

# **Department of Administration**

## **FY2027 Governor's Budget Overview**

**House Finance Committee**

Stefanie Bingham, Administrative Services Director

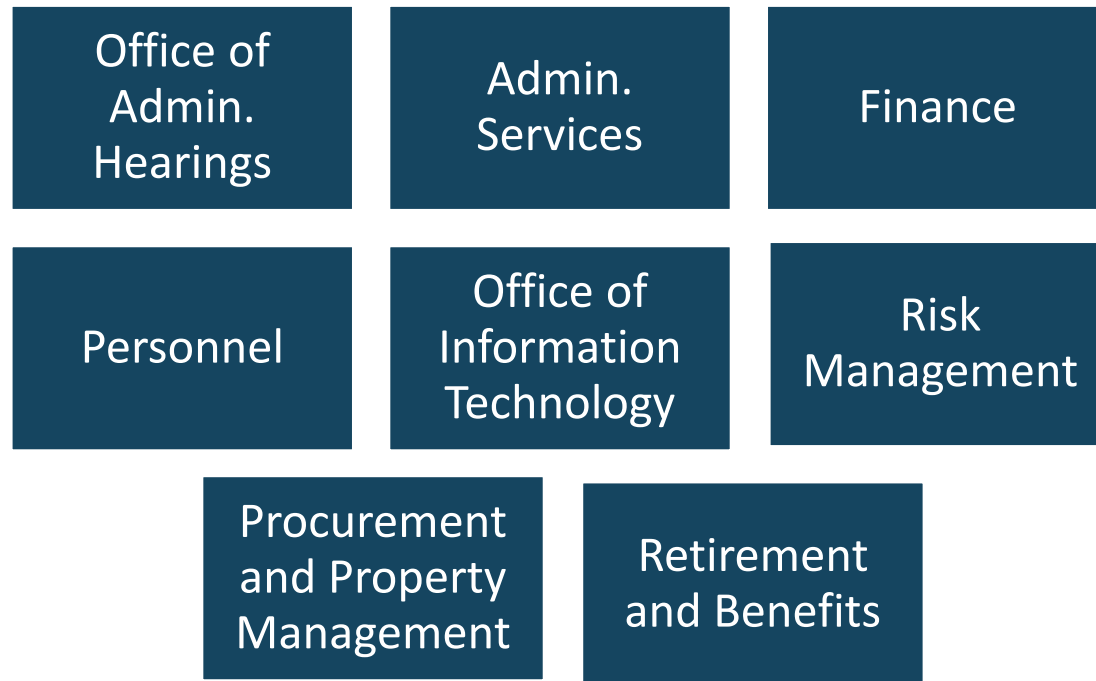
February 2, 2026



# Mission and Organization

**Mission:** Provide consistent and efficient support services to State agencies so that they may better serve Alaskans.

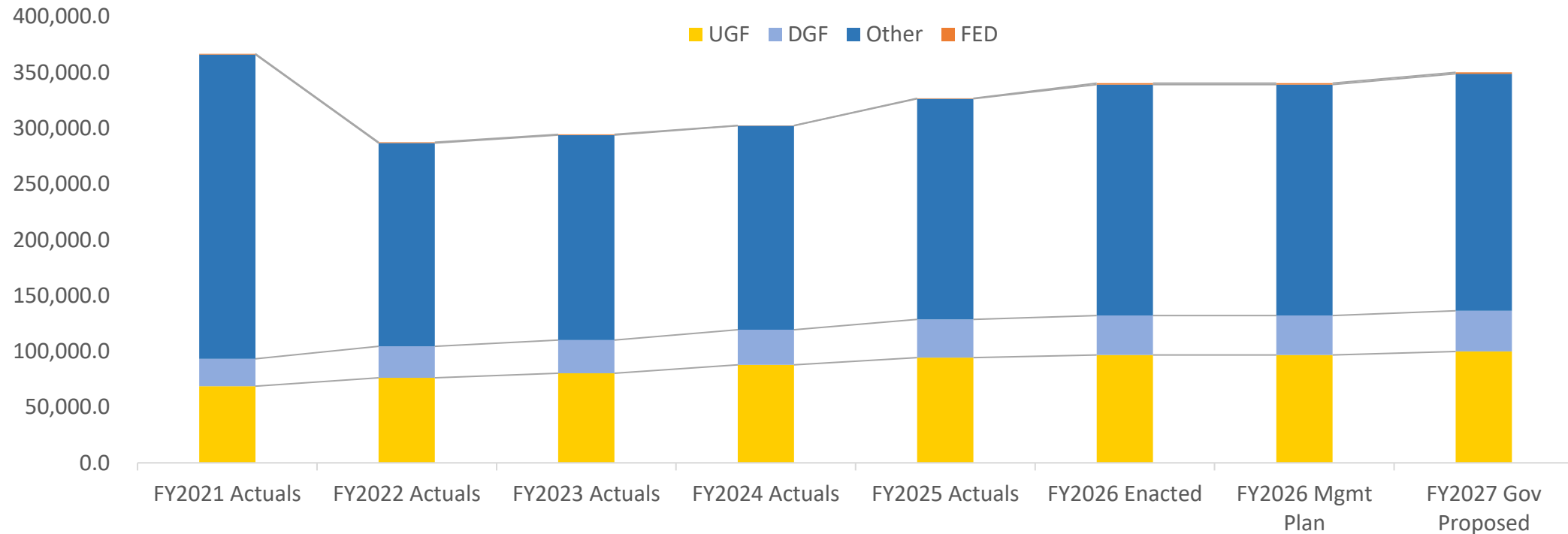
## Services to State Agencies



## Services to the Public



# Historical Budget Comparison

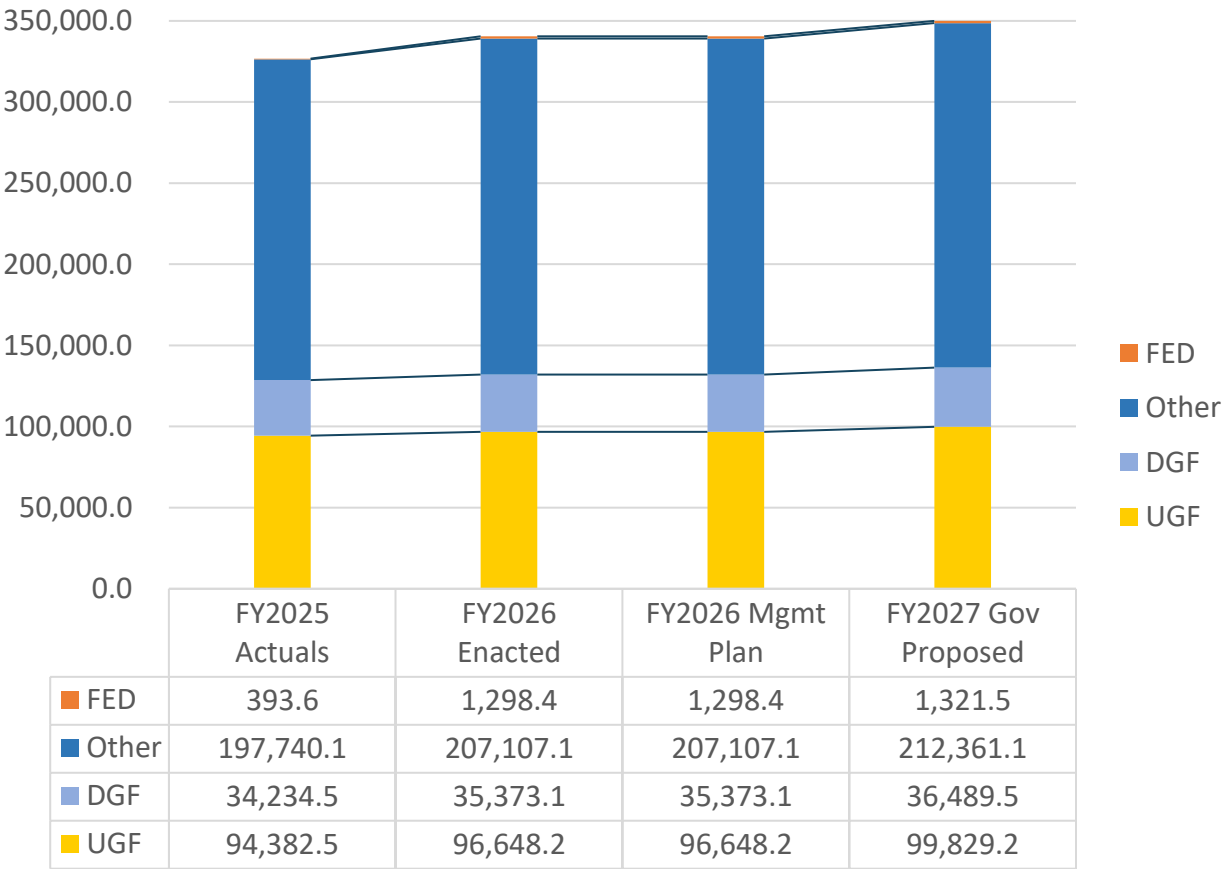
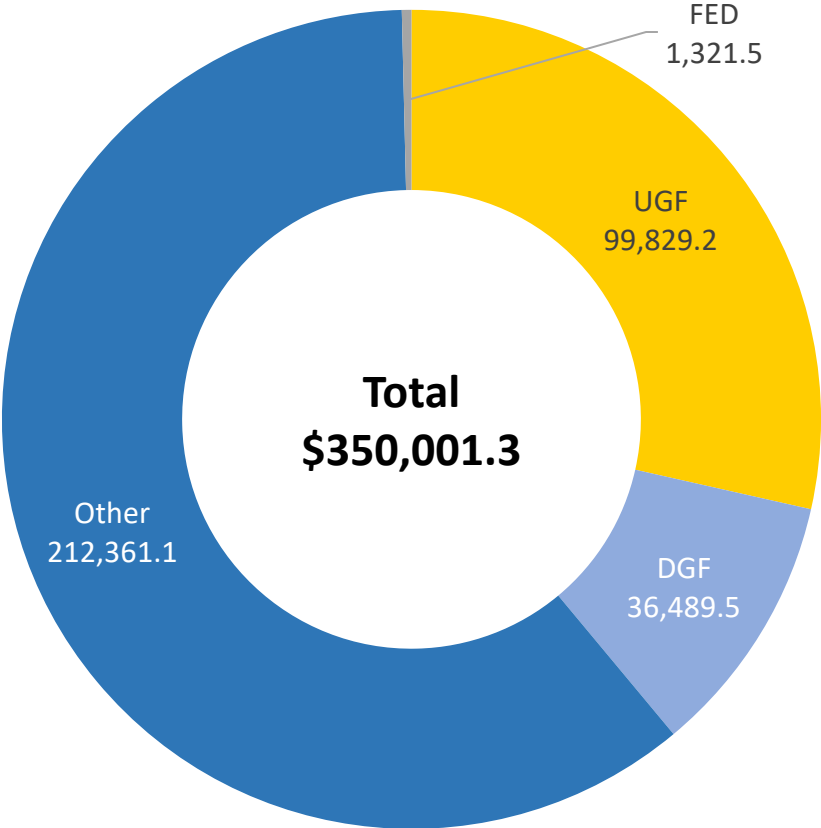


	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Actuals	FY2025 Actuals	FY2026 Enacted	FY2026 Mgmt Plan	FY2027 Gov Proposed
UGF	68,728.0	76,316.0	80,326.3	87,879.2	94,382.5	96,648.2	96,648.2	99,829.2
DGF	24,543.7	28,066.7	29,795.0	31,464.2	34,234.5	35,373.1	35,373.1	36,489.5
Other	272,743.4	182,264.8	183,754.1	182,805.0	197,740.1	207,107.1	207,107.1	212,361.1
FED	744.2	787.0	625.6	419.9	393.6	1,298.4	1,298.4	1,321.5
<b>Grand Total</b>	<b>366,759.3</b>	<b>287,434.5</b>	<b>294,501.0</b>	<b>302,568.3</b>	<b>326,750.7</b>	<b>340,426.8</b>	<b>340,426.8</b>	<b>350,001.3</b>

UGF = Unrestricted General Fund; DGF = Designated General Fund

\$ in thousands

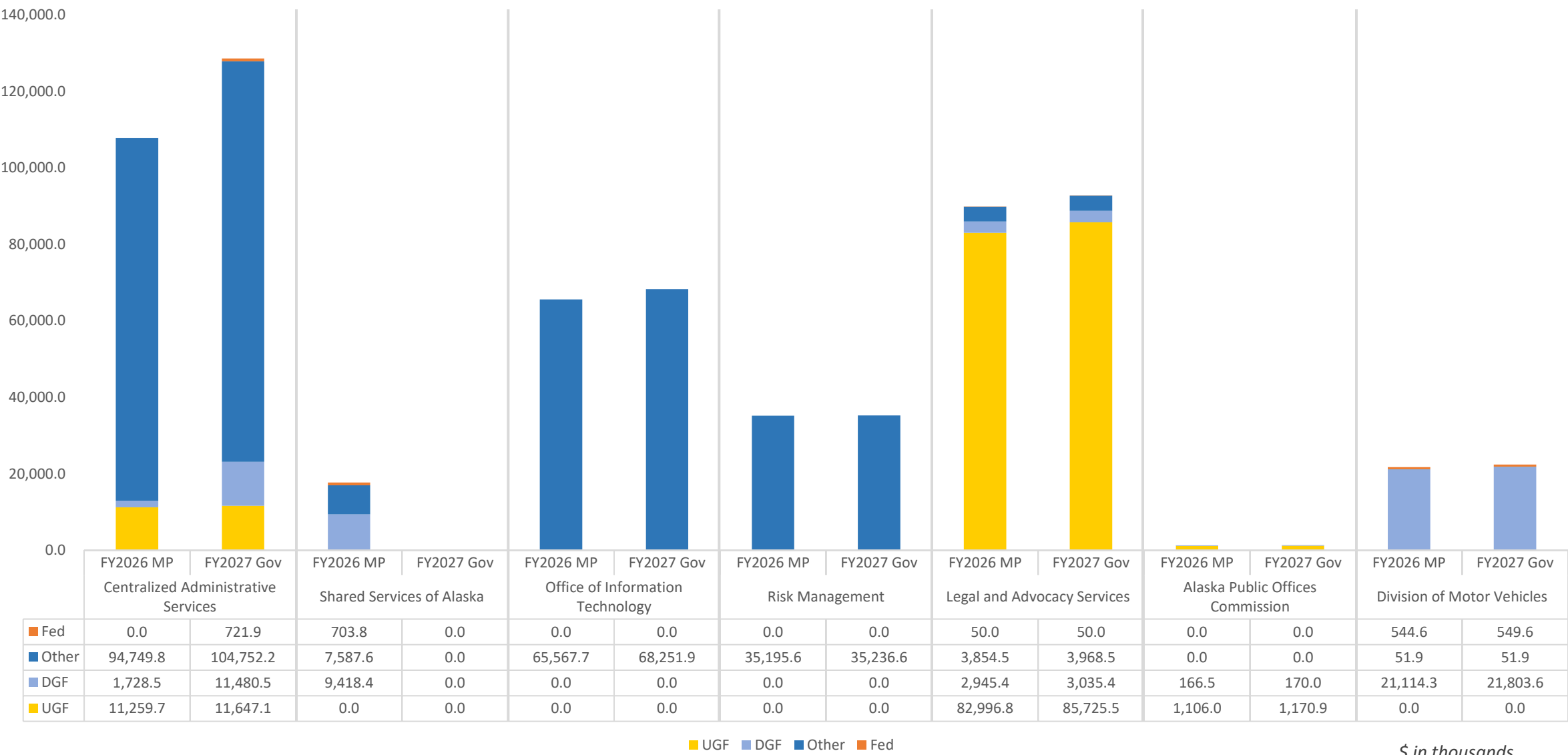
# Total Budget by Fund Group



UGF = Unrestricted General Fund; DGF = Designated General Fund

\$ in thousands

# Overview by Results Delivery Unit



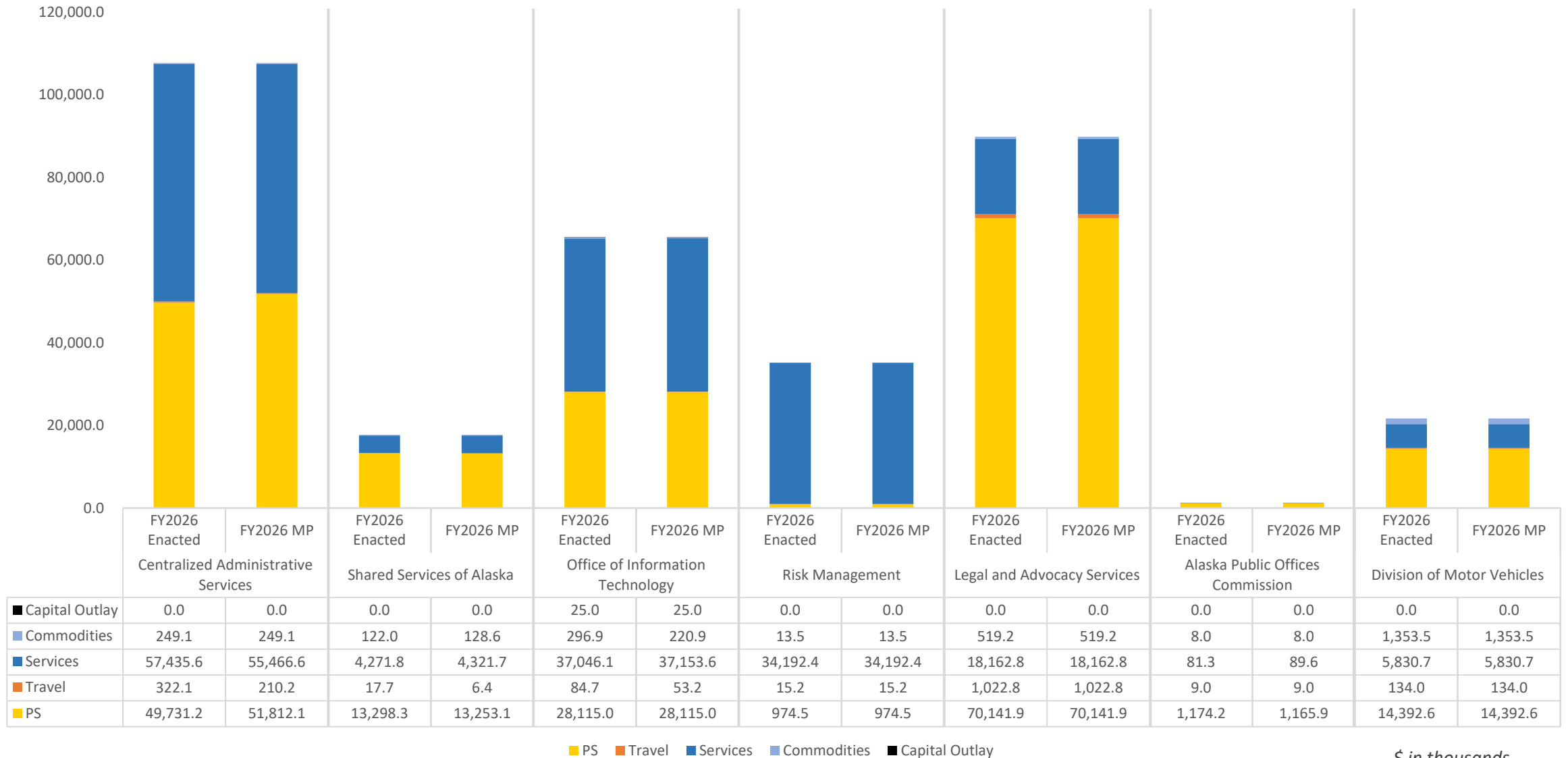
# FY2026 Governor's Requests

Division	FY2026 Governor's Request	Amount (\$ in thousands)	PFT	Fund Source	Type	Impact
Office of Public Advocacy	Add One Administrative Support Position to Help Keep Pace with Expanding Operations +1 PFT Administrative Officer 1	\$143.3	1.0	UGF	Inc	Administrative bottlenecks continue to delay core functions and reduce operational efficiency. The workload is expected to increase further with the transition away from Shared Services of Alaska. This request is not being resubmitted in FY2027 due to the current fiscal environment.
Office of Public Advocacy	Add One Paralegal to Reduce Congestion in Assigning Statewide Cases +1 PFT Paralegal 2	\$128.0	1.0	UGF	Inc	The Office of Public Advocacy continues to rely on a double-filled paralegal position to meet statewide case assignment demands. Limited paralegal capacity constrains timely conflict checks and case assignments and increases operational risk. This request is not being resubmitted in FY2027 due to the current fiscal environment.
Office of Public Advocacy	Add one Attorney 5 to Provide Legal Support and Leadership to the Public Guardian Section	\$242.3	1.0	UGF	Inc	The Public Guardian Section continues to operate without dedicated supervisory legal leadership. Interim oversight is being provided by the Deputy Director, limiting capacity for broader agency management. This request is not being resubmitted in FY2027 due to the current fiscal environment.
Office of Information Technology	Microsoft 365 Copilot Artificial Intelligence (AI) Tools for State Employees	\$732.7	-	UGF	Inc	The limited rollout has resulted in uneven access across departments, with most employees lacking AI tools that could improve productivity and efficiency. Departments continue to self-fund licenses as needed, leading to inconsistent adoption and constrained efficiency gains. The request is not being brought forward again in FY2027 due to fiscal constraints, though broader expansion remains a future consideration.
Office of Information Technology	Artificial Intelligence Projects	\$360.0	-	UGF	IncOTI	AI initiatives identified by departments were not centrally advanced, limiting coordinated implementation of high-value use cases. Projects proposed for FY2026, including payroll support and licensing improvements, did not move forward, and most AI efforts remain department-funded and fragmented. This request is not being brought forward again in FY2027 due to fiscal constraints.
Motor Vehicles	Expand Division of Motor Vehicle Programming and IT Capabilities +1 PFT Analyst Programmer 2/3/4	\$152.5	1.0	DGF	Inc	Programming and IT capacity constraints continue to limit the division's ability to keep pace with required system changes, extending project timelines and placing pressure on the delivery of core motor vehicle services. Without additional capacity, the existing project backlog is expected to persist and grow as new requirements emerge. This position request is not being brought forward in FY2027 as the division is prioritizing the most critical needs within current statewide budget constraints.

# FY2026 Status Report

Division	FY2026 Governor's Request	Amount (\$ in thousands)	PFT	Fund Source	Type	Status
<b>Office of Public Advocacy</b>	Fund Overtime Eligibility for Guardian ad Litem and Public Guardian Positions Working on Child in Need of Aid (CINA) Casework	\$450.0	-	UGF	Inc	Due to a projected deficit in the services line driven by high criminal trial volume, the Office of Public Advocacy (OPA) implemented agency-wide overtime controls early in FY2026. The division has expended approximately \$87.7, representing 135 overtime hours for Guardians ad Litem and 1,015 overtime hours for Public Guardians, as OPA balances workload demands with fiscal constraints.
<b>Public Defender Agency</b>	Contractual Assistance to the Municipality of Anchorage for Municipal Misdemeanor Cases	\$1,571.6	-	Other	Inc	Proceeding as planned and continues to have support to move forward. The Agency is working with the Municipality to finalize minor updates to the existing Memorandum of Agreement to align with standard State contract terms; core services and compensation remain unchanged. Eight (8) attorneys are currently assigned, with additional positions expected to be filled this summer. The unit is increasing trials and dispositions, supporting constitutionally required defense services and helping reduce district court backlogs in Anchorage.
<b>Office of Information Technology</b>	Rising Software and Contract Costs from Increased Usage and Inflation	\$529.0	-	Other	Inc	OIT continues to manage rising licensing and software costs driven by increased usage and inflation through ongoing contract review, careful service prioritization, and long-term lifecycle planning.

# FY2026 Enacted/Management Plan by Line Item





# Recent Accomplishments

- Maintained retirement and benefits operations by compensating employees impacted by the eReporting outage and processing the majority of July 2025 retirements despite vacancies
- Improved statewide customer service, efficiency, and access through coordinated payroll, retirement, personnel, procurement, and surplus property initiatives
- Automated payroll timesheet approvals and digitized adjustments, eliminating manual review of up to 7,500 timesheets per pay period
- Advanced workforce modernization by completing the statewide salary study and implementing competency-based recruitment across eight departments
- Strengthened procurement performance and public resource stewardship through faster reviews, improved customer satisfaction, and record-setting federal surplus property distribution
- Stabilized indigent defense services by reducing attorney vacancies, expanding in-house felony capacity, and sustaining jury trials despite workforce and caseload pressures
- Modernized statewide IT infrastructure by migrating disaster recovery and Oracle systems to the cloud, reducing recovery time from days to minutes

# High-Level FY2027 Budget Changes

## *Department-wide*

- Information Technology Classification Study Implementation, **\$2,093.2 (\$148.2 UGF, \$75.7 DGF, \$1,869.3 Other)**
- Salary and AlaskaCare Rate Adjustments, **\$7,738.1 (\$3,186.9 UGF, \$1,040.7 DGF, \$3,487.4 Other, \$23.1 FED)**

## *Shared Services of Alaska (SSoA)*

- Transfer of positions to other agencies for accounts payable, travel, and expense activities, **-57 PFT**
- Transfer of positions to the Division of Finance for data reporting and collection activities, **-\$10,752.6 (-\$6,619.8 DGF, -\$4,132.8 Other), -24 PFT, -6 NP**
- Deletion of Division Director due to reorganization, **-1 PFT**

*UGF = Unrestricted General Fund; DGF = Designated General Fund; PFT = Permanent Full-time position; NP = Non-permanent position.*

*\$ in thousands*

# High-Level FY2027 Budget Changes

## *Division of Finance*

- Transfer of payroll positions to DOC, DFG, LAW, DMVA, DNR, DPS, and DOT&PF, **-40 PFT**
- Transfer of positions from SSoA for data reporting and collection activities, **\$10,752.6 (\$6,619.8 DGF, \$4,132.8 Other), 24 PFT, 6 NP**
- Transfer of Accountant 4/5 to the Office of the Governor, **-1 PFT**

## *Office of Information Technology*

- Deletion of a long-term vacant Data Communications Specialist 1/2 position, **-\$140.5 Other, -1 PFT**

## *Public Defender Agency*

- MH Trust: Holistic Defense Social Worker (FY27–FY32), **\$119.2 Other**

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*\$ in thousands*

# FY2027 Division Summary by Fund Group

Division	UGF			DGF			Other			FED			Δ Grand Total
	FY26 Mgmt Plan	FY2027 Gov	Δ UGF	FY26 Mgmt Plan	FY2027 Gov	Δ DGF	FY26 Mgmt Plan	FY2027 Gov	Δ Other	FY26 Mgmt Plan	FY2027 Gov	Δ FED	
Office of Administrative Hearings	393.2	408.1	14.9	180.0	180.0	-	3,000.9	3,108.0	107.1	-	-	-	122.0
Office of the Commissioner	6.3	6.3	-	-	-	-	1,406.2	1,465.8	59.6	-	-	-	59.6
Administrative Services	720.7	753.9	33.2	-	-	-	2,377.0	2,465.5	88.5	-	-	-	121.7
Finance	7,091.6	7,387.8	296.2	1,548.5	8,175.1	6,626.6	16,894.0	21,520.3	4,626.3	-	-	-	11,549.1
Personnel	1,107.8	1,135.6	27.8	-	-	-	12,319.5	12,890.0	570.5	-	-	-	598.3
Retirement and Benefits	770.8	786.1	15.3	-	-	-	23,073.3	23,960.9	887.6	-	-	-	902.9
Health Plans Administration	-	-	-	-	-	-	35,678.9	35,678.9	-	-	-	-	-
SSoA-Accounting	-	-	-	6,384.9	-	(6,384.9)	3,983.0	-	(3,983.0)	-	-	-	(10,367.9)
Office of Proc & Property Mgmt	-	-	-	3,033.5	3,125.4	91.9	1,185.6	1,215.9	30.3	703.8	721.9	18.1	140.3
Print Services	-	-	-	-	-	-	2,419.0	2,446.9	27.9	-	-	-	27.9
Office of Information Technology	-	-	-	-	-	-	65,567.7	68,251.9	2,684.2	-	-	-	2,684.2
Risk Management	-	-	-	-	-	-	35,195.6	35,236.6	41.0	-	-	-	41.0
Office of Public Advocacy	40,475.2	41,704.0	1,228.8	2,195.0	2,285.0	90.0	811.6	824.1	12.5	50.0	50.0	-	1,331.3
Public Defender Agency	42,521.6	44,021.5	1,499.9	750.4	750.4	-	3,042.9	3,144.4	101.5	-	-	-	1,601.4
Alaska Public Offices Commission	1,106.0	1,170.9	64.9	166.5	170.0	3.5	-	-	-	-	-	-	68.4
Motor Vehicles	-	-	-	21,114.3	21,803.6	689.3	51.9	51.9	-	544.6	549.6	5.0	694.3

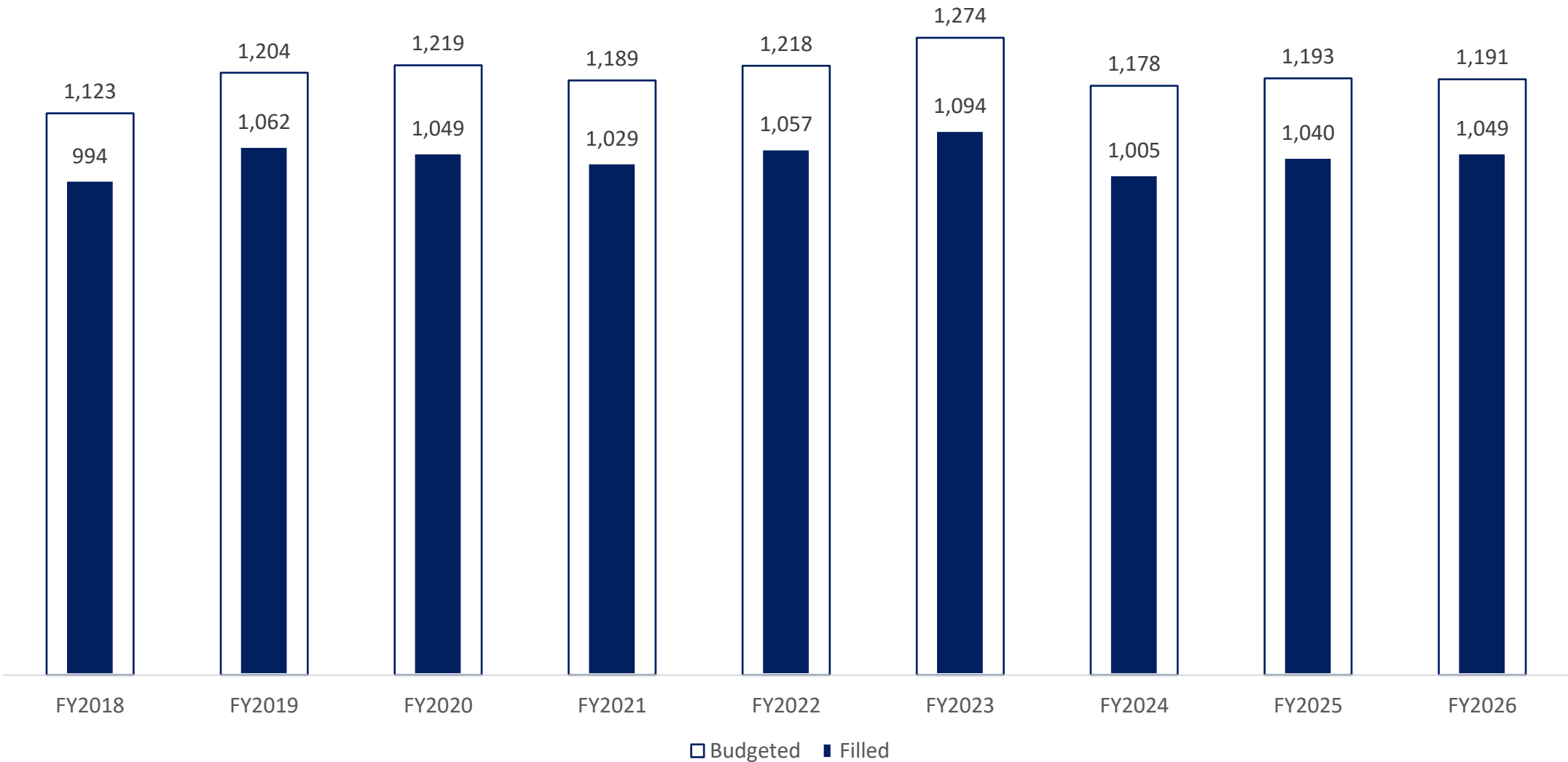
**Note:** Office of Procurement and Property Management and Print Services will move from Shared Services of Alaska RDU to Centralized Administrative Services RDU in FY2027.

Δ (Delta) = Change from the prior year

\$ in thousands

# Historical Department Vacancy

Budgeted vs. Filled Positions



Full-time positions only, data as of 12/15/20XX of each fiscal year

# Vacancy Percentage by RDU

RDU	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Centralized Admin Services	11.1%	12.0%	12.7%	14.2%	11.6%	18.7%	19.0%	18.4%	19.7%
Shared Services of Alaska	17.1%	19.7%	14.5%	24.8%	14.0%	14.9%	6.4%	4.6%	5.6%
Office of Information Technology	19.0%	17.7%	17.5%	19.2%	15.1%	15.6%	22.4%	10.8%	9.6%
Risk Management	0.0%	0.0%	0.0%	25.0%	0.0%	16.7%	0.0%	0.0%	33.3%
Legal & Advocacy Services	5.1%	7.1%	15.4%	6.4%	9.9%	8.2%	12.0%	12.9%	7.2%
Alaska Public Offices Commission	12.5%	0.0%	12.5%	12.5%	22.2%	22.2%	33.3%	11.1%	33.3%
Division of Motor Vehicles	11.6%	6.8%	7.1%	9.2%	22.3%	13.9%	8.4%	7.6%	10.4%
<b>Total</b>	<b>10.9%</b>	<b>9.0%</b>	<b>11.4%</b>	<b>15.9%</b>	<b>13.6%</b>	<b>15.7%</b>	<b>14.5%</b>	<b>9.3%</b>	<b>17.0%</b>

*Full-time positions only, data as of 12/15/20XX of each fiscal year*

# Vacancy Percentage by Component

Component	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Administrative Hearings	6.3%	18.8%	18.8%	18.8%	6.7%	6.7%	6.7%	26.7%	6.7%
Office of the Commissioner	33.3%	60.0%	0.0%	0.0%	16.7%	28.6%	42.9%	42.9%	28.6%
Administrative Services	7.1%	5.9%	20.0%	8.3%	9.1%	27.3%	23.1%	5.6%	18.8%
Finance	15.9%	20.0%	16.0%	8.2%	18.7%	25.6%	31.7%	32.0%	23.6%
Personnel	12.6%	10.2%	8.5%	21.7%	9.3%	9.1%	4.1%	5.3%	19.7%
Retirement and Benefits	7.7%	7.6%	13.6%	10.5%	7.4%	16.4%	13.9%	12.1%	16.9%
Shared Services of Alaska	17.1%	19.7%	14.5%	24.8%	14.0%	14.9%	6.4%	4.6%	5.6%
Office of Information Technology	19.0%	17.7%	17.5%	19.2%	15.1%	15.6%	22.4%	10.8%	9.6%
Risk Management	0.0%	0.0%	0.0%	25.0%	0.0%	16.7%	0.0%	0.0%	33.3%
Office of Public Advocacy	3.1%	5.7%	13.3%	5.6%	4.9%	5.6%	11.9%	13.2%	4.9%
Public Defender Agency	6.5%	8.1%	17.0%	7.1%	14.1%	10.2%	12.0%	12.7%	9.0%
Alaska Public Offices Comm	12.5%	0.0%	12.5%	12.5%	22.2%	22.2%	33.3%	11.1%	33.3%
Motor Vehicles	11.6%	6.8%	7.1%	9.2%	22.3%	13.9%	8.4%	7.6%	10.4%
<b>Total</b>	<b>11.7%</b>	<b>13.9%</b>	<b>12.2%</b>	<b>13.1%</b>	<b>12.3%</b>	<b>16.4%</b>	<b>16.7%</b>	<b>14.2%</b>	<b>17.0%</b>

*Full-time positions only, data as of 12/15/20XX of each fiscal year*

# Contact Information

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