



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 switching the fund source to Unrestricted General Funds (UGF) and cutting the amount in half. Under AS 08.01.065(c), professional licensing fees must be cost-based, causing fee levels to fluctuate with case volume, duration, and complexity and leaving compliant licensees vulnerable to subsidizing investigations of non-compliant individuals. The Governor’s original proposal addressed this by replacing \$4,200.0 in Receipt Supported Services (Fund Code 1156) drawn from professional licensee receipts — with business and corporations licensing receipts, a DGF source intended to cover business and corporate licensing costs, with any excess lapsing annually to the general fund as UGF revenue. While the Subcommittee agrees with the Governor’s broader goal of reducing the investigation cost burden on professional licensees, using the proposed fund source for this purpose conflicts with current budget practice and would effectively deliver a UGF appropriation indirectly, without the transparency that direct UGF funding provides. The Subcommittee therefore substituted UGF as the fund source and, in recognition of current fiscal constraints, reduced the appropriation from \$4,200.0 to \$2,100.0.

## **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,

A handwritten signature in black ink, appearing to read "Alyse Galvin". The signature is fluid and cursive, with a long horizontal stroke at the end.

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