

FRANK H. MURKOWSKI
GOVERNOR
GOVERNOR@GOV.STATE.AK.US



P.O. Box 110001
JUNEAU, ALASKA 99811-0001
(907) 465-3500
FAX (907) 465-3532
WWW.GOV.STATE.AK.US

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

June 28, 2005

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

Dear President Stevens

On this date I have signed with a line item veto the following bill passed by the first special session of the Twenty-Fourth Alaska State Legislature and am transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

Conference CS For House Bill No. 67

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

Chapter No. 4, FSSLA 2005

I greatly appreciate the Legislature's review and analysis of the Fiscal Year 2006 operating budget proposed by this administration last December. This budget continues the basic responsibilities that the state has to Alaskans, whether it is protecting the safety of our communities and most vulnerable citizens or building an economic climate that creates good paying jobs for generations of Alaskans.

Out of the nearly \$2.6 billion general fund operating budget, I have vetoed \$461,900.00 from the Department of Corrections. These funds anticipated the Alaska State Troopers would transport misdemeanant prisoners to and from Anchorage area correctional facilities for court appearances. This is clearly a local responsibility and, indeed, is currently being performed by the Anchorage Police

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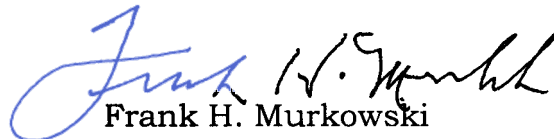
Department. My veto of this funding is consistent with the discussions between the Municipality of Anchorage and various members of my Administration.

Over the last two years this Administration has met the challenge of controlling state budget growth through belt-tightening and ambitious initiatives such as Medicaid cost-containment. Over the same time, state support for K-12 education has increased nearly 23 percent, a commitment of which I am most proud.

While some are quick to describe the increased Fiscal Year 2006 operating budget as a contributor to “runaway” spending, it’s important to note that a significant portion is to fund legislatively mandated formula-driven programs—K-12 education (\$70 million), Medicaid (\$55 million), and retirement system contributions (\$45 million).

As the state enters Fiscal Year 2006, my Administration remains committed to ensuring that the state gets value for every dollar spent and that programs effectively deliver results for Alaskans.

Sincerely yours,



Frank H. Murkowski
Governor

Enclosure