

Department of Commerce,  
Community and Economic  
Development



34<sup>th</sup> Alaska State Legislature  
 FY27 Operating Budget  
 House Finance Budget Department of Commerce,  
 Community & Economic Development

March 10, 2026

**Chair:**

Rep. Alyse Galvin  
 Capitol Room 502  
 465-1463

**Members:**

Rep. Ky Holland  
 Capitol Room 418  
 465-4945

Rep. Donna Mears  
 Capitol Room 102  
 465-3438

Rep. Bryce Edgmon  
 Capitol Room 208  
 465-4451

Rep. Chuck Kopp  
 Capitol Room 204  
 465-3892

Rep. DeLena Johnson  
 Capitol Room 404  
 465-4958

Rep. Justin Ruffridge  
 Capitol Room 424  
 465-2693

Rep. Mia Costello  
 Capitol Room 404  
 465-4993

**HFin Minority Member  
 (Invited)**

Rep. Jeremy Bynum  
 Capitol Room 400  
 465-3824

**Committee Aide:**

David Jiang  
 465-6443

Department of Commerce, Community & Economic Development  
 Budget Narrative Report

The House Finance Budget Subcommittee for the Department of Commerce, Community & Economic Development (DCCED) held a total of five meetings and received four presentations on department and division budgets, including the Governor’s proposed and amended budget actions. Based on that information and related discussions, the Subcommittee accepted all but two of the Governor operating budget actions without modifications.

The House Finance DCCED Subcommittee submits the following recommended operating budget for FY27 to the House Finance Committee.

**RECOMMENDATIONS**

**Fund Source:** (dollars are in thousands)

Unrestricted General Funds (UGF)	\$17,956.0
Designated General Funds (DGF)	\$69,779.2
Other Funds	\$66,784.1
Federal Funds	\$42,673.8

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**Total** **\$197,193.1**

Subcommittee recommendations put forth an increment of \$2,100.0 in UGF (+13.2%), with a corresponding decrement of \$2,100.0 in DGF (-2.9%). Even though the increments and decrements are the same quantity, the percentage changes are different due to there being much less UGF funds than DGF funds (by nearly a factor of 4); thus, increments and decrements of the same size would impact proportions of those funds differently. Overall, subcommittee recommendations show a net increase or decrease of \$0.0 (+0.0%) in total funds. There were no changes in Other, and Federal Funds.

**Positions:**

Permanent Full-time	573
Permanent Part-time	0
Temporary	23

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**Total** **596**

Compared to the FY27 governor’s amended budget proposal, the number of positions has remained the same.

## **BUDGET ACTIONS**

The House Finance Budget Subcommittee for Department of Commerce, Community & Economic Development reviewed the FY27 budget request and adopted all items, apart from Item 9. The wordage in Items 3 and 4 was changed to clarify a technical detail. Items of note accepted and unchanged from the Governor’s amended budget include the following:

- An increment of \$2,238.8 UGF to restore Alaska Gasline Development Corporation Annual Operating Costs (Item 12). This is a one-time increment that has come before and passed the Legislature every year.
- A fund source change from \$923.5 UGF to \$923.5 AEA Receipts (Item 14). The fiscal note for House Bill (HB) 307 (Chapter 24, SLA 2024) used general funds for initial setup of the Railbelt Transmission Organization (RTO), which were replaced by Alaska Energy Authority (AEA) receipts in FY 2027.
- An increment of \$1,306.2 Rail Energy UGF for the Railbelt Transmission Organization (Item 15). This is stopgap funding to the Alaska Energy Authority to bridge the time and pay for the legal and administrative costs needed until the Regulatory Commission of Alaska (RCA) finalizes the Open Access Transmission Tariff (OATT), from when the AEA’s administrative costs will be recovered from the electric utilities.

Items that were changed and modified by the subcommittee are:

- The word “federal” was removed from new carryforward language for collected receipts under the Alaska Broadband Office (ABO). This action is technical as the ABO spends CIP receipts in their operating budget, as opposed to federal receipts (Item 4). The new language is as follows:
  - “The amount allocated for the Alaska Broadband Office includes the unexpended and unobligated balance on June 30, 2026, of **[federal]** receipts from all prior fiscal years collected under the Department of Commerce, Community, and Economic Development's federal indirect cost allocation plan for expenditures on the broadband program.”
- The Subcommittee revised Item 9 by changing the fund source from Business Licensing and Corporations Receipts to unrestricted general funds (UGF) and reducing the allocation by fifty percent. The Governor’s original proposal transferred \$4,200.0 from Professional Licensing Receipts to Business Licensing and Corporations Receipts (Fund Code 1175, General Fund/Program Receipts) to support investigations of misconduct and fraud among non-compliant licensees. The Subcommittee concurs with the Governor’s intent to distribute investigation costs more broadly by relying on a fee base that is not tied to professional regulations. However, the Subcommittee modified the proposal by replacing General Fund/Program Receipts (GF/PR) with UGF, noting that the use of GF/PR would function as an indirect unrestricted general fund subsidy without the transparency associated with UGF. In addition, the Subcommittee reduced the funding level for non-compliance investigations from \$4,200.0 to \$2,100.0 in recognition of current fiscal constraints.
  - Under AS 08.01.065(c), professional licensing fees must be cost-based, requiring licensees to bear the full cost of regulating their respective professions, including investigative and enforcement activities. Because these costs fluctuate annually because of varying case volume, duration, and complexity, license fees can be volatile, and

compliant licensees may effectively subsidize investigations of non-compliant individuals.

- Also, the Business Licensing and Corporations receipt fund (Fund Code 1175) referenced in the Governor's amended proposal has been designated as inactive since FY2011 and was effectively replaced by another General Fund/Program Receipts (GF/PR) code, Fund Code 1005. Because both are GF/PR fund codes, either option would present the same compliance issues with current budget practices.

### **SUBCOMMITTEE AMENDMENTS**

The chair set an amendment deadline and welcomed amendments from all members. The subcommittee submitted no amendments.

### **ATTACHED REPORT**

The House Finance Budget Subcommittee for the Department of Commerce, Community & Economic Development and adopted the attached Budget action report.

Respectfully submitted,



Representative Alyse Galvin  
Chair, House Finance Budget Subcommittee for the Department of Commerce, Community and  
Economic Development

**2026 Legislature - Operating Budget**  
**Subcommittee Report - HFIN Structure**  
 Department of Commerce, Community and Economic Development  
 FINAL - 3/3/26  
 (\$ thousands)

Numbers Agencies: DCCED
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	26MgtPln	HCS1	GovAmd	HSubcom
<b>Unrestricted GF</b>	16,722.7	13,164.2	15,856.0	17,956.0
<b>Designated GF</b>	69,184.2	71,217.1	71,879.2	69,779.2
<b>Other</b>	63,217.0	64,288.9	66,784.1	66,784.1
<b>Federal</b>	42,563.7	42,673.8	42,673.8	42,673.8
<b>Total</b>	191,687.6	191,344.0	197,193.1	197,193.1

26MgtPln to		HCS1 to		GovAmd to	
HSubcom		HSubcom		HSubcom	
1,233.3	7.4%	4,791.8	36.4%	2,100.0	13.2%
595.0	0.9%	-1,437.9	-2.0%	-2,100.0	-2.9%
3,567.1	5.6%	2,495.2	3.9%	0.0	0.0%
110.1	0.3%	0.0	0.0%	0.0	0.0%
5,505.5	2.9%	5,849.1	3.1%	0.0	0.0%

<b>PFTs</b>	569	571	573	573
<b>PPTs</b>	0	0	0	0
<b>Temps</b>	25	23	23	23
<b>Total</b>	594	594	596	596

4	0.7%	2	0.4%	0	0.0%
0	0.0%	0	0.0%	0	0.0%
-2	-8.0%	0	0.0%	0	0.0%
2	0.3%	2	0.3%	0	0.0%

Differing items are highlighted and displayed in blue.

**2026 Legislature - Operating Budget**  
**Subcommittee Report - HFIN Structure**  
**Department of Commerce, Community and Economic Development**  
**FINAL - 3/3/26**  
**(\$ thousands)**

Item	Appropriation / Allocation	Description	Governor Request	House Subcommittee	LFD Notes
1	Executive Administration / Administrative Services	Interagency Receipts for Continued Helpdesk Operations and Budget Support	\$400.0 I/A Rcpts (Other) <b>Inc</b>	\$400.0 I/A Rcpts (Other) <b>Inc</b>	
2	Executive Administration / Administrative Services	Information Technology Classification Study Implementation	<b>Total: \$226.0</b> \$29.4 Gen Fund (UGF) \$196.6 I/A Rcpts (Other) <b>Inc</b>	<b>Total: \$226.0</b> \$29.4 Gen Fund (UGF) \$196.6 I/A Rcpts (Other) <b>Inc</b>	
3	Executive Administration / Alaska Broadband Office	New Carryforward Language for Federal Receipts Collected Under the Agency's Federal Indirect Cost Allocation Plan	<b>Net Zero</b> <b>Wordage</b>	n/a	Items 3 and 4 are related.
4	Executive Administration / Alaska Broadband Office	New Carryforward Language for Receipts Collected Under the Agency's Federal Indirect Cost Allocation Plan	n/a	<b>Net Zero</b> <b>Wordage</b>	Removed the word "Federal" so it reads "receipts collected under the agency's federal indirect cost allocation plan". The action is more technical as the ABO spends CIP receipts in their operating budget which would be the receipts to be carried forward. Items 3 and 4 are related.
5	Community and Regional Affairs / Community and Regional Affairs	Additional Staff Support for Federal Disaster Recovery Grants Management	\$533.1 CIP Rcpts (Other) <b>2 PFT Positions</b> <b>Inc</b>	\$533.1 CIP Rcpts (Other) <b>2 PFT Positions</b> <b>Inc</b>	
6	Community and Regional Affairs / Community and Regional Affairs	Adjust Authority for Grant to Alaska Legal Services Corporation from the Civil Legal Services Fund	(\$6.2) Legal Serv (DGF) <b>Dec</b>	(\$6.2) Legal Serv (DGF) <b>Dec</b>	

**2026 Legislature - Operating Budget**  
**Subcommittee Report - HFIN Structure**  
**Department of Commerce, Community and Economic Development**  
**FINAL - 3/3/26**  
**(\$ thousands)**

Item	Appropriation / Allocation	Description	Governor Request	House Subcommittee	LFD Notes
7	Corporations, Business and Professional Licensing / Corporations, Business and Professional Licensing	Align Business Licensing and Corporations Receipts with Projected Expenditures	\$250.0 GF/Prgm (DGF) <b>Inc</b>	\$250.0 GF/Prgm (DGF) <b>Inc</b>	
8	Corporations, Business and Professional Licensing / Corporations, Business and Professional Licensing	Align Interagency Receipt Authority with Anticipated Reimbursable Services Agreements	\$250.0 I/A Rcpts (Other) <b>Inc</b>	\$250.0 I/A Rcpts (Other) <b>Inc</b>	
9	Corporations, Business and Professional Licensing / Corporations, Business and Professional Licensing	Information Technology Classification Study Implementation	<b>Total: \$33.6</b> \$4.0 GF/Prgm (DGF) \$29.6 Rcpt Svcs (DGF) <b>Inc</b>	<b>Total: \$33.6</b> \$4.0 GF/Prgm (DGF) \$29.6 Rcpt Svcs (DGF) <b>Inc</b>	
10	Corporations, Business and Professional Licensing / Corporations, Business and Professional Licensing	Change Funding Source for Professional License Investigations from Licensing Receipts to Reduce Burden on Licensees	<b>Net Zero</b> (\$4,200.0) Rcpt Svcs (DGF) \$4,200.0 BLic&Corp (DGF) <b>FndChg</b>	<b>Net Zero</b> \$2,100.0 Gen Fund (UGF) (\$2,100.0) Rcpt Svcs (DGF) <b>FndChg</b>	

**2026 Legislature - Operating Budget**  
**Subcommittee Report - HFIN Structure**  
**Department of Commerce, Community and Economic Development**  
**FINAL - 3/3/26**  
**(\$ thousands)**

Item	Appropriation / Allocation	Description	Governor Request	House Subcommittee	LFD Notes
11	Alaska Oil and Gas Conservation Commission / Alaska Oil and Gas Conservation Commission	Correct Negative General Fund Appropriation Caused from FY26 Budget Reductions	\$40.9 Gen Fund (UGF) <b>Inc</b>	\$40.9 Gen Fund (UGF) <b>Inc</b>	
12	Alaska Gasline Development Corporation / Alaska Gasline Development Corporation	Restore Alaska Gasline Development Corporation Annual Operating Costs	\$2,238.8 Gen Fund (UGF) <b>IncOTI</b>	\$2,238.8 Gen Fund (UGF) <b>IncOTI</b>	
13	Alaska Energy Authority / Railbelt Transmission Organization	Create Railbelt Transmission Organization Allocation	<b>Struct</b>	<b>Struct</b>	\$923.5 UGF is transferred in the Adjusted Base from the Rural Energy Assistance allocation; denying this structure change will reverse that transfer.  The structure change is also accompanied by the following transactions:  - Fund Change of \$923.5 UGF to \$923.5 AEA Receipts; - Increment of \$1,306.2 Railbelt Energy Funds.  If the structure change is denied, those transactions should be considered under the previous allocation.
14	Alaska Energy Authority / Railbelt Transmission Organization	Adjust Fund Source Per Fiscal Note to Ch. 24, SLA 2024 (HB 307) Establishing Railbelt Transmission Organization	<b>Net Zero</b> (\$923.5) Gen Fund (UGF) \$923.5 AEA Rcpts (Other) <b>FndChg</b>	<b>Net Zero</b> (\$923.5) Gen Fund (UGF) \$923.5 AEA Rcpts (Other) <b>FndChg</b>	

**2026 Legislature - Operating Budget**  
**Subcommittee Report - HFIN Structure**  
**Department of Commerce, Community and Economic Development**  
**FINAL - 3/3/26**  
**(\$ thousands)**

Item	Appropriation / Allocation	Description	Governor Request	House Subcommittee	LFD Notes
15	Alaska Energy Authority / Railbelt Transmission Organization	Funding for Contractual Legal and Technical Costs Until RCA Approved Rate to Utilities Can Be Established	\$1,306.2 Rail Enrgy (UGF) <b>IncOTI</b>	\$1,306.2 Rail Enrgy (UGF) <b>IncOTI</b>	
16	Alaska Energy Authority / Alaska Energy Authority Rural Energy Assistance	Continued Data Library Support and Development	\$192.0 CIP Rcpts (Other) <b>Inc</b>	\$192.0 CIP Rcpts (Other) <b>Inc</b>	
17	Alaska Energy Authority / Alaska Energy Authority Power Cost Equalization	Power Cost Equalization Administrative Costs Moved from Language to Numbers	\$355.0 PCE Endow (DGF) <b>Inc</b>	\$355.0 PCE Endow (DGF) <b>Inc</b>	
18	Alaska Industrial Development and Export Authority / Alaska Industrial Development and Export Authority	Realign Funding Sources for Personal Services to Reflect the Movement of Alaska Energy Authority (AEA) Positions to AEA	<b>Net Zero</b> (\$205.8) I/A Rcpts (Other) (\$413.9) CIP Rcpts (Other) \$619.7 AIDEA Rcpt (Other) <b>FndChg</b>	<b>Net Zero</b> (\$205.8) I/A Rcpts (Other) (\$413.9) CIP Rcpts (Other) \$619.7 AIDEA Rcpt (Other) <b>FndChg</b>	
19	Regulatory Commission of Alaska / Regulatory Commission of Alaska	Information Technology Classification Study Implementation	\$29.7 RCA Rcpts (DGF) <b>Inc</b>	\$29.7 RCA Rcpts (DGF) <b>Inc</b>	

**2026 Legislature - Operating Budget  
Wordage Report - HFIN Structure  
B=Both Bills, O=Operating Only, M=Mental Health**

Agency: Department of Commerce, Community and Economic Development  
GovAmd HSubcom

**Ap: Executive Administration**

Al: Alaska Broadband Office

Conditional Language

The amount allocated for the Alaska Broadband Office includes the unexpended and unobligated balance on June 30, 2026, of federal receipts from all prior fiscal years collected under the Department of Commerce, Community, and Economic Development's federal indirect cost allocation plan for expenditures on the broadband program. 0

Conditional Language

The amount allocated for the Alaska Broadband Office includes the unexpended and unobligated balance on June 30, 2026, of receipts from all prior fiscal years collected under the Department of Commerce, Community, and Economic Development's federal indirect cost allocation plan for expenditures on the broadband program. 0

**Ap: Corporations, Business and Professional Licensing**

Conditional Language

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2026, of receipts collected under AS 08.01.065(a), (c), and (f) - (i). 0 0

**Ap: Insurance Operations**

Conditional Language

The amount appropriated by this appropriation includes up to \$1,000,000 of the unexpended and unobligated balance on June 30, 2026, of the Department of Commerce, Community, and Economic Development, Division of Insurance, program receipts from license fees and service fees. 0 0

**Ap: Alaska Oil and Gas Conservation Commission**

Al: Alaska Oil and Gas Conservation Commission

Conditional Language

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2026, of the Alaska Oil and Gas Conservation Commission receipts account for regulatory cost charges collected under AS 31.05.093. 0 0

**Ap: Alcohol and Marijuana Control Office**

Conditional Language

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2026, of the Department of Commerce, Community and Economic Development, Alcohol and Marijuana Control Office, program receipts from the licensing and application fees related to the regulation of alcohol and marijuana. 0 0

**2026 Legislature - Operating Budget**  
**Wordage Report - HFIN Structure**  
**B=Both Bills, O=Operating Only, M=Mental Health**

Agency: Department of Commerce, Community and Economic Development  
GovAmd    HSubcom

**Ap: Alaska Seafood Marketing Institute**

Conditional Language

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2026, of the statutory designated program receipts from the seafood marketing assessment (AS 16.51.120) and other statutory designated program receipts of the Alaska Seafood Marketing Institute.

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**Ap: Regulatory Commission of Alaska**

Conditional Language

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2026, of the Department of Commerce, Community, and Economic Development, Regulatory Commission of Alaska receipts account for regulatory cost charges under AS 42.05.254, AS 42.06.286, and AS 42.08.380.

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# Legislature



34<sup>th</sup> Alaska State Legislature  
House Finance Budget Subcommittee  
Legislature  
FY27 Operating Budget

February 25, 2026

**RECOMMENDATIONS:**

The House Finance Budget Subcommittee for the Legislature submits the following recommended operating budget for FY2027 to the House Finance Committee:

**Fund Source:** (dollars are in thousands)

Unrestricted General Funds (UGF)	\$95,463,700
Designated General Funds (DGF)	\$ 690,300
Other Funds	\$ 286,400
Federal Funds	\$ 0
<b>Total</b>	<b>\$96,440,400</b>

The Unrestricted General Fund difference from FY27 Adjusted Base to the House Subcommittee budget recommendation is an increase of \$2,714,100 or 2.9%.

**Positions:**

Permanent Full-time	298
Permanent Part-time	256
Temporary	26
<b>Total</b>	<b>580</b>

**BUDGET ACTION:**

The House Finance Budget Subcommittee for the Legislature reviewed the FY2027 Legislative Budget and Audit's, and Legislative Council's budget requests and recommends the following actions:

- 1) Accepted the Governor's Request for a funding source change of \$169.2 UGF to align with Statutory Distribution of Restorative Justice Account Funds.
- 2) Accepted all the Legislative Budget and Audit budget requests.
- 3) Accepted the following Legislative Council 's budget requests above the Governor's budget:
  - Increase of \$27.7 UGF to align Legislative State Facilities Rent with anticipated expenditures.
  - Increase of \$912.2 UGF to align Legislative Operating Budget Session Expenses with anticipated expenditures.

- Increase of \$855.0 UGF for Gavel Alaska Session coverage due to loss of Federal Funding.
- Increase of \$750.0 UGF for a funding level of \$1 million dollars for a 30-Day Special Session.
- Increase of \$35.0 GF/Prgm to Operating Budget Session Expenses to align authority with anticipated lounge revenues.

**ATTACHED REPORTS:**

The House Finance Budget Subcommittee for the Legislature adopts the attached BA Report.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Neal Foster".

Representative Neal Foster, Chair  
Legislature House Finance Budget Subcommittee

**2026 Legislature - Operating Budget  
Subcommittee Report - HFIN Structure**

Legislature  
FINAL - 2/25/26  
(\$ thousands)

Numbers Agencies: Legis
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	26MgtPln	HCS1	GovAmd	HSubcom
<b>Unrestricted GF</b>	89,758.4	92,749.6	92,918.8	95,463.7
<b>Designated GF</b>	655.3	655.3	655.3	690.3
<b>Other</b>	455.6	455.6	286.4	286.4
<b>Federal</b>	0.0	0.0	0.0	0.0
<b>Total</b>	90,869.3	93,860.5	93,860.5	96,440.4

26MgtPln to HSubcom		HCS1 to HSubcom		GovAmd to HSubcom	
5,705.3	6.4%	2,714.1	2.9%	2,544.9	2.7%
35.0	5.3%	35.0	5.3%	35.0	5.3%
-169.2	-37.1%	-169.2	-37.1%	0.0	0.0%
0.0	0.0%	0.0	0.0%	0.0	0.0%
5,571.1	6.1%	2,579.9	2.7%	2,579.9	2.7%

<b>PFTs</b>	298	298	298	298
<b>PPTs</b>	256	256	256	256
<b>Temps</b>	26	26	26	26
<b>Total</b>	580	580	580	580

0	0.0%	0	0.0%	0	0.0%
0	0.0%	0	0.0%	0	0.0%
0	0.0%	0	0.0%	0	0.0%
0	0.0%	0	0.0%	0	0.0%

Differing items are highlighted and displayed in blue.

**2026 Legislature - Operating Budget  
Subcommittee Report - HFIN Structure**

Legislature  
FINAL - 2/25/26  
(\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	House Subcommittee	LFD Notes
1	Legislative Council / Office of Victims' Rights	Replace Funding Source to Align with Statutory Distribution of Restorative Justice Account Funds	<b>Net Zero</b> \$169.2 Gen Fund (UGF) (\$169.2) Rest Just (Other) <b>FndChg</b>	<b>Net Zero</b> \$169.2 Gen Fund (UGF) (\$169.2) Rest Just (Other) <b>FndChg</b>	
2	Legislative Council / Legislature State Facilities Rent	Align with Anticipated Expenditures	n/a	\$27.7 Gen Fund (UGF) <b>Inc</b>	
3	Legislative Operating Budget / Session Expenses	Align with Anticipated Expenditures	n/a	\$912.2 Gen Fund (UGF) <b>Inc</b>	
4	Legislative Operating Budget / Session Expenses	Gavel Alaska Session Coverage	n/a	\$855.0 Gen Fund (UGF) <b>Inc</b>	
5	Legislative Operating Budget / Session Expenses	Funding for 30-Day Special Session	n/a	\$750.0 Gen Fund (UGF) <b>Inc</b>	
6	Legislative Operating Budget / Session Expenses	Align Authority with Anticipated Lounge Revenue	n/a	\$35.0 GF/Prgm (DGF) <b>Inc</b>	

# Office of the Governor



34<sup>th</sup> Alaska State Legislature  
 House Finance Budget Subcommittee  
 Office of the Governor  
 FY27 Operating Budget

**Chair:**

Rep. Neal Foster  
 Capitol Room 511  
 465-3789

*Neal Foster*

**Members:**

Rep. Bryce Edgmon  
 Capitol Room 208  
 465-4451

Rep. Louise Stutes  
 Capitol Room 216  
 465-2487

Rep. Chuck Kopp  
 Capitol Room 204  
 465-3892

Rep. Calvin Schrage  
 Capitol Room 410  
 465-4931

Rep. Mia Costello  
 Capitol Room 421  
 465-4993

Rep. Delena Johnson  
 Capitol Room 404  
 465-4958

Rep. Sarah Vance  
 Capitol Room 114  
 465-2689

**Committee Aide:**  
**Remond Henderson**  
 465-6814

February 25, 2026

**RECOMMENDATIONS:**

The House Finance Budget Subcommittee for the Office of the Governor submits the following recommended operating budget for FY2027 to the House Finance Committee:

**Fund Source:** (dollars are in thousands)

Unrestricted General Funds (UGF)	\$31,440,400
Designated General Funds (DGF)	\$ 0
Other Funds	\$ 446,200
Federal Funds	\$ 157,600
<b>Total</b>	<b>\$32,044,200</b>

**Positions:**

Permanent Full-time	149
Permanent Part-time	1
Temporary	24
<b>Total</b>	<b>174</b>

**BUDGET ACTION:**

The House Finance Budget Subcommittee for the Office of the Governor reviewed the FY2027 Governor's budget request, including amendments, and recommends the following actions:

Accepted the Governor's proposed budget as there were no increases from the FY 27 Adjusted Base and no action items to address.

**ATTACHED REPORTS:**

The House Finance Budget Subcommittee for the Office of the Governor adopts the attached BA Report.

Respectfully Submitted,

*Neal Foster*

Representative Neal Foster, Chair  
 Office of the Governor House Finance Budget Subcommittee

**2026 Legislature - Operating Budget  
Subcommittee Report - HFIN Structure**

Office of the Governor

FINAL - 2/25/26

(\$ thousands)

Numbers
Agencies: Gov

	26MgtPln	HCS1	GovAmd	HSubcom
Unrestricted GF	30,325.8	31,440.4	31,440.4	31,440.4
Designated GF	0.0	0.0	0.0	0.0
Other	432.6	446.2	446.2	446.2
Federal	151.9	157.6	157.6	157.6
<b>Total</b>	<b>30,910.3</b>	<b>32,044.2</b>	<b>32,044.2</b>	<b>32,044.2</b>

26MgtPln to		HCS1 to		GovAmd to	
HSubcom		HSubcom		HSubcom	
1,114.6	3.7%	0.0	0.0%	0.0	0.0%
0.0	0.0%	0.0	0.0%	0.0	0.0%
13.6	3.1%	0.0	0.0%	0.0	0.0%
5.7	3.8%	0.0	0.0%	0.0	0.0%
<b>1,133.9</b>	<b>3.7%</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>

PFTs	147	149	149	149
PPTs	1	1	1	1
Temps	24	24	24	24
<b>Total</b>	<b>172</b>	<b>174</b>	<b>174</b>	<b>174</b>

2	1.4%	0	0.0%	0	0.0%
0	0.0%	0	0.0%	0	0.0%
0	0.0%	0	0.0%	0	0.0%
<b>2</b>	<b>1.2%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>

Differing items are highlighted and displayed in blue.

**2026 Legislature - Operating Budget  
Subcommittee Report - HFIN Structure**

**Office of the Governor**

FINAL - 2/25/26

(\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	House Subcommittee	LFD Notes
1	Executive Operations / Executive Office	No Differences Between HCS1 and GovAmend	n/a	Sig	

**2026 Legislature - Operating Budget  
Wordage Report - HFIN Structure**  
B=Both Bills, O=Operating Only, M=Mental Health

Agency: Office of the Governor

GovAmd    HSubcom

**Ap: Commissions/Special Offices**

Al: Human Rights Commission

Conditional Language

The amount allocated for Human Rights Commission includes the unexpended and unobligated balance on June 30, 2026, of the Office of the Governor, Human Rights Commission federal receipts.

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# Department of Revenue



34<sup>th</sup> Alaska State Legislature  
 House Finance Budget Subcommittee  
 Revenue  
 FY27 Operating Budget

*Chair:*

Rep. Neal Foster  
 Capitol Room 511  
 465-3789

*Neal Foster*

*Members:*

Rep. Ashley Carrick  
 Capitol Room 406  
 465-4796

Rep. Andy Story  
 Capitol Room 403  
 465-3744

Rep. Rebecca Himschoot  
 Capitol Room 411  
 465-3732

Rep. Ky Holland  
 Capitol Room 418  
 465-4945

Rep. Sarah Vance  
 Capitol Room 114  
 465-2689

Rep. Kevin McCabe  
 Capitol Room 13  
 465-2679

Rep. Steve St. Clair  
 Capitol Room 110  
 465-3743

*Committee Aide:*  
**Remond Henderson**  
 465-6814

February 27, 2026

**RECOMMENDATIONS:**

The House Finance Budget Subcommittee for the Department of Revenue submits the following recommended operating budget for FY2027 to the House Finance Committee:

**Fund Source:** (dollars are in thousands)

Unrestricted General Funds (UGF)	\$ 35,237,600
Designated General Funds (DGF)	\$ 3,495,700
Other Funds	\$336,350,600
Federal Funds	\$110,464.100
<b>Total</b>	<b>\$485,548,000</b>

The Unrestricted General Fund difference from FY27 Adjusted Base to the House Subcommittee budget recommendation is an increase of \$91,400 or .3%.

**Positions:**

Permanent Full-time	825
Permanent Part-time	24
Temporary	19
<b>Total</b>	<b>868</b>

**BUDGET ACTIONS:**

The House Finance Budget Subcommittee for the Department of Revenue reviewed the FY2027 Governor's budget request, including amendments, and recommends the following actions:

Accepted the Department's transactions for Taxation and Treasury Division, Alaska Retirement Management Board, Permanent Fund Division, Child Support Enforcement, Administration and Support, Mental Health Trust Authority, Long Term Care Ombudsman Office, Alaska Housing Finance Corporation and the Alaska Permanent Fund Corporation.

Denied the Alaska Permanent Fund Corporation request to create a single appropriation.

**MAJOR BUDGET ACTIONS-ACCEPTED THE FOLLOWING:**

- Decrement; \$20.0 million-PF Gross Other- Alaska Permanent Fund Corporation- Reduction in Investment Management Fees.
- Increment; \$15.3 million Fed Receipt Authority-Alaska Housing Finance Corporation - Additional federal funding for Housing Choice Voucher Program to cover increased rent costs.
- Increment; \$860.0 thousand-PF Gross- Alaska Permanent Fund Corporation authority for incentive compensation.
- Increment; \$737.4 thousand GF Pgrm (DGF)- Taxation and Treasury/Tax Division-Add authority for Assistant Chief Economist and 2 Commercial Analyst positions for Economic Research and Tax Analysis.
- Increment; \$611.6 thousand- PFD Fund-Taxation and Treasury/Tax Division- Recurring costs for a Cloud Server and Data hosting for the new Dividend Application Information System.
- Decrement; \$227.2 thousand- (\$20.7 UGF, \$207, \$201.9 Other, \$4.9 High Ed)-Taxation and Treasury/Tax Division-Delete Long-Term vacant State Comptroller Position in Juneau.
- Increment; \$345.0 thousand all funds; \$112.1 thousand UGF-Implementation of Information Technology Classification Study in various components.
- Increment; \$150.0 thousand Other Funds -Taxation and Treasury/Tax Division-Temp Multi-year (2-year) funding for Outside Legal Services to assist with due diligence pertaining to Alaska Retirement Management Board investments.
- Increment; \$298.5 thousand-MHT Other- Alaska Mental Health Trust Authority- Operating Budget increases.
- Increment; \$384.1 thousand-PF Gross Other- Alaska Permanent Fund Corporation- Add authority for increases to Firewall Licensing and Dept. of Revenue Chargebacks.
- Increment; \$307.0 thousand-PF Gross Other- Alaska Permanent Fund Corporation- Annual equipment cost for Anchorage and Juneau Data Center.

**OTHER BUDGET ACTIONS:**

- Adopted Amendment 1; Increment of \$1.0 thousand-structure change to create a new APFC Anchorage Office Operations appropriation.
- Adopted Amendment 2; Decrement of \$34.0 thousand-delete the amount appropriated for the Anchorage lease costs.

The intent of both amendments was to clearly indicate the Legislature's strong opposition to the opening of the Anchorage office and that it should be closed.

**ATTACHED REPORTS:**

The House Finance Budget Subcommittee for the Department of Revenue adopts the attached report:

- The House Finance Subcommittee for the Department of Revenue Budget Action Report

Respectfully Submitted,

A handwritten signature in cursive script that reads "Neal Foster".

Representative Neal Foster, Chair  
Department of Revenue House Finance Budget Subcommittee

**2026 Legislature - Operating Budget  
 Subcommittee Report - HFIN Structure  
 Department of Revenue  
 FINAL - 2/27/26  
 (\$ thousands)**

Numbers Agencies: Rev
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	26MgtPln	HCS1	GovAmd	HSubcom
<b>Unrestricted GF</b>	34,084.1	35,146.2	35,237.6	35,237.6
<b>Designated GF</b>	2,673.9	2,755.4	3,495.7	3,495.7
<b>Other</b>	350,960.9	353,919.2	336,383.6	336,350.6
<b>Federal</b>	93,813.6	95,097.2	110,464.1	110,464.1
<b>Total</b>	481,532.5	486,918.0	485,581.0	485,548.0

26MgtPln to		HCS1 to		GovAmd to	
HSubcom		HSubcom		HSubcom	
1,153.5	3.4%	91.4	0.3%	0.0	0.0%
821.8	30.7%	740.3	26.9%	0.0	0.0%
-14,610.3	-4.2%	-17,568.6	-5.0%	-33.0	0.0%
16,650.5	17.7%	15,366.9	16.2%	0.0	0.0%
4,015.5	0.8%	-1,370.0	-0.3%	-33.0	0.0%

<b>PFTs</b>	828	829	825	825
<b>PPTs</b>	24	24	24	24
<b>Temps</b>	19	19	19	19
<b>Total</b>	871	872	868	868

-3	-0.4%	-4	-0.5%	0	0.0%
0	0.0%	0	0.0%	0	0.0%
0	0.0%	0	0.0%	0	0.0%
-3	-0.3%	-4	-0.5%	0	0.0%

Differing items are highlighted and displayed in blue.

**2026 Legislature - Operating Budget  
 Subcommittee Report - HFIN Structure  
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 (\$ thousands)**

Item	Appropriation / Allocation	Description	Governor Request	House Subcommittee	LFD Notes
1	Taxation and Treasury / Tax Division	Information Technology Classification Study Implementation	\$73.6 Gen Fund (UGF) <b>Inc</b>	\$73.6 Gen Fund (UGF) <b>Inc</b>	
2	Taxation and Treasury / Tax Division	GA Add Authority for Assistant Chief Economist and 2 Commercial Analyst Positions for Economic Research and Tax Analysis	\$737.4 GF/Prgm (DGF) <b>Inc</b>	\$737.4 GF/Prgm (DGF) <b>Inc</b>	
3	Taxation and Treasury / Treasury Division	Information Technology Classification Study Implementation	<b>Total: \$11.1</b> \$1.1 Gen Fund (UGF) \$9.0 I/A Rcpts (Other) \$0.1 Group Ben (Other) \$0.1 IntAirport (Other) \$0.6 Pub School (Other) \$0.2 High Ed (DGF) <b>Inc</b>	<b>Total: \$11.1</b> \$1.1 Gen Fund (UGF) \$9.0 I/A Rcpts (Other) \$0.1 Group Ben (Other) \$0.1 IntAirport (Other) \$0.6 Pub School (Other) \$0.2 High Ed (DGF) <b>Inc</b>	

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Item	Appropriation / Allocation	Description	Governor Request	House Subcommittee	LFD Notes
4	Taxation and Treasury / Treasury Division	Delete Long-Term Vacant State Comptroller Position in Juneau	<b>Total: (\$227.2)</b> (\$20.7) Gen Fund (UGF) (\$185.4) I/A Rcpts (Other) (\$2.3) Group Ben (Other) (\$2.7) IntAirport (Other) (\$11.5) Pub School (Other) (\$4.6) High Ed (DGF) <b>(1) PFT Position Dec</b>	<b>Total: (\$227.2)</b> (\$20.7) Gen Fund (UGF) (\$185.4) I/A Rcpts (Other) (\$2.3) Group Ben (Other) (\$2.7) IntAirport (Other) (\$11.5) Pub School (Other) (\$4.6) High Ed (DGF) <b>(1) PFT Position Dec</b>	
5	Taxation and Treasury / Alaska Retirement Management Board	Add Authority for Outside Legal Services Through the Department of Law (FY27-FY28)	<b>Total: \$150.0</b> \$68.1 Group Ben (Other) \$52.8 PERS Trust (Other) \$27.8 Teach Ret (Other) \$1.1 Jud Retire (Other) \$0.2 Nat Guard (Other) <b>IncT</b>	<b>Total: \$150.0</b> \$68.1 Group Ben (Other) \$52.8 PERS Trust (Other) \$27.8 Teach Ret (Other) \$1.1 Jud Retire (Other) \$0.2 Nat Guard (Other) <b>IncT</b>	

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Department of Revenue  
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Item	Appropriation / Allocation	Description	Governor Request	House Subcommittee	LFD Notes
6	Taxation and Treasury / Alaska Retirement Management Board	Align Fund Sources Based on Assets Under Management	<b>Net Zero</b> \$57.0 Group Ben (Other) \$18.0 PERS Trust (Other) (\$75.0) Nat Guard (Other) <b>FndChg</b>	<b>Net Zero</b> \$57.0 Group Ben (Other) \$18.0 PERS Trust (Other) (\$75.0) Nat Guard (Other) <b>FndChg</b>	
7	Taxation and Treasury / Alaska Retirement Management Board	GA Information Technology Classification Study Implementation	<b>Total: \$9.0</b> \$4.0 Group Ben (Other) \$3.2 PERS Trust (Other) \$1.7 Teach Ret (Other) \$0.1 Jud Retire (Other) <b>Inc</b>	<b>Total: \$9.0</b> \$4.0 Group Ben (Other) \$3.2 PERS Trust (Other) \$1.7 Teach Ret (Other) \$0.1 Jud Retire (Other) <b>Inc</b>	
8	Taxation and Treasury / Permanent Fund Dividend Division	Recurring Cloud Server, Data Hosting, and Infrastructure Costs for New Dividend Application Information System	\$611.6 PFD Fund (Other) <b>Inc</b>	\$611.6 PFD Fund (Other) <b>Inc</b>	
9	Taxation and Treasury / Permanent Fund Dividend Division	Federal Postage Rate Increase	\$33.7 PFD Fund (Other) <b>Inc</b>	\$33.7 PFD Fund (Other) <b>Inc</b>	

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Item	Appropriation / Allocation	Description	Governor Request	House Subcommittee	LFD Notes
10	Taxation and Treasury / Permanent Fund Dividend Division	Information Technology Classification Study Implementation	<b>Total: \$147.0</b> \$7.3 GF/Prgm (DGF) \$139.7 PFD Fund (Other) <b>Inc</b>	<b>Total: \$147.0</b> \$7.3 GF/Prgm (DGF) \$139.7 PFD Fund (Other) <b>Inc</b>	
11	Child Support Enforcement / Child Support Enforcement Division	Information Technology Classification Study Implementation	<b>Total: \$104.3</b> \$58.5 Fed Rcpts (Fed) \$34.4 GF/Match (UGF) \$3.0 Gen Fund (UGF) \$8.4 CSSD Fed (Fed) <b>Inc</b>	<b>Total: \$104.3</b> \$58.5 Fed Rcpts (Fed) \$34.4 GF/Match (UGF) \$3.0 Gen Fund (UGF) \$8.4 CSSD Fed (Fed) <b>Inc</b>	
12	Administration and Support / State Facilities Rent	Add Interagency Receipt Authority for Increased Facilities Rent Costs	\$156.5 I/A Rcpts (Other) <b>Inc</b>	\$156.5 I/A Rcpts (Other) <b>Inc</b>	
13	Alaska Mental Health Trust Authority / Mental Health Trust Operations	Increase Mental Health Trust Authority Operating Budget	\$298.5 MHT Admin (Other) <b>Inc</b>	\$298.5 MHT Admin (Other) <b>Inc</b>	
14	Alaska Mental Health Trust Authority / Mental Health Trust Operations	Reduce Interagency Receipt Authority	(\$13.5) I/A Rcpts (Other) <b>Dec</b>	(\$13.5) I/A Rcpts (Other) <b>Dec</b>	

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Item	Appropriation / Allocation	Description	Governor Request	House Subcommittee	LFD Notes
15	Alaska Mental Health Trust Authority / Long Term Care Ombudsman Office	Align Interagency Receipt Authority with Projected Expenditures	\$14.7 I/A Rcpts (Other) <b>Inc</b>	\$14.7 I/A Rcpts (Other) <b>Inc</b>	
16	Alaska Housing Finance Corporation / AHFC Operations	Delete Long-Term Vacant Senior System Administrator and Manager, Energy Contract/Grant Positions, Located in Anchorage	<b>Total: (\$490.1)</b> (\$111.4) CIP Rcpts (Other) (\$378.7) AHFC Rcpts (Other) <b>(2) PFT Positions Dec</b>	<b>Total: (\$490.1)</b> (\$111.4) CIP Rcpts (Other) (\$378.7) AHFC Rcpts (Other) <b>(2) PFT Positions Dec</b>	
17	Alaska Housing Finance Corporation / AHFC Operations	GA Increase Federal Authority for Housing Choice Voucher Program	\$15,300.0 Fed Rcpts (Fed) <b>Inc</b>	\$15,300.0 Fed Rcpts (Fed) <b>Inc</b>	
18	Alaska Permanent Fund Corporation / APFC Operations	Rename Appropriation and Allocation from APFC Juneau Office Operations to APFC Operations	<b>Struct</b>	n/a	
19	Alaska Permanent Fund Corporation / APFC Operations	Increase Authority for Incentive Compensation	\$860.0 PF Gross (Other) <b>Inc</b>	\$860.0 PF Gross (Other) <b>Inc</b>	
20	Alaska Permanent Fund Corporation / APFC Operations	Add Authority for Increases to Firewall Licensing Costs and Department of Revenue Chargebacks	\$384.1 PF Gross (Other) <b>Inc</b>	\$384.1 PF Gross (Other) <b>Inc</b>	
21	Alaska Permanent Fund Corporation / APFC Operations	Increase Authority for Investment Data and Analytics Subscriptions	\$41.7 PF Gross (Other) <b>Inc</b>	\$41.7 PF Gross (Other) <b>Inc</b>	

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Item	Appropriation / Allocation	Description	Governor Request	House Subcommittee	LFD Notes
22	Alaska Permanent Fund Corporation / APFC Operations	Annual Maintenance and Equipment Replacement Costs for Juneau and Anchorage Data Centers	\$307.0 PF Gross (Other) <b>Inc</b>	\$307.0 PF Gross (Other) <b>Inc</b>	
23	Alaska Permanent Fund Corporation / APFC Operations	Add Authority for Cyclical Workstation Replacement Costs	\$195.9 PF Gross (Other) <b>IncOTI</b>	\$195.9 PF Gross (Other) <b>IncOTI</b>	
24	Alaska Permanent Fund Corporation / APFC Operations	Delete Long-Term Vacant Full-Time Investment Operations Analyst Position	(\$117.6) PF Gross (Other) <b>(1) PFT Position Dec</b>	(\$117.6) PF Gross (Other) <b>(1) PFT Position Dec</b>	
25	Alaska Permanent Fund Corporation / APFC Investment Management Fees	Transfer APFC Investment Management Fees Allocation from Separate Appropriation to APFC Operations Appropriation	<b>Struct</b>	n/a	Accepting this Structure Change moves APFC Investment Management Fees from a separate appropriation to an allocation within APFC Operations. Rejecting this Structure Change returns APFC Investment Management Fees to a separate appropriation.
26	Alaska Permanent Fund Corporation / APFC Investment Management Fees	Reduce Authority to Align with Projected Investment Management Fees	(\$19,990.7) PF Gross (Other) <b>Dec</b>	(\$19,990.7) PF Gross (Other) <b>Dec</b>	
27	Alaska Permanent Fund Corporation / Facilities Rent Non-State Owned	Add Authority for Previously Unbudgeted Anchorage Lease Costs and Increased Juneau Lease Costs	\$66.0 PF Gross (Other) <b>Inc</b>	n/a	
28	Alaska Permanent Fund Corporation / Facilities Rent Non-State Owned	Add Authority for Increased Juneau Lease Costs	n/a	\$32.0 PF Gross (Other) <b>Inc</b>	

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Item	Appropriation / Allocation	Description	Governor Request	House Subcommittee	LFD Notes
29	Alaska Permanent Fund Corporation Anchorage Office Operations / APFC Anchorage Office Operations	Decommission Anchorage Office	n/a	\$1.0 PF Gross (Other) Inc	
30	Alaska Permanent Fund Corporation Anchorage Office Operations / APFC Anchorage Office Operations	Create APFC Anchorage Office Appropriation	n/a	Struct	
31	APFC Information Technology and Software Licensing / APFC Information Technology and Software Licensing	Eliminate APFC IT and Software Licensing Allocation and Appropriation	Struct	n/a	In the Adjusted Base, \$588.0 PF Gross is transferred from IT and Software Licensing to APFC Operations, and \$11,877.7 PF Gross is transferred from IT and Software Licensing to APFC Investment Management Fees. Denying this structure change will reverse those transfers, and retain IT and Software Licensing as a separate appropriation.

**2026 Legislature - Operating Budget  
Wordage Report - HFIN Structure**  
B=Both Bills, O=Operating Only, M=Mental Health

Agency: Department of Revenue

GovAmd      HSubcom

**Ap: Taxation and Treasury**

AI: Treasury Division

Conditional Language

Of the amount appropriated in this allocation, up to \$500,000 of budget authority may be transferred between the following fund codes: Group Health and Life Benefits Fund 1017, Public Employees Retirement Trust Fund 1029, Teachers Retirement Trust Fund 1034, Judicial Retirement System 1042, National Guard Retirement System 1045.

O            O

AI: Alaska Retirement Management Board

Conditional Language

Of the amount appropriated in this allocation, up to \$500,000 of budget authority may be transferred between the following fund codes: Group Health and Life Benefits Fund 1017, Public Employees Retirement Trust Fund 1029, Teachers Retirement Trust Fund 1034, Judicial Retirement System 1042, National Guard Retirement System 1045.

O            O

AI: Alaska Retirement Management Board Custody and Management Fees

Conditional Language

Of the amount appropriated in this allocation, up to \$500,000 of budget authority may be transferred between the following fund codes: Group Health and Life Benefits Fund 1017, Public Employees Retirement Trust Fund 1029, Teachers Retirement Trust Fund 1034, Judicial Retirement System 1042, National Guard Retirement System 1045.

O            O

AI: Permanent Fund Dividend Division

Conditional Language

The amount allocated for the Permanent Fund Dividend includes the unexpended and unobligated balance on June 30, 2026, of the receipts collected by the Department of Revenue for application fees for reimbursement of the cost of the Permanent Fund Dividend Division charitable contributions program as provided under AS 43.23.130(f) and for coordination fees provided under AS 43.23.130(m).

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**Ap: Child Support Enforcement**

AI: Child Support Enforcement Division

Conditional Language

The amount allocated for the Child Support Enforcement Division includes the unexpended and unobligated balance on June 30, 2026, of the receipts collected by the Department of Revenue associated with collections for recipients of Temporary Assistance to Needy Families and the Alaska Interest program.

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**2026 Legislature - Operating Budget  
Wordage Report - HFIN Structure**  
B=Both Bills, O=Operating Only, M=Mental Health

Agency: Department of Revenue

GovAmd    HSubcom

**Ap: Administration and Support**

AI: Administrative Services

Conditional Language

The amount allocated for the Administrative Services Division includes the unexpended and unobligated balance on June 30, 2026, not to exceed \$300,000, of receipts collected by the department's federally approved indirect cost allocation plan.

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