

State of Alaska
Department of Health
Division of Public Assistance
FY2027 Budget Overview
Senate Finance Subcommittee

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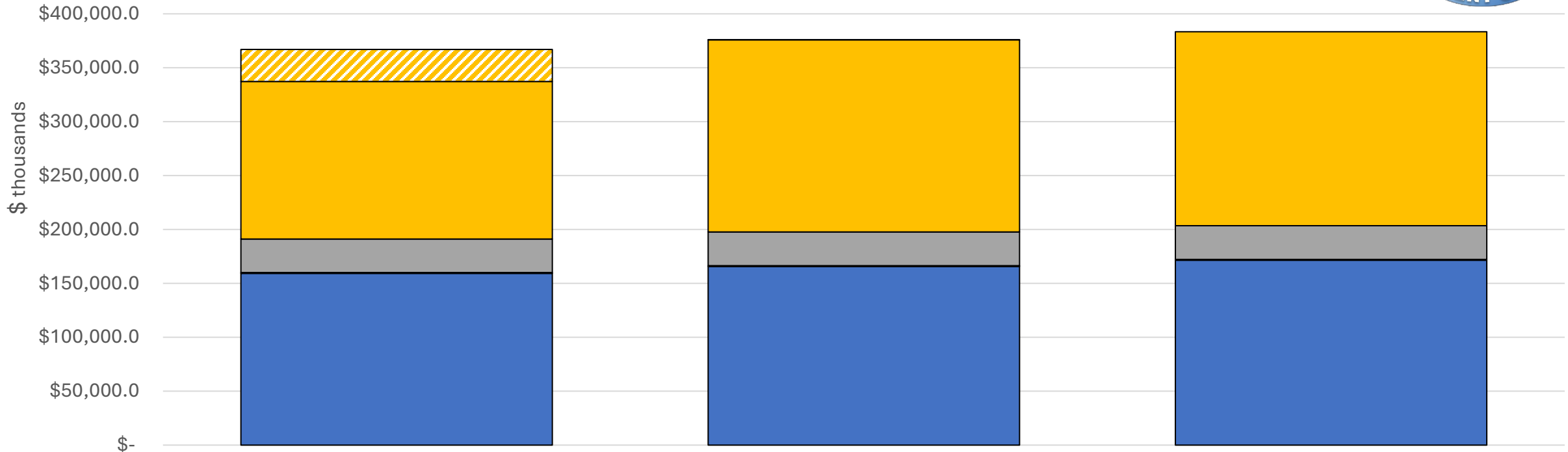
Friday, March 27, 2026

Public Assistance*



Operating Budget (FY2025-FY2027)

Dollars in thousands



	FY2025 Final Authorized	FY2026 Management Plan + Supplemental	FY2027 Governor Amended
UGF	\$ 159,325.0	\$ 165,679.9	\$ 171,457.4
DGF	\$ 814.7	\$ 814.7	\$ 814.7
Other	\$ 31,027.9	\$ 31,137.2	\$ 31,210.5
Federal	\$ 146,110.4	\$ 178,305.7	\$ 179,903.9
Federal (COVID-19)	\$ 29,726.8	\$ 219.6	\$ -
Total	\$ 367,004.8	\$ 376,157.1	\$ 383,386.5

* Including Senior Benefits Payment Program

FY2026 Budget Update



FY2026 Budget Updates	Total	Federal	UGF
Preschool Development Grant	\$14,000.0	\$14,000.0	\$0.0
Child Care Grant Program	\$5,867.1	\$0.0	\$5,867.1
Senate Bill 95 – Child Care	\$6,092.2	\$225.1	\$5,867.1
Add 15 full-time Eligibility Technician positions	\$1,629.8	\$814.9	\$814.9
Supplemental Nutrition Assistance Program New Investment	\$5,954.3	\$0.0	\$5,954.3

FY2027 Governor's Requested Budget



Reversal of One-Time Items	Total	Federal	UGF
Reverse American Rescue Plan Act for WIC	(\$219.6)	(\$219.6)	\$0.0
Reverse Maintenance of Effort for AK Temp Asst for Needy Families	(\$210.5)	\$0.0	(\$210.5)
Salary / Rate Adjustments	Total	Federal	UGF
FY2027 AlaskaCare Rate Adjustment	\$161.4*	\$85.1	\$64.2
FY2027 Salary Adjustments	\$2,503.9*	\$1,393.1	\$1,049.6
Increment	Total	Federal	UGF
Extend Senior Benefits (SB147)	\$480.3	\$0.0	\$480.3

* Other fund sources are included in totals but not shown separately.

FY2027 Governor's Amended Budget



Governor's Amended Budget	Total	Federal	UGF
Community Care Licensing Specialist Classification Study Implementation	\$120.0	\$120.0	\$0.0
Supplemental Nutrition Assistance Program Administrative Cost Shift	\$7,991.3	\$0.0	\$7,991.3
Add Authority for Eligibility Systems Amid Rising Operating Costs	\$21,041.9	\$9,769.4	\$11,272.5
Address Rising Women, Infants, and Children Food Costs	\$4,500.0	\$4,500.0	\$0.0
Third Year of Fiscal Note Implementation for Extending Senior Benefits (Ch12 SLA2024 (SB147))	\$480.3	\$0.0	\$480.3
Maintain Senior Benefit Program	\$1,381.9	\$0.0	\$1,381.9
Maintain the Division of Public Assistance Virtual Contact Center	\$8,000.0	\$4,345.6	\$3,654.4

Dollars in Thousands

Virtual Contact Center



From Imbalance to Stability

- **FY2022-FY2023:** Tipped → overwhelmed capacity, Public Health Emergency Unwinding
- **FY2024:** Moving toward balance → processing capacity added, stabilization begins
- **FY2025:** Near balance → eligibility and quality functions added, capacity increases
- **FY2026:** Stabilizing → increasing timeliness with SNAP demonstration, hiring, and technology



Stabilize → Modernize → Sustain

- **FY2026:** Stabilize operations while maintaining access and supporting staff
- **FY2027:** Increase state capacity and implement technology improvements
- **FY2028:** Sustain operations and reduce reliance on contract support
- Phase down contract as staffing and systems mature

H.R. 1: Error Rate Drives State Cost Share



Year	What Happens
FY2027	Error rate determines benefit cost share
FY2030	Alaska may be required to pay a portion of benefits

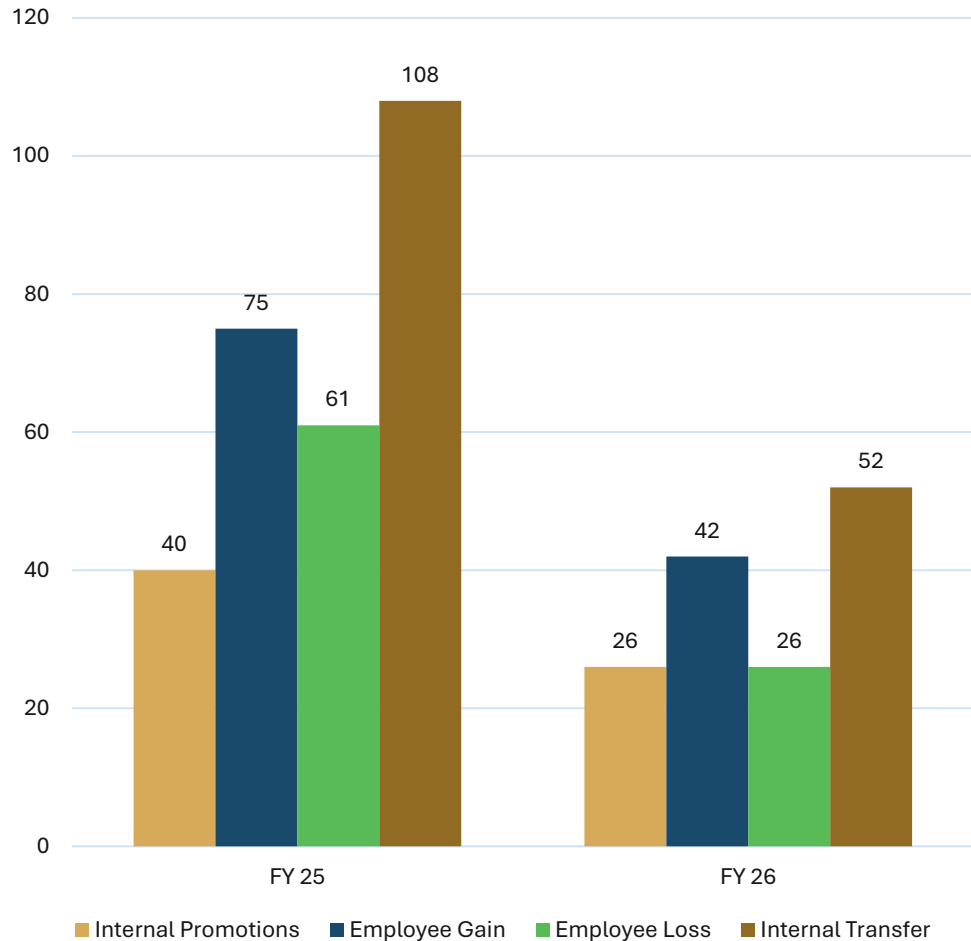
Error Rate (%)	State Pays	Estimated Annual General Fund Cost (\$)
< 6%	No State Share	\$0.0
6–8%	5% Benefit Share	\$16,000.0
8–10%	10% Benefit Share	\$33,000.0
10%+	15% Benefit Share	\$49,000.0



Eligibility Staffing



Eligibility Field Staff



- **FY2025:** High internal mobility; net gain of 14 field staff
- **FY2026:** Fewer internal transfers; higher net staffing growth
- **Outlook:** Trends point to continued staff growth and added capacity

Thank You

Questions?

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