



THE STATE  
*of* **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Office of the Governor**

OFFICE OF MANAGEMENT AND BUDGET  
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May 7, 2025

The Honorable Andy Josephson  
Co-Chair, House Finance Committee  
Alaska State Capitol, Room 505  
Juneau, AK 99801

The Honorable Lyman Hoffman  
Co-Chair, Senate Finance Committee  
Alaska State Capitol, Room 518  
Juneau, AK 99801

The Honorable Calvin Schrage  
Co-Chair, House Finance Committee  
Alaska State Capitol, Room 410  
Juneau, AK 99801

The Honorable Bert Stedman  
Co-Chair, Senate Finance Committee  
Alaska State Capitol, Room 516  
Juneau, AK 99801

The Honorable Neal Foster  
Co-Chair, House Finance Committee  
Alaska State Capitol, Room 511  
Juneau, AK 99801

The Honorable Donny Olson  
Co-Chair, Senate Finance Committee  
Alaska State Capitol, Room 508  
Juneau, AK 99801

Re: FY2026 Operating Budget Amendments HB 53 / SB 56  
FY2026 Mental Health Budget Amendments HB 55 / SB 58

Dear Finance Committee Co-Chairs,

Enclosed, please find amendments to the fiscal year (FY) 2026 operating and mental health budgets that provide an overall increase totaling \$4,032,300. These amendments increase Unrestricted General Fund (UGF) appropriations by \$1,567,200, designated general funds by \$4,400, and federal and other funds by \$2,460,700 from the Governor's December 12, 2024, February 19, 2025, March 5, 2025, March 13, 2025, April 25, 2025, and May 2, 2025, budget proposals.

These amendments reflect the bargaining agreement reached between the State of Alaska and the Confidential Employees Association (CEA) and the Marine Engineers Beneficial Association (MEBA). The terms of the agreements for FY2026 are as follows (all dollar figures presented are in whole dollars):

Confidential Employees Association (CEA) terms:

- Effective July 1, 2025, the base wages will increase by three percent

- Effective July 1, 2025, on-call nonpermanent positions are authorized under the collective bargaining agreement (estimate is \$80,000)

Marine Engineers Beneficial Association (MEBA) terms:

- Effective July 1, 2025, a targeted wage adjustment (Department of Transportation and Public Facilities (DOT&PF) cost is \$2,524,200)
- Effective July 1, 2025, a change to travel pay provisions (DOT&PF estimate is \$163,800)
- Effective July 1, 2025, an increase in the payment to the Calhoun Engineering training school (DOT&PF estimate is \$45,300)
- Effective July 1, 2025, a one percent increase in the Employer contribution to the MEBA Pension Plan (DOT&PF estimate is \$532,340)

Thank you for your consideration of these budget amendments.

Sincerely,



Lacey Sanders  
Director

Enclosures: CEA Monetary Terms  
MEBA Monetary Terms

cc: Alexei Painter, Director, Legislative Finance Division  
Jordan Shilling, Director, Governor's Legislative Office