

State of Alaska

Office of Management and Budget

Overview of the FY2027 Governor's Budget

Senate Finance Committee

January 26, 2026

Lacey Sanders, Director



FY2026 Budget

Revenue	Spring 2025	Fall 2025	Fall vs Spring
Price/Barrel (whole dollars)	\$68.00	\$65.48	\$(2.52)
Total UGF Revenue	6,175.6	5,981.9	(193.7)
FY2026 Base Budget	6,034.0	6,034.0	
Surplus/(Deficit)	141.6	(52.1)	
FY2026 Base Budget	6,034.0	6,034.0	
FY2026 Supplementals	294.8	294.8	
FY2026 Base Budget plus Supplementals	6,328.8	6,328.8	
Surplus/(Deficit)	(153.2)	(346.8)	

FY2027 Budget

Revenue	Spring 2025	Fall 2025	Fall vs Spring
Price/Barrel (whole dollars)	\$67.00	\$62.00	\$(5.00)
Total UGF Revenue	6,334.6	6,215.5	(119.1)
FY2026 Base Budget	6,034.0	6,034.0	
Surplus/(Deficit)	300.6	181.5	
FY2026 Base Budget	6,034.0	6,034.0	
One-time Items	(46.4)	(46.4)	
Salary Adjustments	55.1	55.1	
Changes	22.8	22.8	
FY2027 Budget	6,065.5	6,065.5	
Surplus/(Deficit)	269.1	150.0	
Increase to pay Statutory PFD	1,680.6	1,680.6	
Surplus/(Deficit)	(1,411.5)	(1,530.6)	

FY2027 Short Fiscal Summary (UGF)

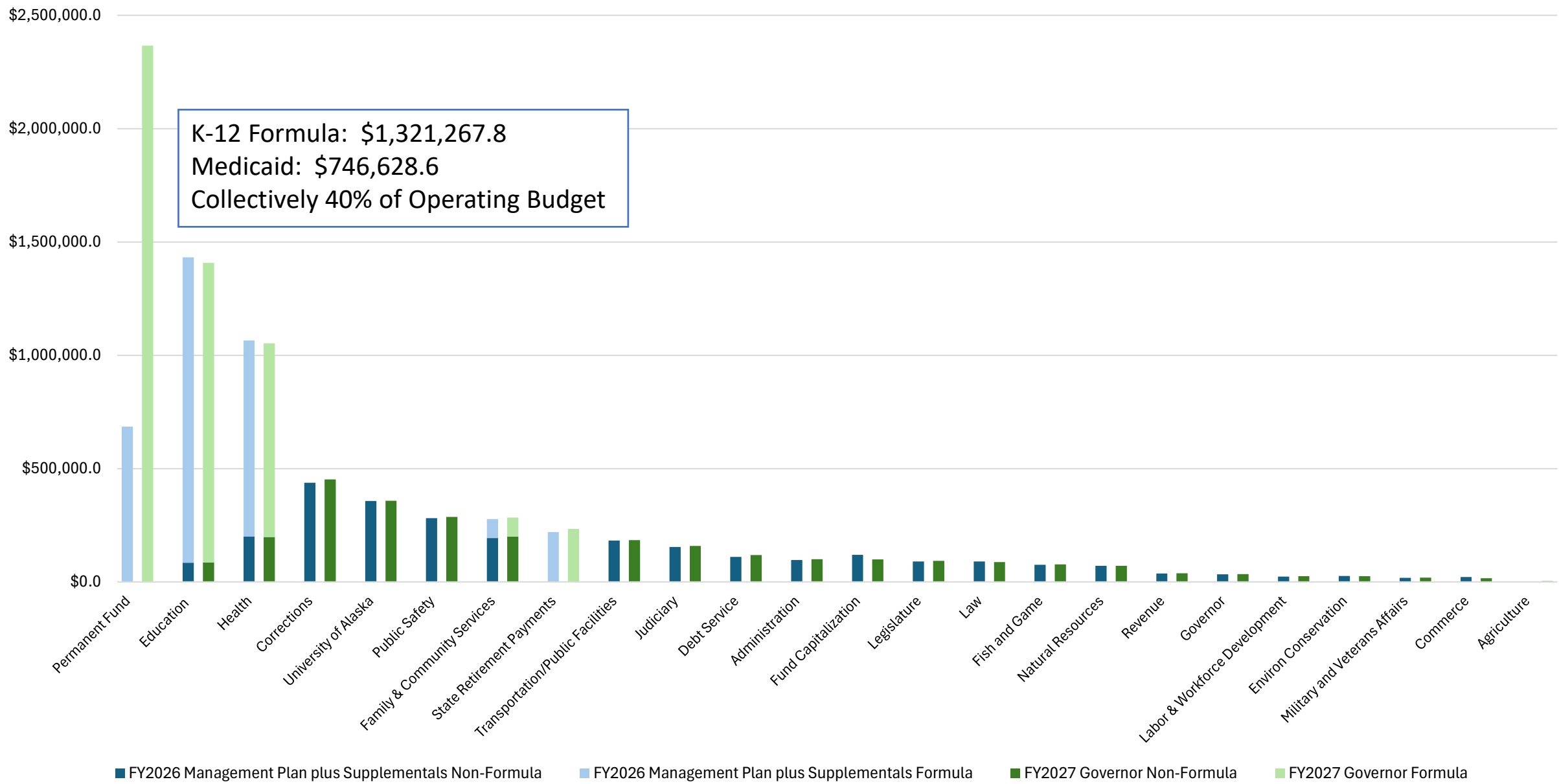
FY2026 Management Plan plus Proposed Supplementals		FY2027 Governors Proposed	FY2026 to FY2027	
Revenues	UGF	UGF	UGF Change	UGF %
Unrestricted Revenue	2,148.2	2,218.6	70.3	3%
POMV ERA Draw For Government	3,798.9	3,996.9	198.0	5%
Carryforward and Adjustments	34.8	-	(34.8)	
Total Revenue	5,982.0	6,215.5	233.5	4%

Expenditures	UGF	UGF	UGF Change	UGF %
Total Operating	5,414.2	5,223.6	(190.6)	-4%
Agency Operations	4,771.1	4,772.0	0.9	0%
Statewide Operations	643.1	451.6	(191.5)	-30%
Total Capital	229.2	156.6	(72.6)	-32%
Total Appropriations	5,348.7	5,380.2	31.5	1%
Total Supplementals and RPLs	294.8	-	(294.8)	-100%
Final Budget	5,643.4	5,380.2	(263.2)	-5%

Permanent Fund Appropriations	UGF	UGF	UGF Change	UGF %
Appropriations	685.3	2,365.9	1,680.6	245%
Surplus/(Deficit)	(346.8)	(1,530.6)		

Available Reserve Balances (as of 12/11/25)	
Constitutional Budget Reserve*	2,959.0
Statutory Budget Reserve	0.0
Total	2,959.0

Operating Budget Comparison FY2026 to FY2027 (UGF)



Operating Budget Significant Highlights

Department of Administration

- Implement the statewide Information Technology classification study
- Transition Shared Services of Alaska (SSoA) Travel and Accounts Payable back to all departments to address inefficiencies
- Transition Payroll Services back to respective departments to improve accuracy and address specific payroll needs of agency employees

Department of Agriculture

- Implement Executive Order 137 establishing the Department of Agriculture

Department of Commerce, Community, and Economic Development

- \$2,238.8 UGF for the Alaska Gasline Development Corporation for operational funding associated with Alaska Liquefied Natural Gas (AK LNG) development
- \$44,279.0 DGF (Power Cost Equalization Endowment Fund) for the Alaska Energy Authority's Power Cost Equalization Program

Operating Budget Significant Highlights (con't)

Department of Education and Early Development

- Foundation Program and Pupil Transportation full statutory formula funding for school districts
- \$3,293.8 DGF (Higher Education Investment Fund) for Alaska Performance Scholarship projected increase in awards
- \$1,646.9 DGF (Higher Education Investment Fund) for Alaska Education Grants projects increase in awards

Department of Health

- Senior Benefit Payment Program is fully funded based on the statutory formula
- \$2,700.0 Federal for Public Health to receive grants to Help Me Grow, substance misuse and addiction prevention, and equipment for the Medical related Examiner's Office
- \$585.0 Federal for Behavioral Health to support the Crisis Contact Center

Department of Labor and Workforce Development

- \$1,405.0 UGF for Worker's Compensation – one-time support for the loss of Workers' Safety and Compensation Administration Account receipts being swept and a decline in revenue as Alaskan businesses are becoming safer

Operating Budget Significant Highlights (con't)

Department of Military and Veterans Affairs

- Deposits into the Disaster Relief Fund to provide immediate response to disasters
 - FY2026 \$40,000.0 UGF (**Supplemental**)
 - FY2027 \$33,000.0 total (\$24,000.0 UGF; \$9,000.0 Federal)

Department of Natural Resources

- \$3,300.0 total (\$1,300.0 UGF; \$2,000.0 Federal) to maintain the National Historic Preservation Fund Grant (moved from Capital to Operating)
- \$5,825.0 Federal to maintain the Critical Minerals Mapping – Earth MRI Program (moved from Capital to Operating)
- Deposits into the Fire Suppression Fund to provide immediate response to fires
 - FY2026 \$55,000.0 UGF (**Fire Declarations**)
 - FY2027 \$73,482.7 total (\$47,482.7 UGF; \$5,500.0 Other; \$20,500.0 Federal)

Department of Public Safety

- \$1,303.0 UGF to maintain Body-worn and In-Car Camera Operations and Equipment
- \$550.0 DGF (GF/Program Receipts) to expand Training and Certification Support for Law Enforcement and Village Police Officers

Operating Budget Significant Highlights (con't)

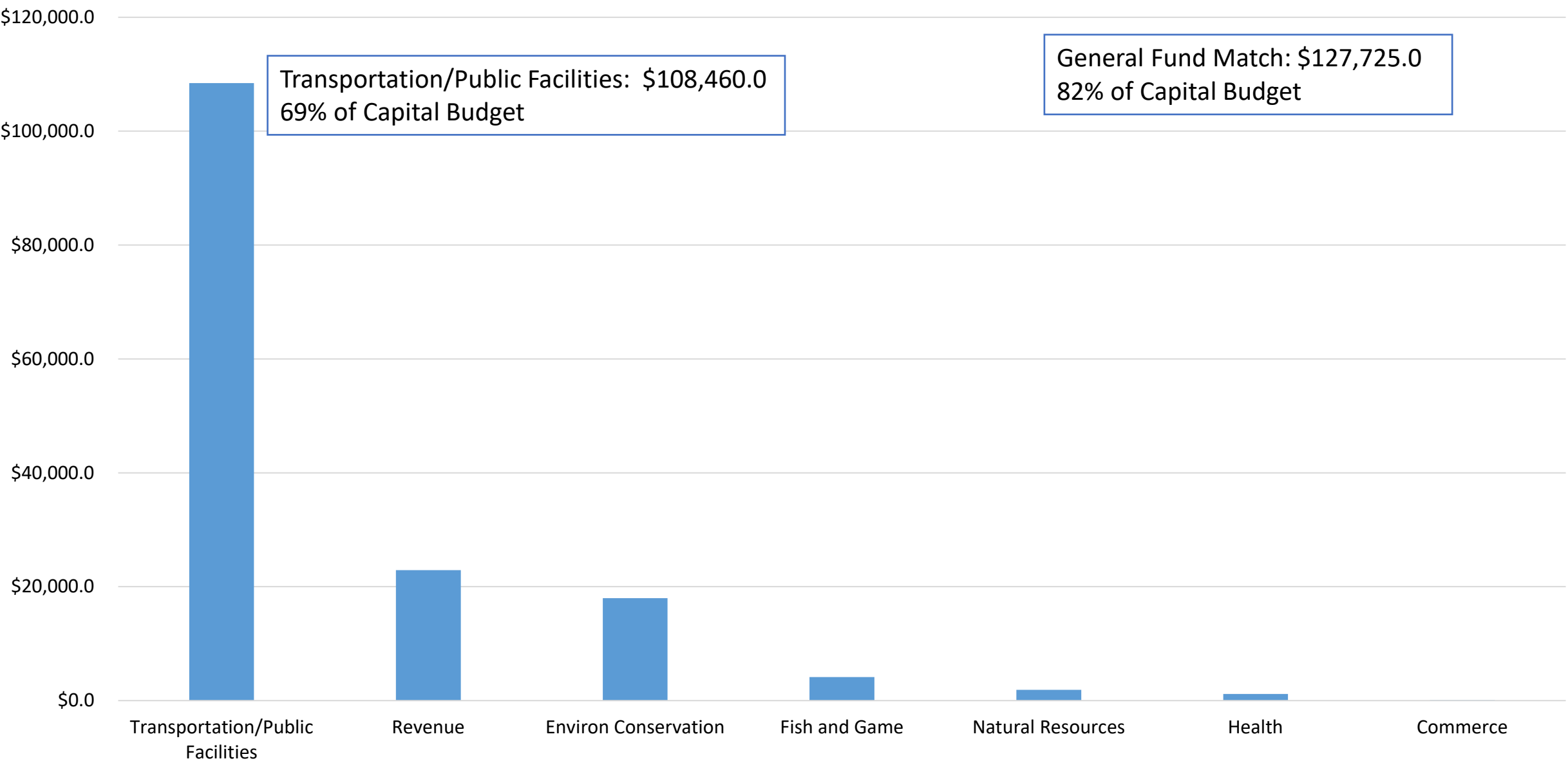
Department of Transportation and Public Facilities

- \$5,246.9 UGF to restore funding to levels proposed in FY2026 prior to legislative reductions; reductions were based on unrealizable surpluses and savings for Highways and Aviation Maintenance
- \$1,253.9 UGF to restore funding levels following a one-time use of Alaska Housing Capital Corporation funds by the legislature
- \$1,768.9 DGF (Motor Fuel Tax) for Statewide Guardrail and Roadside Hardware Repair
- \$420.0 DGF (Motor Fuel Tax) for Statewide Wayside Maintenance

Statewide Items

- \$129,598.9 UGF for recapitalization of the Alaska Higher Education Investment Fund from the Constitutional Budget Reserve Fund (***FY2026 Supplemental***)
- \$2.3 billion UGF to provide a full statutory Permanent Fund Dividend of approximately \$3,650 per eligible individual
- \$1.4 billion UGF for Permanent Fund Inflation Proofing from the Earnings Reserve Account to the Permanent Fund Principal

FY2027 Capital Budget Breakdown (UGF)



Capital Budget Significant Highlights

Department of Commerce, Community, and Economic Development

- \$15,300.0 Ocean Ranger Receipts to Alaska Energy Authority for Cruise Ship Terminal Port Electrification

Department of Environmental Conservation

- \$272,500.0 total (\$18,000.0 UGF; \$500.0 Other; \$254,000.0 Federal Receipts) for Village Safe Water and Wastewater Infrastructure Projects
- \$50,944.6 total (\$37,859.5 Other; \$13,085.1 Federal Receipts) for Clean Water and Drinking Water Grant Funding including the additional Infrastructure Investment and Jobs Act (IIJA) Funding and the Water Infrastructure Improvement for the Nation Act (WIIN)

Department of Fish and Game

- \$3,300.0 UGF for Gulf of Alaska Chinook Salmon Program
- \$825.0 UGF for continued funding for the Alaska Marine Salmon Program
- \$6,800.0 Federal Receipts for Pacific Coastal Salmon Recovery Fund activities

Capital Budget Significant Highlights (con't)

Department of Health

- \$1,150.0 UGF for Mental Health Trust: Home Modification and Upgrades to Retain Housing

Department of Military and Veterans' Affairs

- \$5,000.0 Federal Receipts for Public Protection and Infrastructure Support
- \$26,765.9 Federal Receipts for State Homeland Security Grant Programs
- \$25,000.0 Federal Receipts for Deferred Maintenance, Replacement, and Renewal
- \$1,750.0 Federal Receipts for Air National Guard Modernization and Sustainment

Department of Natural Resources

- \$1,850.0 DGF (Timber Receipts) for Forest Inventory Initiative – Susitna and Tanana Valleys
- \$4,800.0 total (\$1,900.0 UGF; \$2,900.0 Federal Receipts) for Land and Water Conservation Fund Grant Program
- \$12,000.0 Federal Receipts for Cooperative Forestry and Fire Programs

Capital Budget Significant Highlights (con't)

Department of Revenue

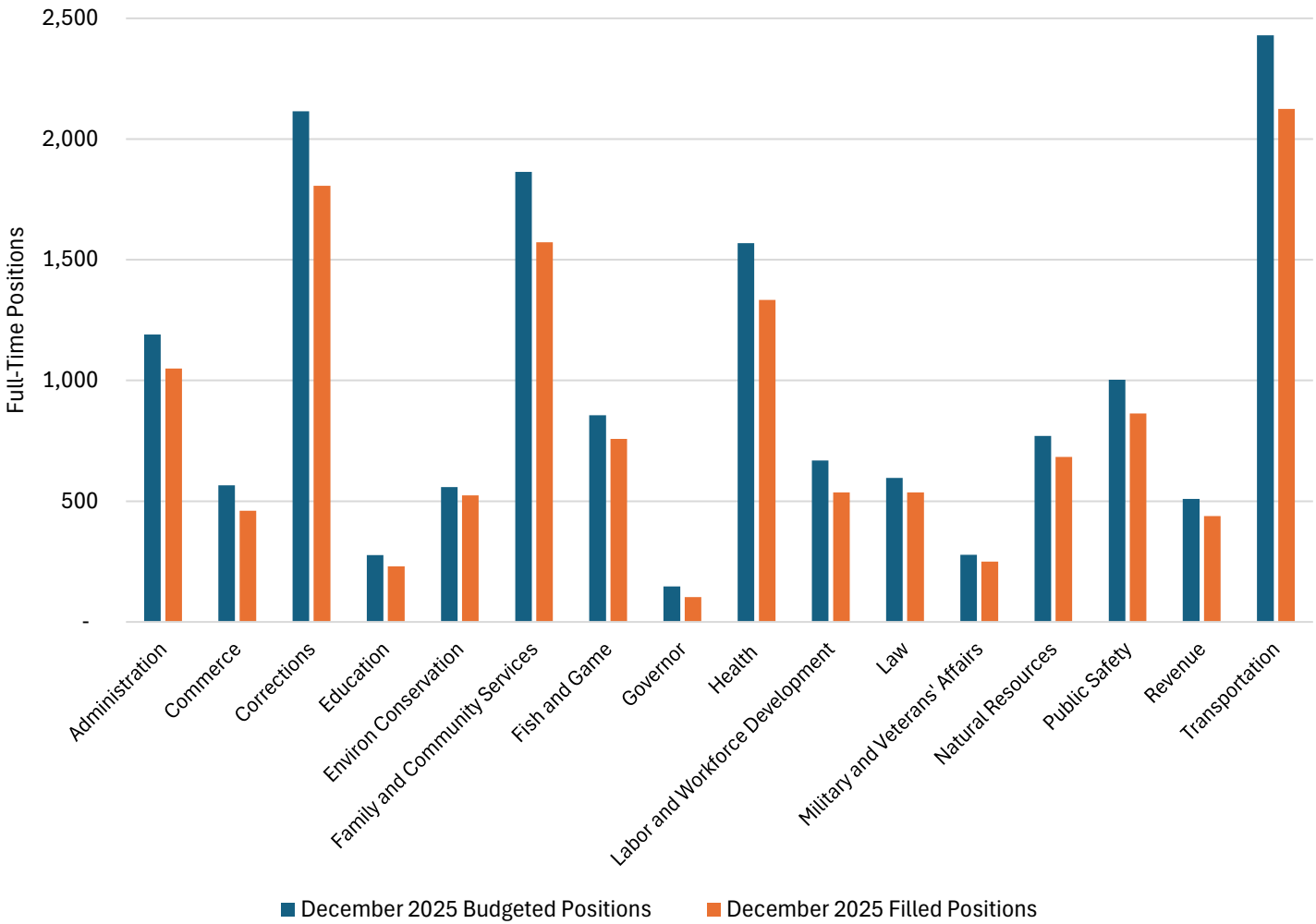
- \$92,935.0 total (\$22,900.0 UGF (AHFC Dividend); \$6,785.0 Other Receipts; \$63,250.0 Federal Receipts) for Alaska Housing Finance Corporation Annual Housing Programs

Department of Transportation and Public Facilities

- \$70,154.1 UGF State Match for Statewide Transportation Improvement Plan (***FY2026 Supplemental***)
- \$130,859.5 total (\$107,760.0 UGF; \$2,000.0 DGF; \$21,099.5 Federal Receipts) for Federal Program Match
- \$26,312.8 DGF (Alaska Capital Income Fund) for Statewide Deferred Maintenance, Renovation, and Repair
- \$27,500.0 DGF (Marine Highway Funds) for Alaska Marine Highway System Vessel Overhaul, Annual Certification and Shoreside Facilities Rehabilitation

Full-Time Positions – Budgeted versus Filled

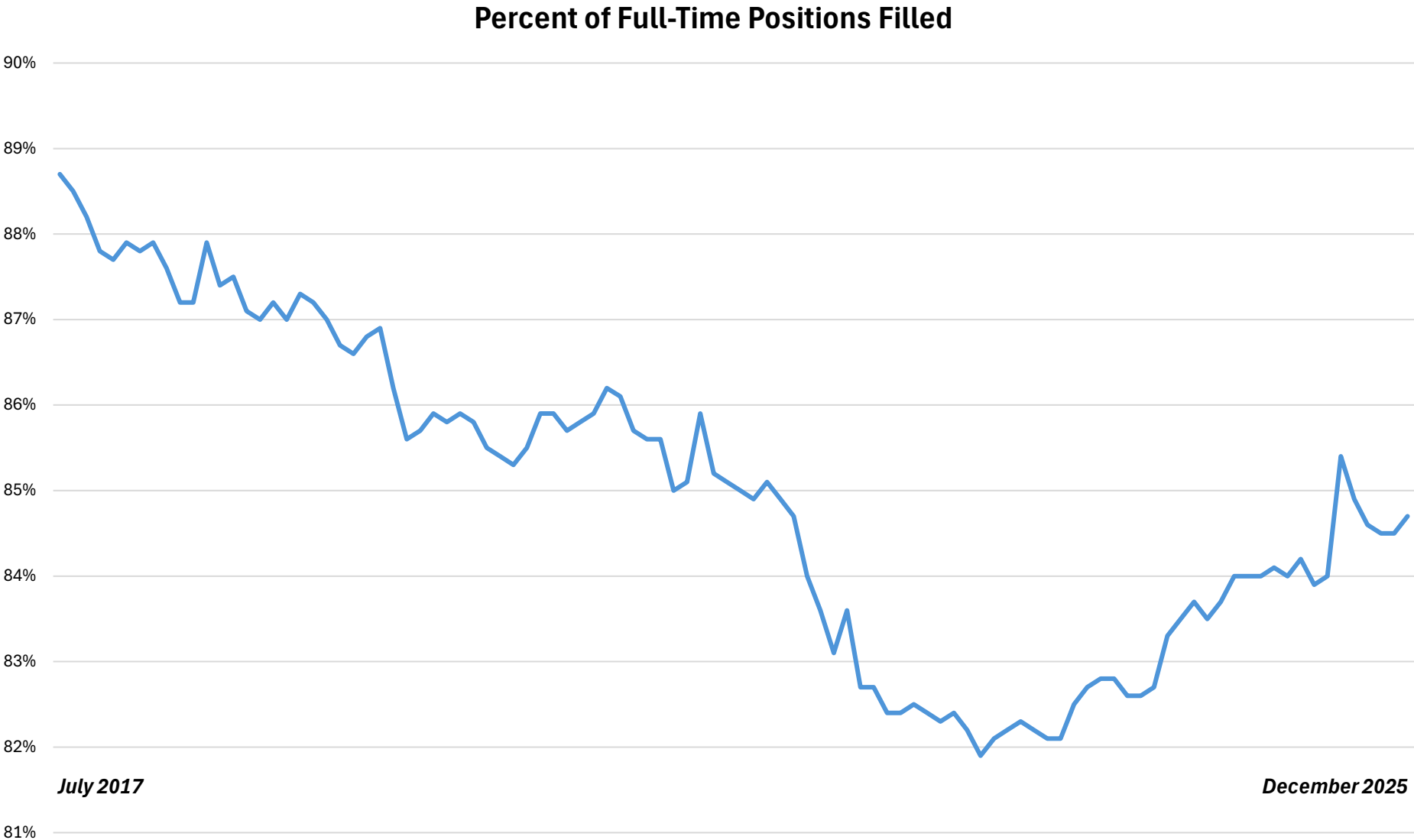
Department	December 2024 Budgeted Positions	December 2025 Budgeted Positions	December 2025 Filled Positions
Administration	1,193	1,191	1,049
Commerce	567	566	460
Corrections	2,123	2,115	1,806
Education	281	277	230
Environ Conservation	556	559	524
Family and Community Services	1,870	1,864	1,573
Fish and Game	849	856	758
Governor	147	147	103
Health	1,552	1,569	1,334
Labor and Workforce Development	682	669	537
Law	602	597	537
Military and Veterans' Affairs	283	278	250
Natural Resources	767	770	683
Public Safety	1,003	1,003	864
Revenue	519	510	438
Transportation	2,426	2,430	2,125
Total	15,420	15,401	13,271



Vacancy Rates

Department	% Vacant Positions
DOA	12.9%
DCCED	19.9%
DOC	14.6%
DEED	18.5%
DEC	6.7%
DFCS	16.4%
DFG	14.3%
GOV	32.0%
DOH	15.9%
DOL&WD	20.6%
LAW	10.1%
DMVA	10.0%
DNR	17.0%
DPS	14.4%
DOR	14.3%
DOT&PF	15.9%
Total	15.3%

Data as of December 2025



Administrative Orders

Administrative Order 359 – Budget Efficiency

- Establishes a Government Efficiency Review, requiring the Office of Management and Budget to lead an annual review of all executive branch agencies
- The review will identify cost savings, streamline operations, modernize processes, and ensure every public dollar is spent wisely
- Initial areas of focus include grants to non-state entities and accounts payable
- Agencies will also be required to use technology and artificial intelligence to improve transparency and accountability in how public money is spent

Administrative Order 360 – Regulatory Reform

- Launches a comprehensive Regulatory Reform Initiative, replacing previous regulatory directives with a new framework to reduce unnecessary burdens on Alaskans and businesses
- Requires State agencies to review and streamline existing regulations, guidance documents, and materials incorporated by reference
- Agencies must reduce regulatory requirements by 15% by the end of 2026 and 25% by the end of 2027



OMB Main Line (907) 465-4660

More information, reports, and detailed department
budget books at [omb.Alaska.gov](https://omb.alaska.gov)

[FY2027 Fiscal Summary](#)

[FY2027 Budget Overview and 10-Year Plan](#)

Appendix: FY2027 Fiscal Summary

FY2026 Management Plan plus Proposed Supplementals						FY2027 Governors Proposed					FY2026 to FY2027	
Revenues	UGF	DGF	Other	Federal	FY2026 Total	UGF	DGF	Other	Federal	FY2027 Total	UGF Change	UGF %
Unrestricted Revenue	2,148.2	-	-	-	2,148.2	2,218.6	-	-	-	2,218.6	70.3	3%
POMV ERA Draw For Government	3,798.9	-	-	-	3,798.9	3,996.9	-	-	-	3,996.9	198.0	5%
Restricted Revenue	-	1,057.3	2,275.0	6,552.7	9,885.0	-	1,095.4	2,248.1	5,542.8	8,886.2	-	-
Carryforward and Adjustments	34.8	65.3	28.2	125.6	254.0	-	-	-	-	-	(34.8)	-100%
Total Revenues	5,982.0	1,122.6	2,303.2	6,678.3	16,086.1	6,215.5	1,095.4	2,248.1	5,542.8	15,101.7	233.5	4%
Expenditures	UGF	DGF	Other	Federal	FY2026 Total	UGF	DGF	Other	Federal	FY2027 Total	UGF Change	UGF %
Total Operating	5,414.2	978.5	2,028.7	4,293.3	12,714.7	5,223.6	926.5	2,062.8	3,869.6	12,082.5	(190.6)	-4%
Agency Operations	4,771.1	846.4	1,945.3	4,089.2	11,652.0	4,772.0	851.8	1,971.7	3,775.9	11,371.4	0.9	0%
Appropriations	4,771.1	846.4	1,945.3	3,889.2	11,452.0	4,772.0	851.8	1,971.7	3,775.9	11,371.4	0.9	0%
RPLs	-	-	-	200.0	200.0	-	-	-	-	-	-	-
Supplementals	-	-	-	-	-	-	-	-	-	-	-	-
Statewide Operations	643.1	132.1	83.4	204.1	1,062.6	451.6	74.7	91.1	93.6	711.1	(191.5)	-30%
Appropriations	418.5	132.1	83.4	204.1	838.0	451.6	74.7	91.1	93.6	711.1	33.1	8%
RPLs	-	-	-	-	-	-	-	-	-	-	-	-
Supplementals	224.6	-	-	-	224.6	-	-	-	-	-	(224.6)	-100%
Total Capital	229.2	64.6	274.5	2,385.0	2,953.4	156.6	60.2	185.3	1,673.2	2,075.2	(72.6)	-32%
Appropriations	159.1	64.6	274.5	2,381.4	2,879.6	156.6	60.2	185.3	1,673.2	2,075.2	(2.5)	-2%
RPLs	-	-	-	3.6	3.6	-	-	-	-	-	-	-
Supplementals	70.2	-	-	-	70.2	-	-	-	-	-	(70.2)	-100%
Total Appropriations	5,348.7	1,043.1	2,303.2	6,474.7	15,169.7	5,380.2	986.7	2,248.1	5,542.8	14,157.8	31.5	1%
Total Supplementals and RPLs	294.8	-	-	203.6	498.4	-	-	-	-	-	(294.8)	-100%
Total Expenditures	5,643.4	1,043.1	2,303.2	6,678.3	15,668.1	5,380.2	986.7	2,248.1	5,542.8	14,157.8	(263.2)	-5%
Permanent Fund Appropriations	UGF	DGF	Other	Federal	FY2026 Total	UGF	DGF	Other	Federal	FY2027 Total	UGF Change	UGF %
Permanent Fund Appropriations	685.3	79.5	-	-	764.8	2,365.9	108.6	-	-	2,474.5	1,680.6	245%
Fund Transfers	UGF	DGF	Other	Federal	FY2026 Total	UGF	DGF	Other	Federal	FY2027 Total	UGF Change	UGF %
Fund Transfers (non-additive)	(0.9)	34.1	0.2	-	33.4	0.3	27.6	0.2	-	28.2	1.2	-133%
Surplus/(Deficit)	(346.8)	-	-	-	(346.8)	(1,530.6)	-	-	-	(1,530.6)		

Available Reserve Balances (as of 12/11/25)	
Constitutional Budget Reserve*	2,959.0
Statutory Budget Reserve	0.0
Total	2,959.0

Appendix: 10-Year Fiscal Outlook

	Uses of Funds	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
1	Permanent Fund Dividend (PFD)	685.3	2,365.9	2,429.3	2,723.8	2,855.5	2,827.6	2,861.7	2,942.8	3,025.9	3,111.2	3,199.0
2	Per capita PFD (dollars)	1,000	3,650	3,743	4,199	4,399	4,351	4,400	4,524	4,652	4,785	4,922

	Unrestricted General Fund Expenditures	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
3	Total Operating Budget	5,874.9	7,589.5	7,768.0	8,171.8	8,422.1	8,515.0	8,682.1	8,896.0	9,104.2	9,306.2	9,539.6
4	Total Capital Budget	159.1	156.6	160.5	164.5	168.6	172.9	177.2	181.6	186.1	190.8	195.6
5	Total General Fund Appropriations	6,328.7	7,746.1	7,928.6	8,336.4	8,590.8	8,687.8	8,859.2	9,077.6	9,290.3	9,497.0	9,735.2

	Sources of Funds	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
6	Total Revenue	5,982.0	6,215.5	6,337.0	6,488.7	6,684.1	6,936.5	7,194.4	7,451.1	7,645.9	7,831.5	8,157.0
7	New Revenue Measures	0.0	0.0	1,591.6	1,847.6	1,906.6	1,751.3	1,664.9	1,626.6	1,644.4	1,665.5	1,578.1
8	Available Revenue	5,982.0	6,215.5	7,928.6	8,336.3	8,590.7	8,687.8	8,859.3	9,077.7	9,290.3	9,497.0	9,735.1

9	Deposit/(Draw)	(346.8)	(1,530.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	Constitutional Budget Reserve	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
10	CBR Ending Balance	2,884.0	1,510.7	1,565.2	1,587.9	1,607.9	1,627.9	1,647.9	1,668.0	1,687.9	1,708.0	1,727.9