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**Governor Palin Accepts Half of Stimulus Package Funds
*Alaska vows to be part of the solution, not the problem***

March 19, 2009, Juneau, Alaska - Governor Sarah Palin submitted her federal economic stimulus appropriation bill to legislators today to provide jobs and needed infrastructure improvements in Alaska under the American Recovery & Reinvestment Act (ARRA). Governor Palin is accepting just 55 percent of the available stimulus funds, all for capital projects. This amount includes the funds the state accepted last month for Department of Transportation projects.

"We will request federal stimulus funds for capital projects that will create new jobs and expand the economy," Governor Palin said. "We won't be bound by federal strings in exchange for dollars, nor will we dig ourselves a deeper hole in two years when these federal funds are gone. For instance, in order to accept what look like attractive energy funds, our local communities would be required to adopt uniform building codes. Government would then be required to police those codes. These types of funds are not sensible for Alaska."

The legislation does not include funding requests for government operating programs. Governor Palin has indicated the state will not stand in the way of local governments or other entities pursuing stimulus funds directly from the federal government.

"The law requires me to certify that the requests I forward for legislative approval will meet the requirements of the ARRA to create jobs and promote economic growth," Governor Palin said. "Legitimately, I can only certify capital projects that are job-ready. Alaska has seen unprecedented increases in the level of state funding for education because that is our priority. I don't want to automatically increase federal funding for education program growth, such as the National Endowment for the Arts, at a time when Alaska can't afford to sustain that increase."

"Simply expanding state government under this federal stimulus package creates an unrealistic expectation that the state will continue these programs when the federal funds are no longer available," said Governor Palin. "Our nation is already over \$11 trillion in debt; we can't keep digging this hole."

Preliminary estimates for federal economic stimulus funds to Alaska state agencies are approximately \$930.7 million. Of that total, the state requested allocations for transportation and aviation projects in February estimated at \$262.6 million, although more was requested in contingency and other funds. With the additional \$251.5 million in economic stimulus funds requested today, the proposed total

capital spending is \$514.1 million, or 55 percent of the state's estimated allocation. Funds that are available competitively or that go directly to communities or other organizations are not included in these estimates.

"Our desire is to foster a discussion about what is true stimulus and what is just more federal interference in Alaskans' lives through the growth of government," Governor Palin said. "We think stimulus items devoted to government agency growth and program expansion ought to be examined in light of the funding needs already being addressed with our pending budget requests."

Not counting the transportation stimulus dollars the governor requested in February, today's legislation requests \$252.5 million for capital projects. Capital projects requested include \$20.7 million for education and job training, \$68.6 million for water and sewer projects and storage tank replacements, \$3.0 million for the Alaska Vocational Training Center, \$2.5 million for Fire Fuels and Forest Management, \$39.6 million for public housing projects through the Alaska Housing Finance Corporation, and \$116.0 million for the University of Alaska Fairbanks Research Vessel. The bill also includes two \$1.0 million placeholders for competitive grant opportunities for state agencies and the University.

"We need to ensure that these stimulus dollars are used for job opportunities for Alaskans, while preserving the regular operating spending decisions through the normal budget process," Governor Palin said.

More information on the federal economic stimulus package is available on the Office of Management & Budget website at alaska.gov/recovery. Audio from today's press conference can be found at the following link:
http://www.gov.state.ak.us/audio/StimulusPressConf_Mar19-2009sm.mp3

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