

State of Alaska

Office of Management and Budget

Overview of the FY2026 Governor's Budget

House Finance Committee

January 24, 2025

Lacey Sanders, Director



FY2026 Fiscal Summary

FY2025 Management Plan plus Proposed Supplementals

Revenues	UGF	DGF	Other	Federal	FY2025 Total
Unrestricted Revenue	2,571.3	-	-	-	2,571.3
POMV ERA Draw For Government	3,657.3	-	-	-	3,657.3
Restricted Revenue	-	1,132.5	1,967.7	6,627.4	9,727.6
Carryforward and Adjustments	32.1	1.0	33.7	256.8	323.6
Total Revenues	6,260.7	1,133.5	2,001.4	6,884.2	16,279.8

FY2026 Governors Proposed

UGF	DGF	Other	Federal	FY2026 Total
2,399.9	-	-	-	2,399.9
3,798.9	-	-	-	3,798.9
-	1,051.1	2,172.4	5,829.5	9,053.0
-	-	-	-	-
6,198.8	1,051.1	2,172.4	5,829.5	15,251.8

FY2025 to FY2026

UGF Change	UGF %
(171.4)	-7%
141.6	4%
-	-
(32.1)	-100%
(61.9)	-1%

Expenditures	UGF	DGF	Other	Federal	FY2025 Total
Total Operating	5,164.7	988.3	1,789.5	3,949.1	11,891.6
Agency Operations	4,759.6	839.9	1,706.6	3,725.3	11,031.4
Appropriations	4,699.6	839.9	1,706.6	3,725.3	10,971.4
RPLs	-	-	-	-	-
Supplementals	60.0	-	-	-	60.0
Statewide Operations	405.1	148.4	82.9	223.8	860.2
Appropriations	390.1	148.4	82.9	223.8	845.2
RPLs	-	-	-	-	-
Supplementals	15.0	-	-	-	15.0
Total Capital	330.7	63.2	211.9	2,935.1	3,540.9
Appropriations	330.7	63.2	207.2	2,935.1	3,536.2
Supplementals	-	-	4.7	-	4.7
Total Appropriations	5,420.3	1,051.5	1,996.7	6,884.2	15,352.7
Total Supplementals and RPLs	75.0	-	4.7	-	79.7
Total Expenditures	5,495.3	1,051.5	2,001.4	6,884.2	15,432.4

UGF	DGF	Other	Federal	FY2026 Total
4,932.6	915.8	1,956.5	3,579.9	11,384.7
4,518.0	821.2	1,874.0	3,494.8	10,708.0
4,518.0	821.2	1,874.0	3,494.8	10,708.0
-	-	-	-	-
-	-	-	-	-
414.5	94.6	82.6	85.1	676.8
414.5	94.6	82.6	85.1	676.8
-	-	-	-	-
-	-	-	-	-
282.4	55.9	215.9	2,249.6	2,803.7
282.4	55.9	215.9	2,249.6	2,803.7
-	-	-	-	-
5,215.0	971.6	2,172.4	5,829.5	14,188.5
-	-	-	-	-
5,215.0	971.6	2,172.4	5,829.5	14,188.5

UGF Change	UGF %
(232.1)	-4%
(241.6)	-5%
(181.6)	-4%
-	-
(60.0)	-100%
9.5	2%
24.5	6%
-	-
-	-
(48.3)	-15%
(48.3)	-15%
-	-
(205.4)	-4%
(75.0)	-100%
(280.4)	-5%

Permanent Fund Appropriations	UGF	DGF	Other	Federal	FY2025 Total
Permanent Fund Appropriations	914.3	82.0	-	-	996.3
Fund Transfers	UGF	DGF	Other	Federal	FY2025 Total
Fund Transfers (non-additive)	4.3	39.0	0.2	-	43.6
Surplus/(Deficit)	(148.9)	-	-	-	(148.9)

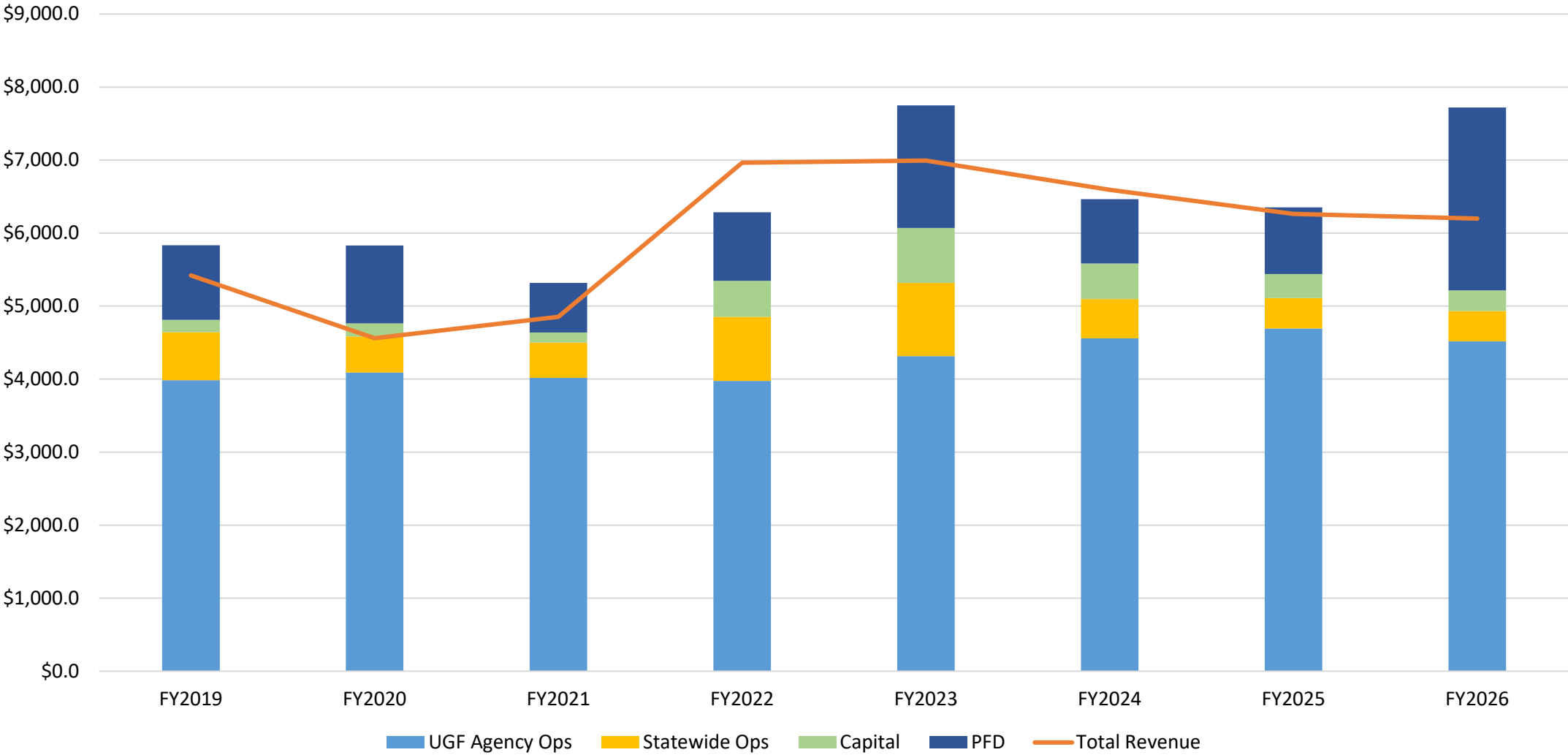
UGF	DGF	Other	Federal	FY2026 Total
2,504.4	79.5	-	-	2,583.9
UGF	DGF	Other	Federal	FY2026 Total
6.6	27.8	0.2	-	34.7
(1,520.6)	-	-	-	(1,520.6)

UGF Change	UGF %
1,590.1	174%
UGF Change	UGF %
2.3	54%

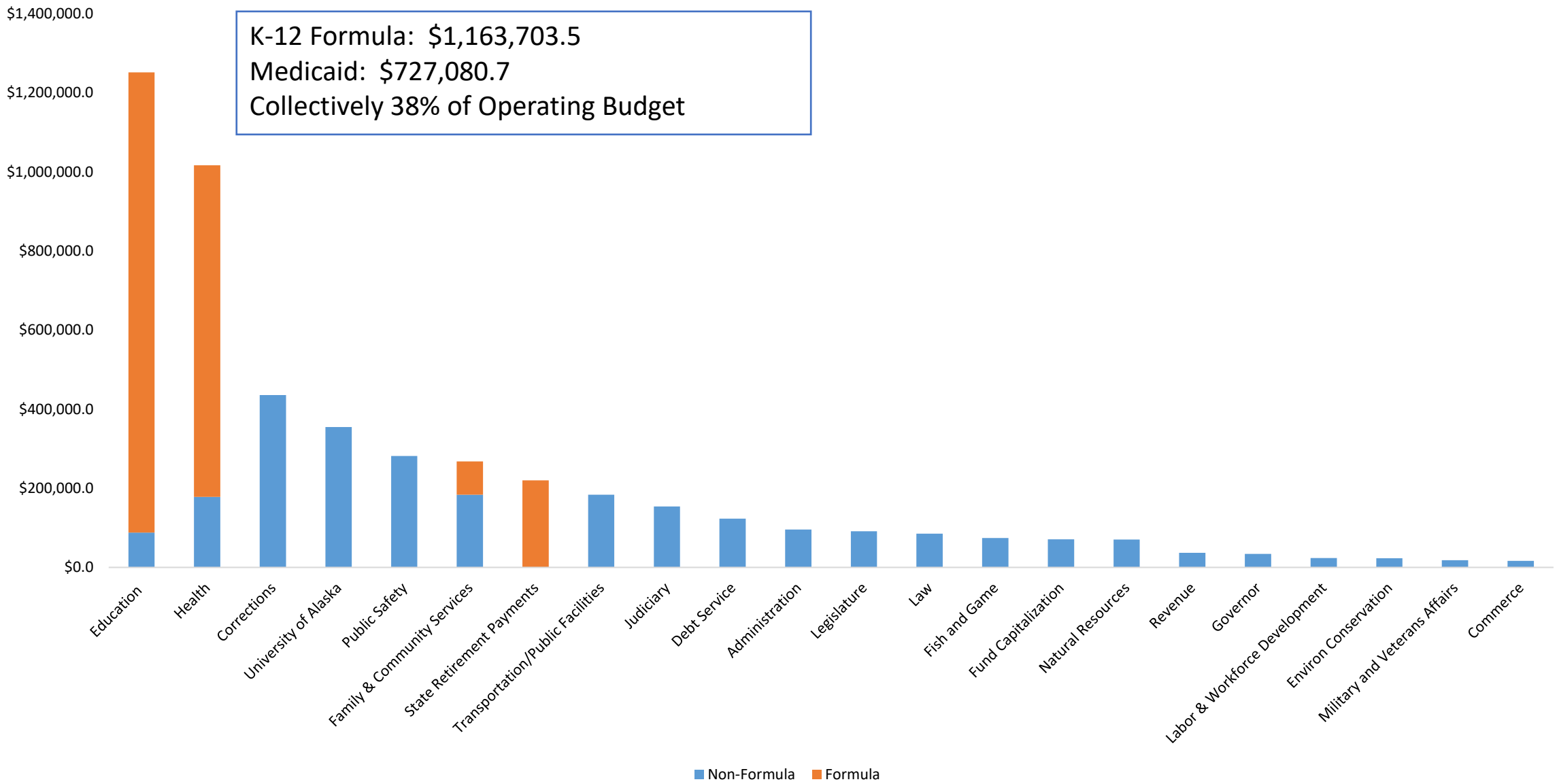
Available Reserve Balances (as of 12/12/24)	
Constitutional Budget Reserve*	2,884.0
Statutory Budget Reserve	0.0
Total	2,884.0

Budget Lookback

UGF Budget and Revenue
FY2019-FY2026 Governor's Budget



FY2026 Operating Budget Breakdown (UGF)



Operating Budget Significant Highlights

Department of Administration

- Office of Public Advocacy
 - \$513.6 UGF for three administrative and legal support positions to assist with increased workload
 - \$450.0 UGF for guardian ad litem positions, which advocate for Children in Need of Aid (CINA) Cases, becoming overtime eligible

Department of Commerce, Community, and Economic Development

- \$50 million UGF (***Supplemental Multi-year***) to provide a backstop for Front End Engineering work toward a Final Investment Decision (FID) over FY2025-FY2027
- \$2,487.5 UGF to restore the Alaska Gasline Development Corporation's operating funding to provide continued efforts on the Alaska Liquefied Natural Gas (AK LNG) development
- \$10,000.0 UGF (***Supplemental Multi-year***) for the Alaska Seafood Marketing Institute to implement a comprehensive marketing plan for Wild Alaska Seafood over FY2025-FY2027

Department of Corrections

- \$3,900.0 UGF for correction of standby pay calculation for supervisory positions department-wide
- \$500.0 UGF to establish a Peer Support and Wellness program
- \$850.0 UGF to expand vocational programming and training opportunities for 2,500 inmates, including programs such as construction technologies and electrical and plumbing classes

Operating Budget Significant Highlights (con't)

Department of Education and Early Development

- Foundation Program and Pupil Transportation full statutory formula funding for school districts
- \$1,500.0 UGF for continued Teacher Recruitment, Retention, Certification, and Apprenticeship Development
- \$1,250.0 UGF for continued investment in Career and Technical Education initiatives
- \$300.0 UGF to establish curriculum and student pathways to expand the electrician and plumbing workforce

Department of Family and Community Services

- \$4,368.7 UGF to ensure continued operations of the Alaska Psychiatric Institute

Department of Fish and Game

- Commercial Fisheries
 - \$716.5 UGF to restore fisheries survey and assessment projects located throughout the state
 - \$450.0 UGF base funding for maintenance of vessels, aircraft maintenance, repair, and upgrades

Operating Budget Significant Highlights (con't)

Department of Health

- \$6,092.2 total (\$5,867.1 UGF; \$225.1 Federal Receipts) for increased child care assistance based on expanded eligibility (Ch. 15, SLA 2024 - SB 189)
- Full statutory funding for the Senior Benefit Payment Program
- \$1,500.0 (\$750.0 UGF; \$750.0 Other Receipts) for Mental Health Trust Crisis Call Center

Department of Labor and Workforce Development

- \$182.3 UGF to increase available class seats from 15 to 30 students in the Industrial Electrical Program in support of an initiative to expand Alaska's electrical and plumbing workforce

Department of Law

- \$1,194.1 UGF for five new positions to provide support to reduce caseloads to a manageable level
- \$500.0 UGF to support continued statehood defense efforts across multiple agencies. Law will partner with other State agencies to plan, review, and continue efforts supporting Alaska's statehood sovereignty

Operating Budget Significant Highlights (con't)

Department of Military and Veterans Affairs

- \$175.0 UGF to expand operations of the Alaska State Defense Force, Naval Militia, and Civil Air Patrol
- Deposits into the Disaster Relief Fund to provide immediate response to disasters
 - \$15 million UGF FY2025 (***Supplemental***)
 - \$13 million UGF FY2026

Department of Natural Resources

- \$858.0 UGF and three new positions for Forestry Management and Development for increased access to land and resources
- \$648.4 UGF for Natural Disaster Emergency Response and Prevention

Department of Public Safety

- \$1,215.2 UGF to provide five additional Village Public Safety Officers positions, increasing the program from 85 to 90 positions
- \$3,750.1 UGF and nine new positions for the Alaska State Troopers
 - \$2,404.6 UGF to reestablish the Talkeetna Post, Trapper Creek, and North Parks Highway Corridor
 - \$1,345.5 UGF for three State Troopers in Kotzebue for Child Crime Investigations in Western Alaska

Operating Budget Significant Highlights (con't)

Department of Transportation and Public Facilities

- Dalton Highway:
 - \$250.0 UGF to provide employees with specialized training to respond to accidents along the Dalton Highway
 - \$692.5 UGF for maintenance camp contracting
- Highways, Aviation and Facilities:
 - \$1,000.0 UGF for Northern Region roadside hardware repairs
 - \$500.0 UGF for Right-of-Way clearing of vacated homeless encampments

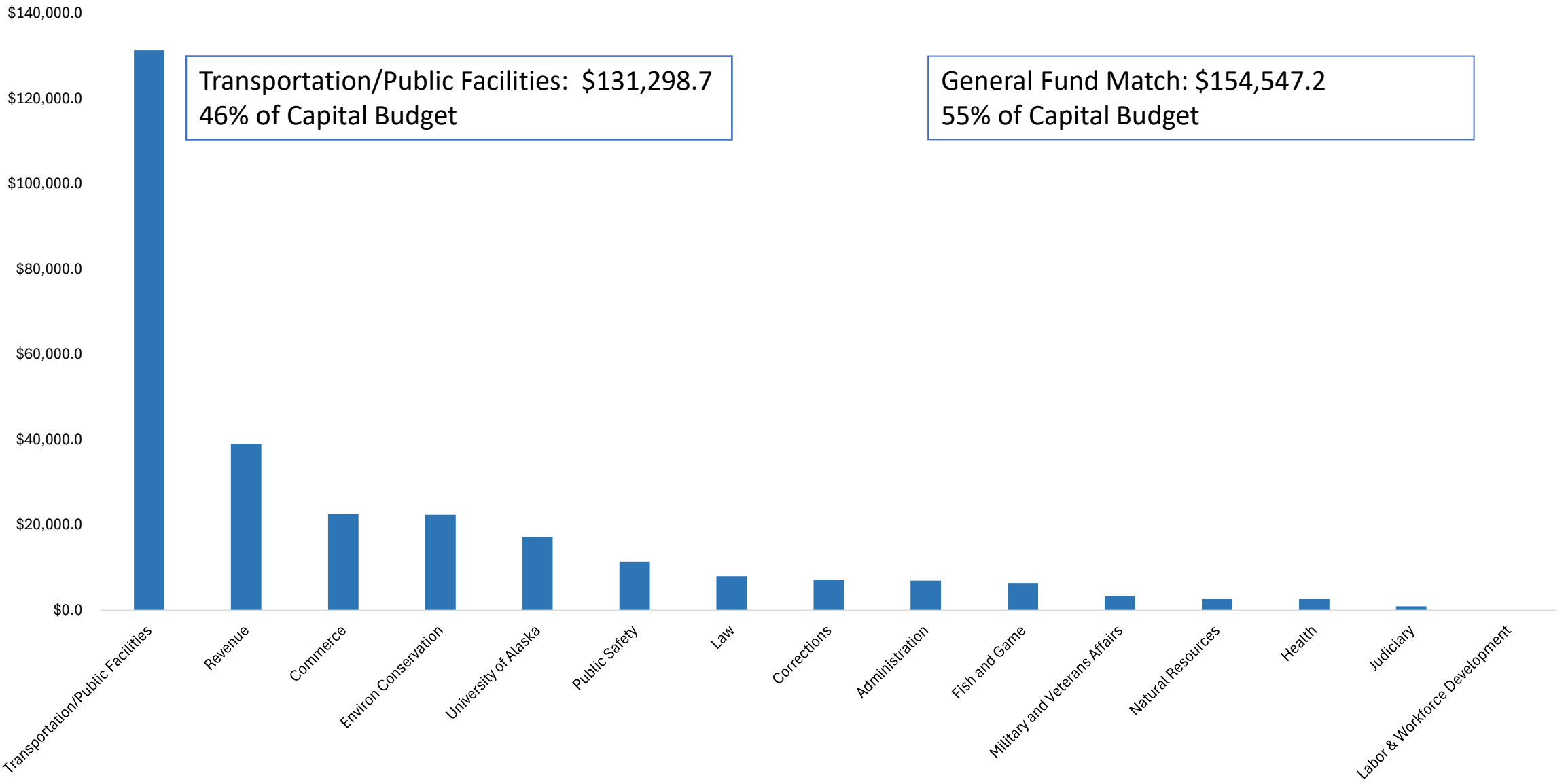
University of Alaska

- \$20,805.0 total (\$3,900.0 UGF; \$16.905.0 University Receipts) for fixed operating cost increases such as cyber security and information technology, facilities maintenance, and utilities

Statewide Items

- \$2.5 billion UGF to provide a full statutory Permanent Fund Dividend of approximately \$3,900 per eligible individual

FY2026 Capital Budget Breakdown (UGF)



Capital Budget Significant Highlights

Department of Administration

- \$7,000.0 UGF for Statewide Time and Attendance Management System

Department of Commerce, Community, and Economic Development

- \$6,315.5 Renewable Energy Funds for Round 17 Renewable Energy Project Grants
- \$4,400.0 Ocean Ranger Receipts to Alaska Energy Authority for Whittier Cruise Ship Terminal Port Electrification
- \$4,200.0 UGF to Alaska Gasline Development Corporation - Phase 1 Gasline Project Development
- \$6,500.0 UGF to Alaska Energy Authority for Dixon Diversion Project
- \$2,500.0 UGF to Alaska Industrial Development and Export Authority for West Susitna Road Access

Department of Corrections

- \$3,080.0 UGF for continued development of the Point Mackenzie Correctional Farm Produce Processing Plant
- \$4,000.0 UGF for construction of the Hiland Mountain Booking and Intake Area

Capital Budget Significant Highlights (con't)

Department of Environmental Conservation

- \$450.0 UGF Home Heating Oil Tank Oversight program

Department of Fish and Game

- \$5,625.0 UGF for Gulf of Alaska Chinook Salmon Program
- \$800.0 UGF for continued funding for the Alaska Marine Salmon Program
- \$6,800.0 Federal Receipts for Pacific Coastal Salmon Recovery Fund activities

Department of Health

- \$14,069.8 total (\$1,407.0 UGF; \$12,662.8 Federal Receipts) for Provider Services Module for Alaska Medicaid Program

Department of Law

- \$8,000.0 UGF to replacement of the Case Management System

Department of Military and Veterans' Affairs

- \$2,200.0 total (\$1,100.0 UGF; \$1,100.0 Federal Receipts) for Statewide Armory Barracks Conversion projects
- \$1,586.0 total (\$396.5 UGF; \$1,189.5 Federal Receipts) for Camp Carroll modernization
- \$1,950.0 total (\$700.0 UGF; \$1,250.0 Federal Receipts) for the Alcantra modernization

Capital Budget Significant Highlights (con't)

Department of Natural Resources

- \$2,500.0 UGF for acquisition of a Firefighting Aircraft to replace a Turbo Commander that is at end of operational life

Department of Public Safety

- \$6,500.0 UGF for acquisition of a single engine turbine-powered, all-weather Pilatus PC-12NG Aircraft for emergency rural response capabilities across 96% of Alaska's maintained airports
- \$1,400.0 UGF for Annual Aircraft Maintenance and Repair
- \$2,775.0 UGF for Alaska Wildlife Troopers Marine Vessel Maintenance and Repair
- \$750.0 UGF for Rifle-Rated Armor and Less Lethal 40mm Program

Department of Revenue

- \$4,475.0 UGF for the Dividend Application Information System Replacement - Phase 2
- \$ 65,135.0 total (\$34,600.0 UGF; \$1,285.0 MHTAAR Receipts; \$29,250.0 Federal Receipts) for Alaska Housing Finance Corporation Annual Housing Programs

Capital Budget Significant Highlights (con't)

Department of Transportation and Public Facilities

- Dalton Highway:
 - \$325.0 UGF for Silvertip Camp Bunkhouse
 - \$2,500.0 UGF for Heavy Maintenance from Milepost 76 to 89
 - \$4,500.0 Capital Improvement Receipts for Aggregate Stockpiles
- \$4,250.0 UGF for development of Wood River Canyon Bridges and Trails
- \$2,666.6 UGF for continuation of the Williamsport Intermodal Connector - Phase 2
- \$6,250.0 total (\$1,250.0 UGF; \$5,000.0 Federal Receipts) for Deploying Alaska Marine Highway System-wide Wi-Fi
- \$10,000.0 International Airport Receipts for the Ted Stevens Anchorage International 10MW Solar Array Installation

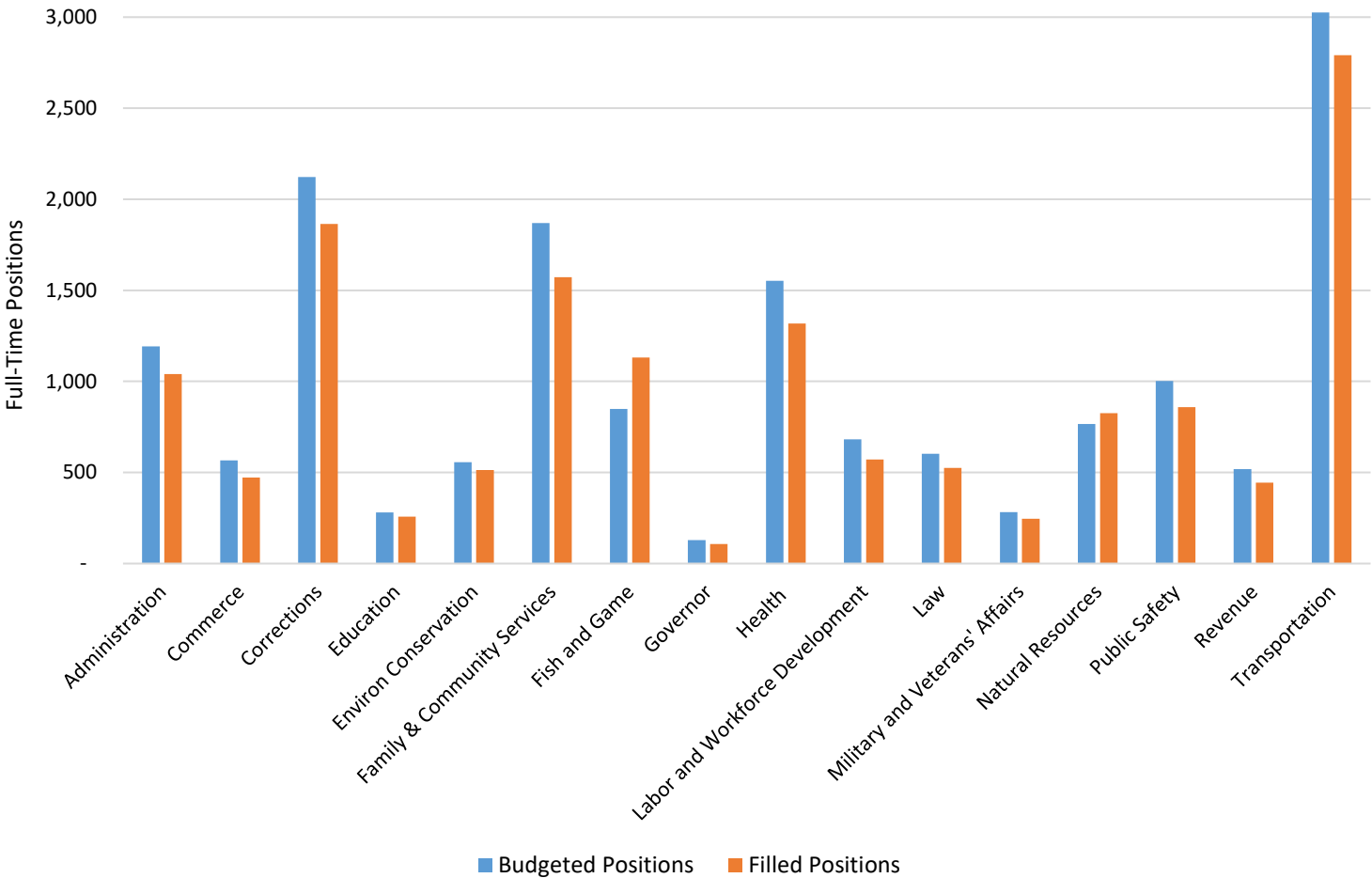
University of Alaska

- \$6,000.0 UGF for University of Alaska Fairbanks' Alaska Center of Unmanned Aerial Systems Integration (ACUASI) Drones Program – Year Four
- \$5,000.0 UGF for the University of Alaska Fairbanks to continue to Achieve Research 1 Status
- \$3,000.0 UGF for the University of Alaska Fairbanks to invest in research on Agriculture and Food Systems for Alaska's Economic Sustainability
- \$2,000.0 UGF for the University of Alaska Southeast's Mariculture Program Expansion

Full-Time Positions – Budgeted versus Filled

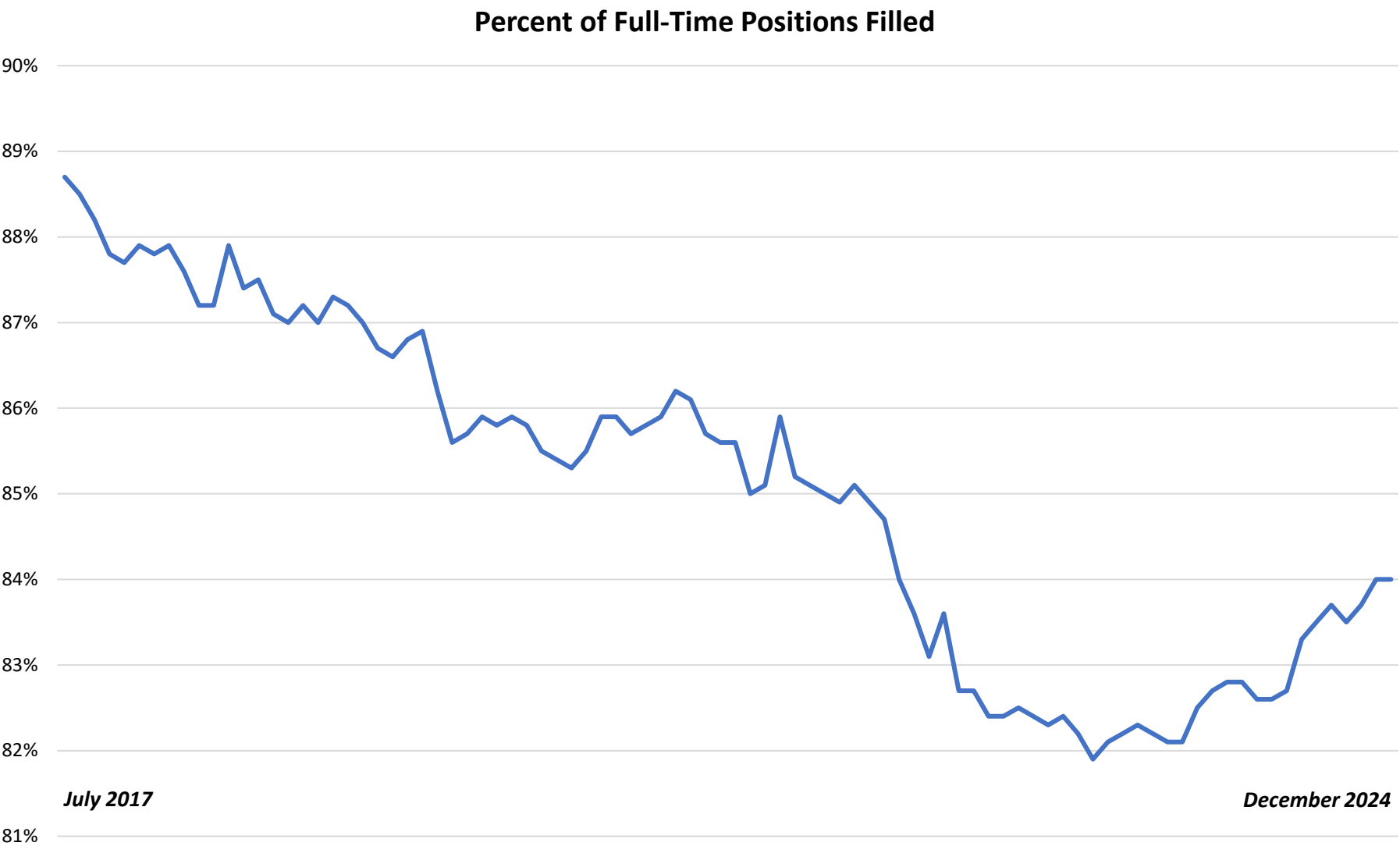
Department	Budgeted Positions	Filled Positions
Administration	1,193	1,040
Commerce	567	473
Corrections	2,123	1,865
Education	281	257
Environ Conservation	556	514
Family & Community Services	1,870	1,572
Fish and Game	849	1,132
Governor	129	108
Health	1,552	1,318
Labor and Workforce Development	682	571
Law	602	525
Military and Veterans' Affairs	283	246
Natural Resources	767	826
Public Safety	1,003	858
Revenue	519	445
Transportation	3,025	2,791
Total	16,001	14,541

Data as of December 2024



Vacancy Rates

% Vacant Positions	December 2024
DOA	13.7%
DCCED	20.6%
DOC	12.2%
DEED	13.4%
DEC	8.0%
DFCS	16.2%
DFG	15.5%
Gov	29.7%
DOH	19.0%
DOL&WD	21.4%
Law	18.4%
DMVA	13.3%
DNR	19.7%
DPS	17.2%
DOR	14.7%
DOT&PF	15.1%
Total	16.0%



10-Year Fiscal Outlook

Uses of Funds		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
1	Permanent Fund Dividend Transfer	914.3	2,504.4	2,214.5	2,488.5	2,600.3	2,681.2	2,765.2	2,852.6	2,943.8	3,038.5	3,136.9
2	Per capita PFD (<i>dollars</i>)	\$1,386	\$3,838	\$3,428	\$3,854	\$4,024	\$4,147	\$4,275	\$4,410	\$4,552	\$4,700	\$4,854
Unrestricted General Fund Expenditures		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
3	Operating Budget	5,164.7	4,932.6	5,103.7	5,221.8	5,335.8	5,458.8	5,576.2	5,708.2	5,839.9	5,963.2	6,079.9
4	Capital Budget	330.7	282.4	289.5	296.7	304.1	311.7	319.5	327.5	335.7	344.1	352.7
5	Total General Fund Appropriations	5,495.3	5,215.0	5,393.1	5,518.5	5,639.9	5,770.6	5,895.7	6,035.7	6,175.5	6,307.2	6,432.6
Sources of Funds		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
6	Total Revenue	6,260.7	6,198.8	6,395.1	6,461.1	6,525.8	6,663.1	6,940.2	7,168.5	7,404.9	7,709.8	7,841.9
Deposit/(Draw)		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
7		(149.0)	(1,520.6)	(1,212.5)	(1,545.9)	(1,714.5)	(1,788.7)	(1,720.7)	(1,719.8)	(1,714.5)	(1,635.9)	(1,727.6)
Reserve Balances		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
8	SBR End Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	CBR End Balance	2,884.0	1,525.4	434.0	(987.2)	(2,573.1)	(4,229.5)	(5,813.9)	(7,393.3)	(8,963.2)	(10,450.1)	(12,024.3)



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