



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Office of the Governor

OFFICE OF MANAGEMENT AND BUDGET
Lacey Sanders, Director

Court Plaza Building
240 Main Street, Suite 801
Juneau, Alaska 99811-0020
Main: 907.465.4660
Fax: 907.465.2090

February 3, 2026

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

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

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

Dear Co-Chairs Foster, Josephson, and Schrage,

Thank you for inviting the Office of Management and Budget (OMB) to present an overview of the Governor's FY2027 Budget to the House Finance Committee on January 23, 2026. This letter completes the responses to questions and requests for follow-up information from this hearing. All of the dollar figures presented in this document are in thousands unless otherwise noted.

1. Regarding the West Coast Storm and the Disaster Relief Fund, provide the best possible accounting of what the federal government has paid and not paid including which departments have incurred costs.

At this point in the recovery process, a complete accounting of what the federal government has paid versus not paid is not yet available. This is due to the required federal process for developing projects and requesting reimbursement. All dollar figures reflected in this response are in whole dollars.

To date, the State has not received any federal reimbursement funds for this disaster. The Federal Emergency Management Agency (FEMA) has obligated \$4,581,175 (federal share). An obligation reflects FEMA approval of eligible work but does not mean funds have been paid. The FEMA has estimated the projected lifetime cost of the disaster at approximately \$97,348,000, which will continue to change as projects are developed and reviewed.

Multiple State departments incurred emergency response costs during the disaster. The Alaska Division of Homeland Security and Emergency Management (DHS&EM) is currently working with each department to compile and validate estimated emergency response costs. These figures are preliminary and remain subject to the FEMA's eligibility review. Note, additional departments may be added as cost information is finalized.

Estimated Emergency Response Costs (Preliminary):

- Department of Environmental Conservation (DEC): \$100,000
- Department of Transportation & Public Facilities (DOT&PF): \$500,000
- Department of Military and Veterans Affairs (DMVA): \$15,000,000
- Department of Health (DOH): \$50,000
- Department of Public Safety (DPS): \$113,236.29
- Department of Natural Resources (DNR): \$3,000,000

Federal reimbursement is not provided upfront. Departments first identify and document disaster-related costs. Those costs are then developed into projects by the DHS&EM in coordination with FEMA. The FEMA reviews each project and determines eligibility. Once a project is approved and obligated, the State pays the department and then draws down federal funds for reimbursement.

Since this process is still underway, it is not yet possible to determine which specific costs will ultimately be reimbursed by the federal government and which will remain State-funded.

This overview does not include permanent repair or long-term recovery projects.

Permanent work must be separately identified, approved, and completed before reimbursement can occur, and those costs are typically realized over multiple years.

2. What is the difference between a five-year average and a 10-year average for the Disaster Relief Fund?

The attached document titled *DRF summary (5 and 10 year average) October.pdf* shows a comparison between a five-year and 10-year average of the Department of Military and Veterans' Affairs (DMVA) original calculation back in October 2025. However, this past week, the DMVA identified two errors in this spreadsheet. First, it was calculating the 10-year average wrong. It was dividing the total by 8.5 years instead of 10. Second, it was counting 11 years, not 10.

The original number was:

- Five-year (July 2022 to October 2026) - \$22,318,436.60
- 10-year (July 2016 to October 2026) - \$23,353,830.71

The amounts should have been:

- Five-year (July 2022 to October 2026) - \$22,318,436.60
- 10-year (July 2017 to October 2026) - \$19,150,756.10

The attached document titled *DRF summary (5 and 10 year average) January.pdf* calculates both what the five-year and 10-year averages would have been last year, but also what that number would be now that there is more information from Typhoon Halong (the West Coast Storm).

FY2025

- Five-year (July 2021 to December 2025) - \$23,818,436.60
- 10-year (July 2016 to December 2025) - \$19,350,756.10

FY2026 (with up to date data for Typhoon Halong)

- Five-year (July 2022 to December 2026) - \$27,118,436.60
- 10-year (July 2017 to December 2026) - \$21,550,756.10

An important note to emphasize is that these numbers are likely to change, especially if the Typhoon Halong disaster goes 90 percent federal, 10 percent State.

3. For the Body-worn and In-Car Camera Operations and Equipment operating request, how many officers and cars will this be for?

The Department of Public Safety (DPS) operating request of \$1,303.0 supports a total inventory of 374 in-car camera systems and 637 body worn cameras. As of today, 274 in-car camera systems are installed in commissioned officer vehicles. For body worn cameras, 427 devices are currently issued to commissioned officers, including Alaska State Troopers and Village Public Safety Officers, with an additional 107 in the process of being deployed and 103 held in reserve. The DPS maintains the reserve of in-car and body-worn cameras to replace damaged equipment and to allow cameras to be re-assigned as vehicles and officer assignments change.

4. On the Statewide Guardrail and Roadside Hardware Repair operating request, the Legislative Finance Division reports that this appropriation would draw more than what will be available in Motor Fuel Tax. Provide additional details on this.

The Department of Transportation and Public Facilities' (DOT&PF) calculation of available revenue includes motor fuel tax collected under the surcharge (AS 43.40.005), as

well as the tax on transfers and consumption (AS 43.40.010), both of which are still classified as motor fuel taxes. Based on the calculation, this would reflect \$43.7 million available in FY2025 and a projection of \$42.3 million for FY2026, which is well over the \$39.8 million requested in the proposed FY2027 budget for the DOT&PF.

Furthermore, the statutes for Motor Fuel Tax (AS 43.40.005-007) creates and suggests how to appropriate the surcharge but acknowledges that it does not create a dedicated fund, meaning it can be appropriated for other purposes.

5. Why is funding for genetic testing of Western Alaska salmon not included in the proposed FY2027 budget? Also, when will the results of the Western Alaska salmon genetics study be released?

The Alaska Department of Fish and Game (ADF&G) has numerous projects involving Western Alaska / Arctic-Yukon-Kuskokwim (AYK) salmon, including genetics studies. The attached document titled *ADFG Response SFIN Subcom AYK Chinook Salmon Funding 04.14.25.pdf* is a comprehensive list that was provided to the Fish and Game Senate Finance Subcommittee last year summarizing funding for AYK salmon projects and assessments – many of which are still ongoing. Another project that is not listed in the attachment is an ongoing genomics project on Western Alaska chum salmon with the Ted Stevens Marine Research Institute funded by the Arctic-Yukon-Kuskokwim Sustainable Salmon Initiative (AYK SSI). In response to salmon declines, the Bering Sea Fishermen's Association and some regional Native organizations joined with State and federal agencies to create the AYK SSI, which is a proactive science-based program working cooperatively to identify and address the critical salmon research needs facing this region.

The Governor's proposed FY2027 budget includes continued funding for two ADF&G capital budget requests: 1) the Alaska Marine Salmon program (\$825.0 UGF) and 2) the Gulf of Alaska Chinook salmon genetics project (\$3,300.0 UGF). Both capital requests include work and research related to AYK salmon, and additional details can be found in the attached response.

Recent results from the Genetic Stock Composition of Chum Salmon Harvested in Commercial Salmon Fisheries of the South Alaska Peninsula project are currently available online and can be found in an executive summary [here](#) (<https://www.adfg.alaska.gov/static/regulations/procurement/pdfs/2025-2026/akpen/RIR.5J.2025.06.pdf>) with the full results found [here](#) ([adfg.alaska.gov/static/regulations/procurement/pdfs/2025-2026/akpen/FDS25-63.pdf](https://www.adfg.alaska.gov/static/regulations/procurement/pdfs/2025-2026/akpen/FDS25-63.pdf)). In addition, results from the first year (2025) of the Genetic Stock Composition of Chinook Salmon Harvested in Commercial Salmon Fisheries of the South Alaska Peninsula project are being analyzed and will be available by the end of January. This information will be presented to the Board of Fisheries at its upcoming Alaska Peninsula / Aleutian Island / Chignik Finfish meeting February 18-24, 2026, enabling informed stakeholder participation and board deliberations.

6. Provide a breakdown of what the Department of Transportation and Public Facilities (DOT&PF) is planning and preparing to do for maintenance on the Dalton Highway. What projects are underway and what projects are planned for the future?

The following are the 2026 Preventative Maintenance anticipated maintenance and operations projects for the Dalton Highway:

- Calcium application Dalton 0-415, Elliott 73-150
- HMA patching Elliott 28-73, Dalton 37-50, Dalton 175-209, Dalton 362-415
- Highfloat Dalton 338-345
- Highfloat patching Dalton 90-175
- Surface course aggregate placement Dalton 50-67
- Surface course aggregate placement Dalton 224-239
- Surface course aggregate placement Dalton 320-325
- Surface course aggregate placement Dalton 345-356
- Surface course aggregate placement Dalton 0-9
- Surface course aggregate placement Dalton 9-18 (this is lowest priority)

The following table shows the upcoming State Transportation Improvement Program (STIP) Projects.

Project Name	STIP ID	Est. Cost (\$ Millions)	CY	FY	Remarks
Dalton Highway MP 0-9 Reconstruction	22453	140	2029	2029	
Dalton Highway MP 109-144 Reconstruction (Parent, construction 135-144)	22452	41	2031	2031	Douglas Creek Bridge replacement
Dalton Highway MP 109-144 Reconstruction (Stage 1, construction 120-135)	30270	54	2027	2027	
Dalton Highway MP 109-144 Reconstruction (Stage 2, construction 109-120)	30276	54	2029	2029	
Dalton Highway MP 190 Hammond River Bridge Replacement	33240	12.5	TBD	2029	
Dalton Highway MP 305-335 Reconstruction (Parent, construction 327-335)	30281	25	2030	2030	Dan Creek Bridge replacement

Project Name	STIP ID	Est. Cost (\$ Millions)	CY	FY	Remarks
Dalton Highway MP 305-335 Reconstruction (Stage 2, construction 324-327)	22475	38	2029	2029	
Dalton Highway MP 305-335 Reconstruction (Stage 1, construction 305-324)	22475	30	2028	2027	
Dalton Highway MP 315.5 Permanent Repairs	N/A - ER	1.9	2026	2026	
Elliott Highway MP 12-18 Rehab	33600	17.8	2028	2028	

(MP = Milepost; M = Millions; CY = Current Year; FY = Fiscal Year; ER = Emergency Response)

The following tables show the upcoming Heavy Maintenance Projects.

Vegetation Management

Road	Begin MP	End MP	Length (Miles)	Width (ft)	Acres	Estimated Cost/Acre	Total Cost (whole \$)
Elliott Highway	28	43	15	30	54.5	\$6,500	\$354,545
Elliott Highway	63	72	9	30	32.7	\$6,500	\$212,727
Dalton Highway	0	18	18	30	65.5	\$6,500	\$425,455
Dalton Highway	78	90	12	30	43.6	\$6,500	\$283,636
Dalton Highway	104	115	11	30	40.0	\$6,500	\$260,000
Total							\$1,536,363

Culvert Repair/Replacement

Road	Begin MP	End MP	Number of Culverts	Average Replacement (whole \$)	Total Cost (whole \$)
Dalton Highway	80	86	12	\$75,000	\$900,000
Total					\$900,000

Guardrail Repairs/Replacement

Road	Begin MP	End MP	Length (Ft)	Total Cost (whole \$)
Dalton Highway (SF Koyukuk Hill)	156	156.5	3325	\$665,000
Dalton Highway (Ice cut)	325	325.5	2628	\$620,000
Total				\$1,285,000

7. Do we have a list of the projects the deferred maintenance funding would cover? How many projects does \$26 million get us to?

Annually, State agencies submit up to 10 high-priority deferred maintenance projects to the State Facilities Council, which reviews and prioritizes the most urgent needs across agencies. The State Facilities Council typically meets in March through June each year to score the projects, with a goal to submit a prioritized list to the Office of Management and Budget (OMB) by July for implementation at the start of the fiscal year. The prioritized list of projects for the FY2027 appropriation is not yet available.

In FY2025, the Statewide Deferred Maintenance appropriation was \$28.2 million. The initial allocation of \$22.58 million funded 40 projects. These projects are shown in the attached document titled *FY2025 State Deferred Maintenance Prioritizations Final Allocations.pdf*. The remaining funds were held for emergent needs identified throughout the fiscal year.

In FY2026, the Statewide Deferred Maintenance appropriation was \$20.0 million. At the start of the fiscal year, the OMB completed a fund balance reconciliation on the Alaska Capital Income Fund with the Department of Administration's Division of Finance assistance. Prior year capital appropriations utilized the fund balance, leaving approximately \$1.2 million available for the FY2026 Statewide Deferred Maintenance projects (see document titled *FY2026 Statewide Deferred Maintenance Facilities Council Prioritizations.pdf*). This funding is being used to address emergent needs in FY2026.

8. Where is the Fairbanks Pioneer Home on the maintenance list?

In December 2024, in response to legislative intent language, the Department of Family and Community Services' (DFCS) provided the below plan and timeline for the renovation and replacement of the Fairbanks Pioneer Home.

Two approaches were analyzed by the DFCS along with the architect who completed the plans; either remodel the existing Fairbanks Pioneer Home or replace the home with a new building.

Remodel:

- Cost Estimate: \$151,499.2
- Size: 92,400 square feet
- Timeline: 10 Years
- Requires new outbuilding to be built to facilitate the five phases required to move entire neighborhoods during the remodel.

Replacement:

- Cost Estimate: \$127,668.7

- Size: 89,780 square feet
- Timeline: 2.5 Years

Replacement of the 55-year-old Fairbanks Pioneer Home was the preferred option. It could be built quicker, cost less, and would not negatively impact the residents of the home through multiple moves.

The DFCS did not include any projects for the Fairbanks Pioneer Home on their submission to the State Facilities Council for FY2026 statewide deferred maintenance funding. Finally, the last year there was funding directly to the Fairbanks Pioneer Home was in FY2015.

Please contact my office if you have further questions.

Sincerely,

Lacey Sanders

Lacey Sanders
Director

Enclosures: DRF summary (5 and 10 year average) October
DRF summary (5 and 10 year average) January
ADFG Response SFIN Subcom AYK Chinook Salmon Funding 04.14.25
FY2025 State Deferred Maintenance Prioritizations Final Allocations
FY2026 Statewide Deferred Maintenance Facilities Council Prioritizations

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