

ALASKA STATE LEGISLATURE

HOUSE ADMINISTRATION (FIN SUB) COMMITTEE



Rep. Calvin Schrage
 State Capitol, Room 410
 907-465-4931
 Rep.Calvin.Schrage@akleg.gov

Official Business

Narrative Report

Chair:

Representative
 Calvin Schrage

House Finance Subcommittee
 Department of Administration

March 3, 2026

Members:

Representative
 Ashley Carrick

The House Finance budget subcommittee for the Department of Administration recommends the following Fiscal Year 2027 budget proposal:

Representative
 Andi Story

Subcommittee Recommendations (Numbers Section Only):

Representative
 Rebecca Himschoot

Fund Source: (dollars are in thousands)

Representative
 Ky Holland

Unrestricted General Funds (UGF)	\$99,329.2
Designated General Funds (DGF)	\$36,689.5
Other Funds	\$211,793.4
Federal Funds	\$1,321.5
Total	\$349,133.6

Representative
 Sarah Vance

Representative
 Kevin McCabe

Positions:

Representative
 Steve St. Clair

Permanent Full-Time	1,089
Permanent Part-Time	4
Temporary	26
Total	1,119

Non-voting Member:

Representative
 Jamie Allard

Compared to the FY27 House Committee Substitute #1, the subcommittee recommendations represent an increase of \$148.2 (0.1%) in Unrestricted General Funds, \$275.7 (0.8%) in Designated General Funds, \$1,217.1 (0.6%) in Other Funds, and no change in Federal Funds. Compared to the Governor’s proposed budget, the subcommittee recommendations represent a decrease of \$567.7 in Inter-Agency Receipts.

Budget Action:

The House Finance budget subcommittee for the Department of Administration (DOA) held three informational meetings with the Department and one close-out meeting during the review of the FY2027 budget requests. The subcommittee adopted:

- All Governor budget proposals, including deconsolidating Shared Services of Alaska to all agencies and returning Payroll positions and functions to seven agencies.
- Deletion of vacant Deputy Commissioner and Chief of Operations positions

The Chair set an amendment deadline and received three amendments. None were adopted.

Subcommittee Discussion:

The subcommittee commented briefly on the importance and timeliness of addressing DOA's non-compliance with intent language regarding the Group Health Life Fund. Last session, the Legislature passed intent language "that the rate for the employer contribution to the AlaskaCare employee health plan for the fiscal year ending June 30, 2027, be set based on the full actuarial rate without relying on lapsed funding." However, DOA and the Office of Management and Budget (OMB) implemented a "stair-stepped, conservative approach" to reduce reliance on lapsing fund. According to the Legislative Finance Division (LFD), this reduced reliance still projects to use between \$18.5 and \$26.3 million in FY27. Without further changes, DOA projects a need of \$27.0 to \$50.5 million by FY30. The subcommittee recommends the full House Finance Committee review options to reduce reliance further.

Members also spoke on the importance of Public Broadcasting funding, particularly for emergency and rural services, while encouraging political neutrality in programming.

Lastly, despite the adoption of Shared Services deconsolidation, the subcommittee shared concerns about past consolidation actions. Instead of this back-and-forth, the subcommittee encouraged the Executive Branch to collect data and information during this transition so that future administrations can adequately decide whether centralization or decentralization will provide efficiencies or savings.

Attached Reports:

The House Finance budget subcommittee for the Department of Administration (DOA) adopted the attached BA Report.

Respectfully Submitted,



Chair Calvin Schrage

House Finance Department of Administration Subcommittee