funds. We must continue to build upon this administration's financial commitment to protecting the health of Alaskans.

Another area of emphasis is protecting our state's assets. For too long our buildings, roads and facilities have been left without repair. We must continue to meet our responsibilities and provide some of the funding necessary to get this job done. I have already introduced legislation that further meets this responsibility by providing funding for the University of Alaska.

In an effort to reduce the need for new funds, this legislation uses \$5,400,00 in highway match and \$1,000,000 in airport match from previous years' appropriations. The language to access these funds is found in sections 6 and 7 of this bill. Also, the Department of Transportation and Public Facilities has completed a long range capital improvement plan entitled "Six Year Transportation Needs and Priorities in Alaska" dated January 1994. This plan is in accord with the Federal-Aid Highway Act of 1991 and the Federal-Aid Aviation Act of 1992.

The capital needs of this state far exceed the level of funding I have proposed. Many projects traditionally funded in the capital budget, such as Pioneer Homes maintenance, are not funded in this proposal. While taking care of the state's deferred

The Honorable Ramona Barnes

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maintenance problem is a high priority, the state's revenue picture required some hard choices be made. As a result, departments have been directed to maximize and prioritize the use of the maintenance funding they have received in the past in order to meet current-day needs. I am hopeful that this bill provides a map of how we can continue to make progress in meeting our responsibilities to the state and Alaskans. Toward this end, I look forward to working with the Legislature.

Additional information pertaining to the appropriations requested in this bill are being furnished to the Legislature by my Office of Management and Budget.

Sincerely,

A handwritten signature in cursive script, reading "Walter J. Hickel". The signature is written in black ink and is positioned above the printed name and title.

Walter J. Hickel
Governor