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Senator Bert Stedman Press Release

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Capital Budget Bolsters Savings, Education and Energy

Senate Finance Committee saves more than it spends while focusing on critical priorities

JUNEAU - Today the Senate Finance Committee released its version of the state's fiscal year 2012 Capital Budget. Committee Substitute for Senate Bill 46 funds crucial infrastructure and community projects and places \$500 million in savings to secure Alaska's future.

Senator Bert Stedman, Co-Chair of the Senate Finance Committee, set a goal of bolstering state savings and investing in public works to secure Alaska's strong economic position. This year's Capital Budget funds projects across Alaska and will develop the infrastructure needed to create jobs and grow our economy.

"Our economy is still fragile, but through strong Capital Budgets we have been able to stave off a substantial economic downturn in Alaska," said Senator Stedman, R-Sitka. "This Capital Budget will strengthen Alaska's economy and communities, and increase state savings to unprecedented levels."

The Capital Budget appropriates money for one-time expenditures such as road and school construction, as well as public works infrastructure. This year's capital spending focuses on savings, energy, and education. Key components include \$465 million in statewide energy investments, over \$400 million for education infrastructure, \$36.6 million for the renewable energy grant program, and \$50 million for the home weatherization program.

The Capital Budget is one of the most important policy documents the legislature considers, and along with the Operating Budget, is the only bill the legislature is required to pass during session. The Capital Budget is smaller than the state Operating Budget, which pays for the state's day-to-day costs. The FY12 Operating Budget currently being considered by the legislature totals nearly \$9 billion; the Capital Budget proposed by the Senate Finance Committee appropriates \$2.8 billion.

"Government growth is driven by ever-increasing operating budgets, not capital expenditures. Vetoing one-time capital investments is simply shortsighted. Individual vetoes may reduce spending this year, but they do nothing to restrain the growth of state government and may actually hinder economic development," said Senator Stedman. "Alaskans can be confident that this year's capital budget is targeted, appropriate and responsible. Capital spending stimulates private sector employment and has a tremendous impact on Alaska's local economies."

To see the entire Capital Budget: <http://www.legfin.state.ak.us/BudgetReports/LY2011/Capital/SelectBudget.php>

For more information, please contact Miles Baker in Senator Stedman's office at (907)-465-3873.

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