

House Finance Subcommittee

FY2027 Budget Overview

Randy Bates, Commissioner
Megan Kohler, Administrative Services Director
February 12, 2026

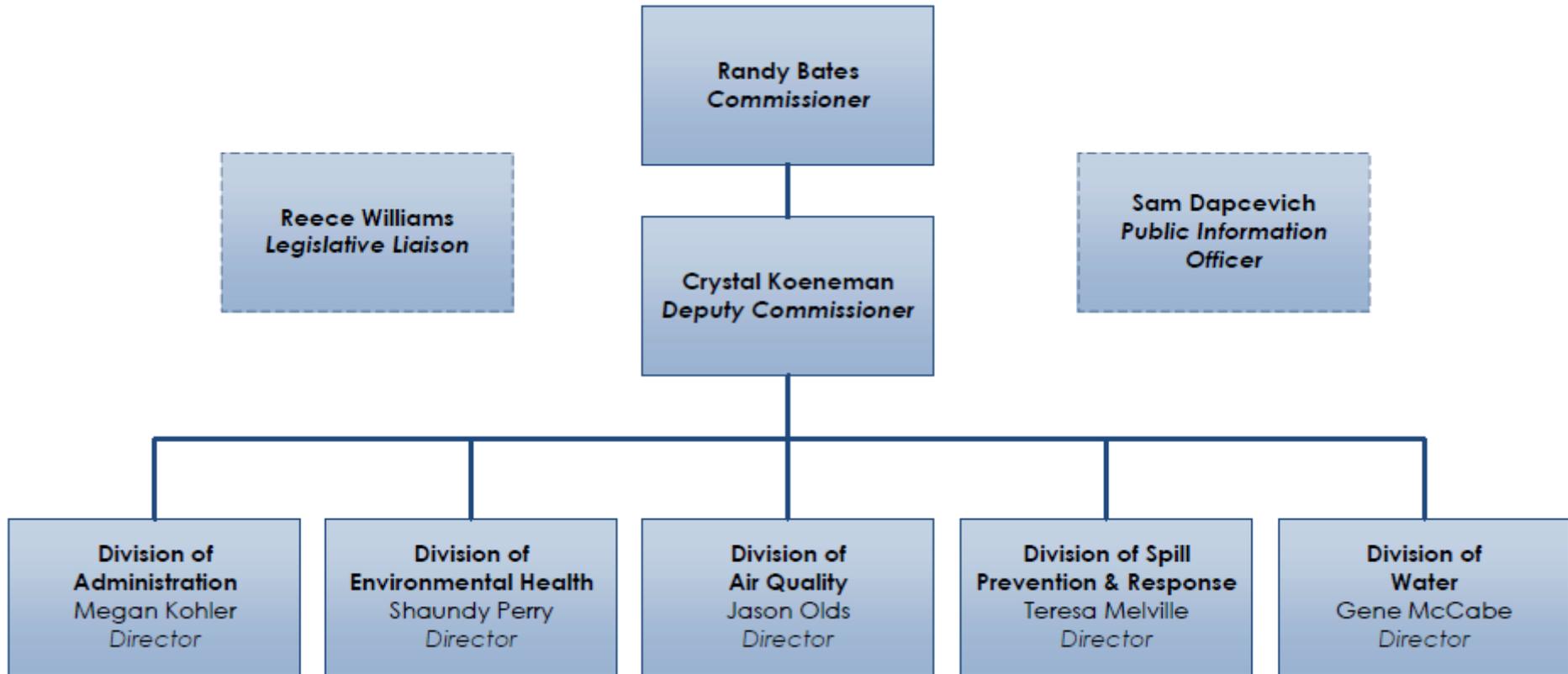


DEC's Mission

Conserving, improving, and protecting Alaska's natural resources and environment to enhance the health, safety, and economic and social well-being of Alaskans.



DEC's Leadership



Air Quality

- Permit industrial air emissions
- Monitor & assess air quality
- Address small & mobile air pollution sources
- Conduct inspections & ensure compliance

Water

- Permit water discharges
- Oversee water quality standards, assessment & restoration
- Provide technical assistance
- Finance sanitation improvements
- Conduct inspections & ensure compliance

Environmental Health

- Ensure safe food & drinking water
- Oversee landfills & pesticide applicators
- Provide animal care & importation standards
- Conduct analytical testing
- Conduct inspections & ensure compliance

Spill Prevention & Response

- Respond to spills
- Require spill prevention & response plans
- Evaluate response drills
- Manage cleanup of contamination
- Conduct inspections & ensure compliance



FY2026 Mid-Year Accomplishments



- Fairbanks PM_{2.5} State Implementation Plan
- Home Heating Oil Tank Response Funding
- West Coast Storm and Emergency Response



FY2026 Enacted Budget Changes

(\$ in thousands)

Line	Division	Change Record Title	Fund Source	Amount
1	Administration	Add Authority to Adhere to Alaska Statute 37.07.020(e)	Inter-Agency Receipts (1007)	\$3,000.0
2	Facilities Operations and Maintenance State Owned	Maintain Environmental Health Lab Operations	Unrestricted General Funds (1004)	\$45.0
3	Water	Align Receipt Authority	General Fund Program Receipts (1005), Statutory Designated Program Receipts (1108), AK LNG Inter-Agency Receipts (1236)	\$0.0
4	Environmental Health	Increased Cost for Shellfish Testing Supplies	Unrestricted General Funds (1004)	\$40.0



FY2027 Governor's Proposed Budget

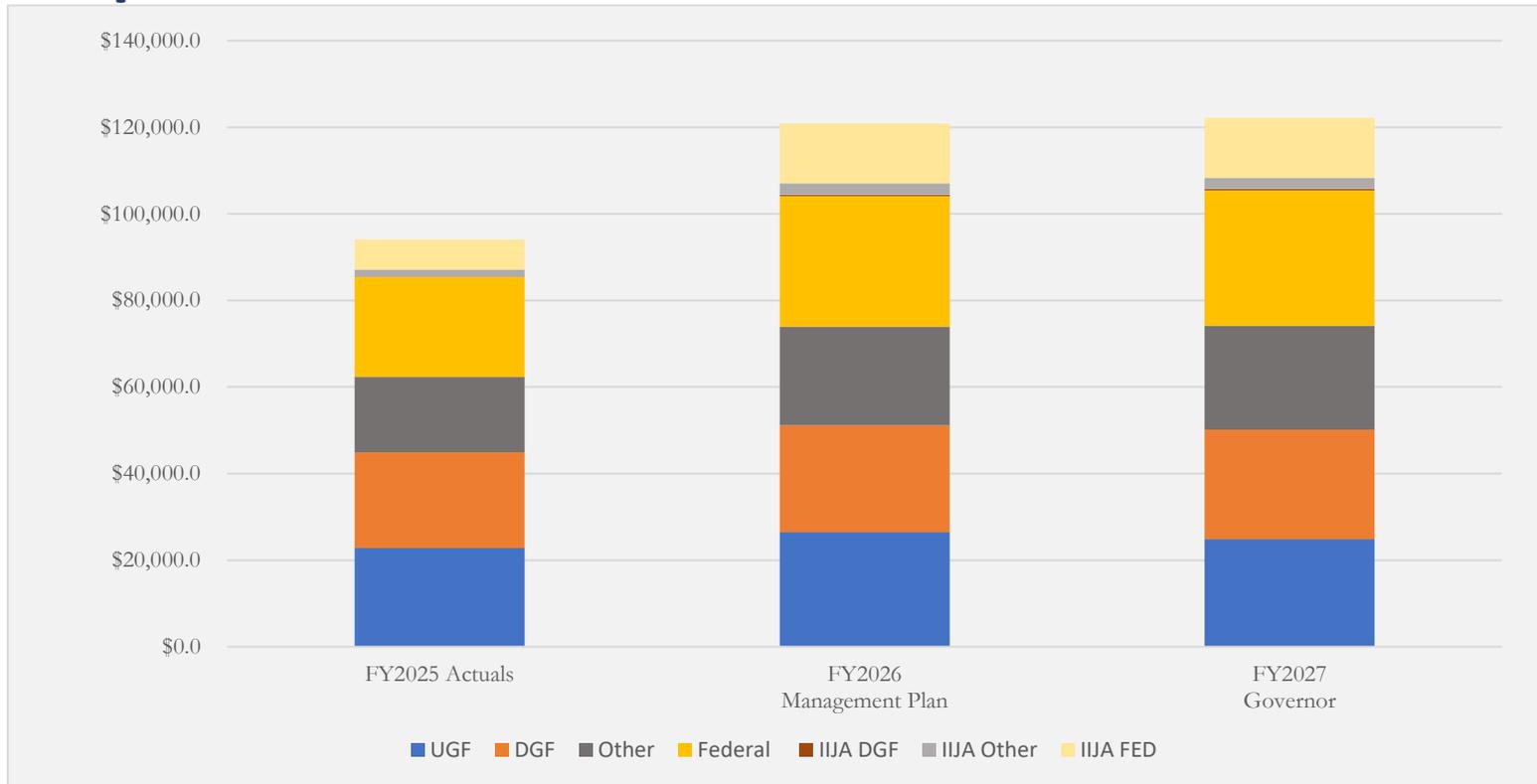
(\$ in thousands)

Line	Division	Change Record Title	Fund Source	Amount
1	Administration	Realign Authority with Federally Approved Indirect Cost Rate	Various (No UGF Increase)	\$0.0
2	Administration, Environmental Health, Spill Prevention and Response, and Water	Information Technology Classification Study Implementation	Various	\$395.2
3	Environmental Health	Restructure Facilities Operations and Maintenance State Owned to Environmental Health	None	\$0.0
4	Administration	Transfer One Position from Department of Administration for Accounts Payable and Travel	None	\$0.0



DEC FY2027 Operating Budget:

Department Overview (\$ in thousands)

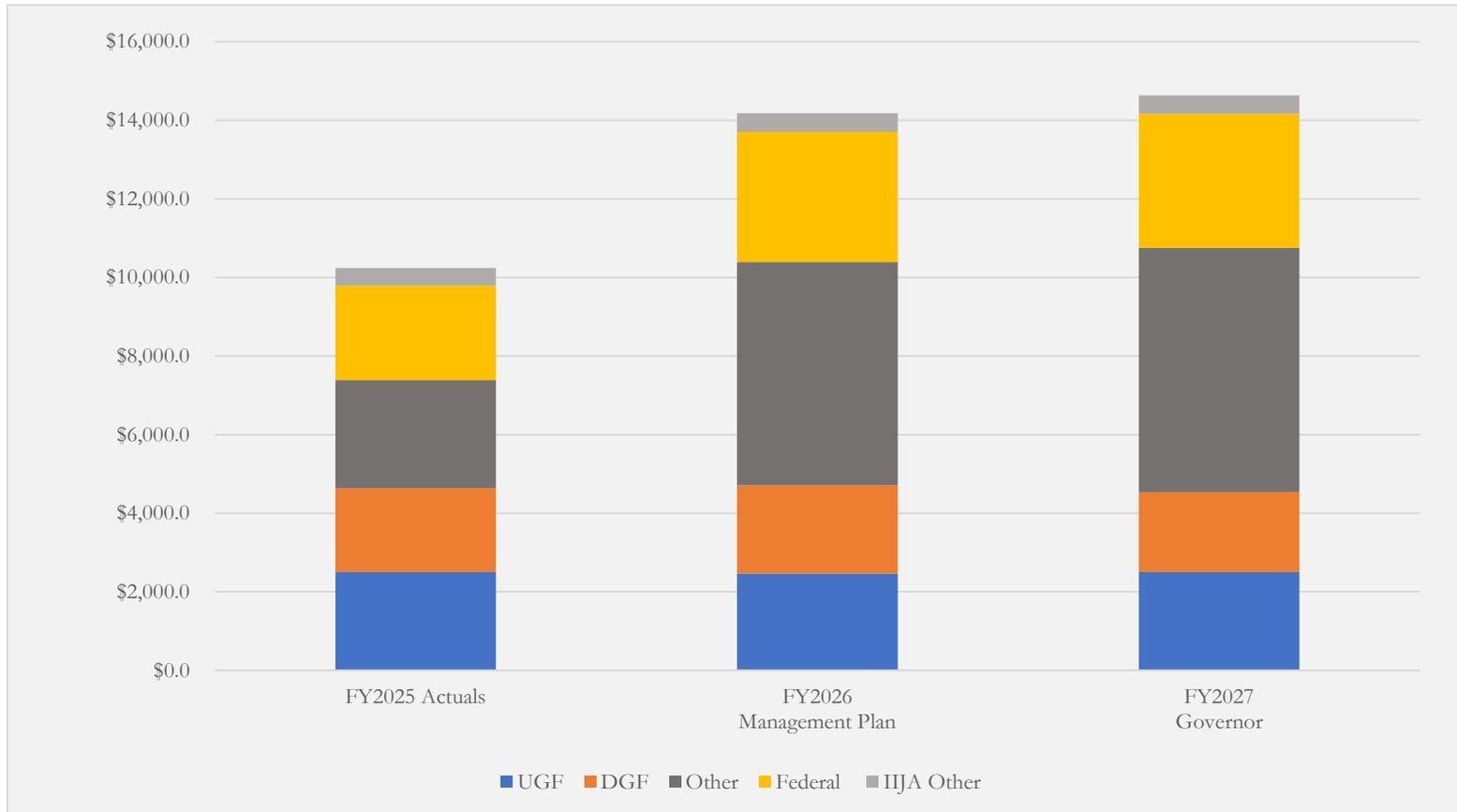


	FY2025 Actuals	FY2026 Management Plan	FY2027 Governor	Difference FY26 and FY27	% Difference FY26 and FY27
UGF	\$22,815.3	\$26,473.4	\$24,849.7	(\$1,623.7)	-6.1%
DGF	\$22,093.4	\$24,638.5	\$25,287.5	\$649.0	2.6%
IIJA DGF	\$35.2	\$250.0	\$250.0	\$0.0	0.0%
Other	\$17,452.4	\$22,842.9	\$24,035.9	\$1,193.0	5.2%
IIJA Other	\$1,680.0	\$2,668.8	\$2,668.8	\$0.0	0.0%
Federal	\$23,087.9	\$30,152.9	\$31,247.5	\$1,094.6	3.6%
IIJA FED	\$6,908.9	\$13,828.6	\$13,828.6	\$0.0	0.0%
Total	\$94,073.1	\$120,855.1	\$122,168.0	\$1,312.9	1.1%



DEC FY2027 Operating Budget:

Division of Administration (\$ in thousands)

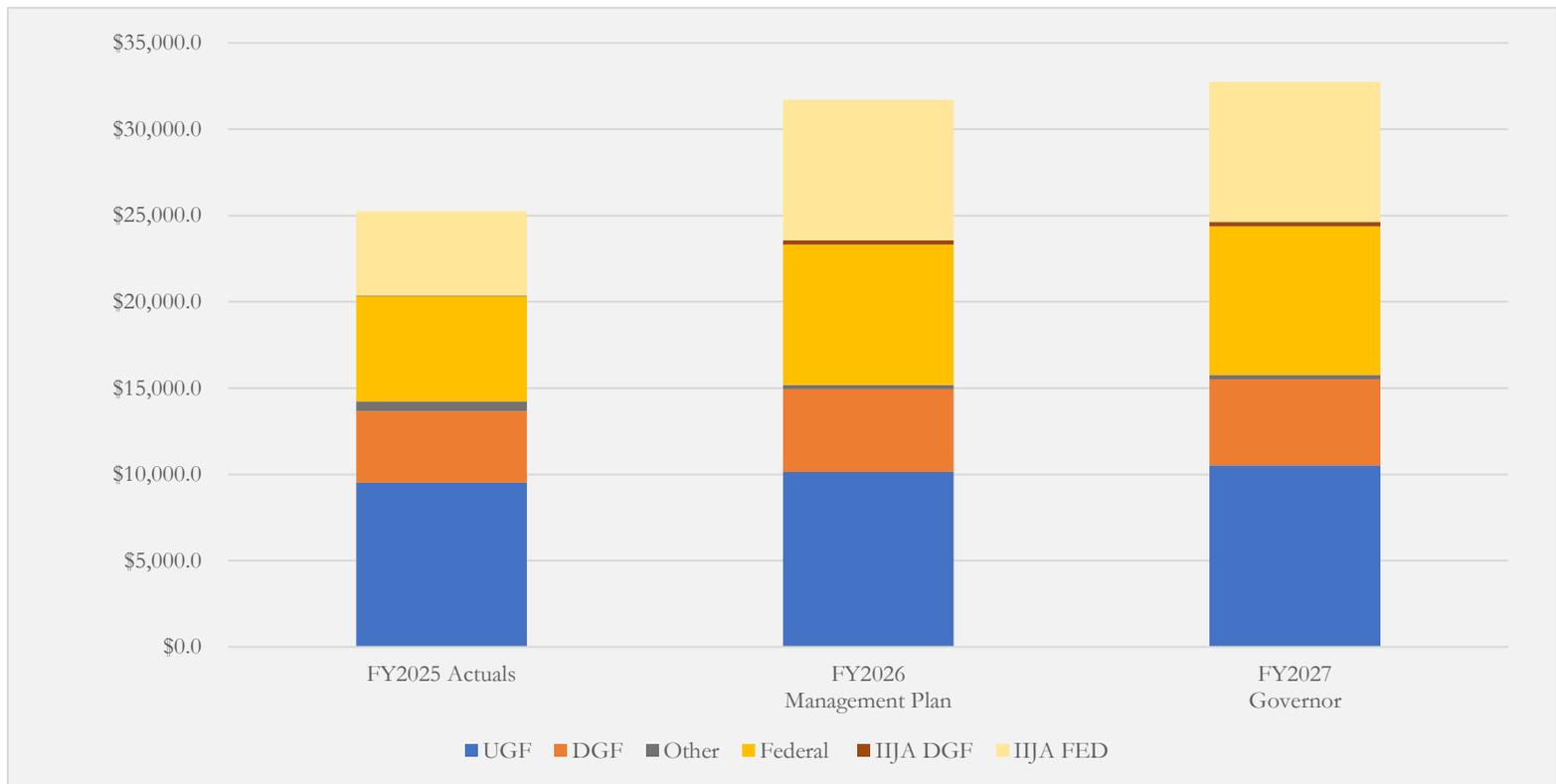


	FY2025 Actuals	FY2026 Management Plan	FY2027 Governor	Difference FY26 and FY27	% Difference FY26 and FY27
UGF	\$2,505.2	\$2,462.7	\$2,503.3	\$40.6	1.6%
DGF	\$2,127.9	\$2,246.2	\$2,035.6	(\$210.6)	-9.4%
Other	\$2,758.4	\$5,684.0	\$6,216.3	\$532.3	9.4%
IIJA Other	\$444.1	\$471.7	\$471.7	\$0.0	0.0%
Federal	\$2,402.7	\$3,312.7	\$3,407.6	\$94.9	2.9%
Total	\$10,238.3	\$14,177.3	\$14,634.5	\$457.2	3.2%



DEC FY2027 Operating Budget:

Division of Environmental Health* (\$ in thousands)



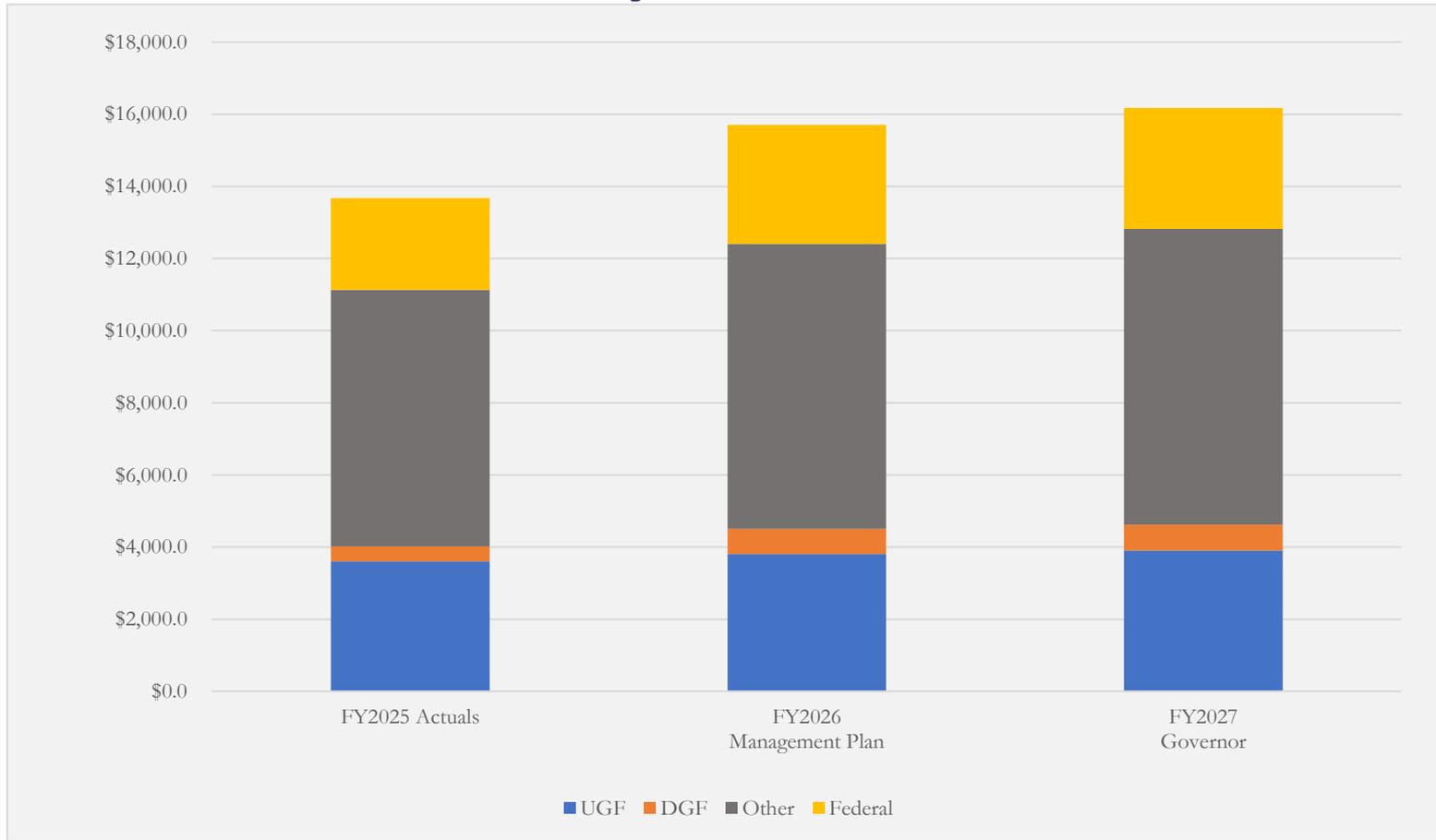
	FY2025 Actuals	FY2026 Management Plan	FY2027 Governor	Difference FY26 and FY27	% Difference FY26 and FY27
UGF	\$9,511.0	\$10,140.3	\$10,529.5	\$389.2	3.8%
DGF	\$4,152.1	\$4,794.8	\$4,976.8	\$182.0	3.8%
IJJA DGF	\$35.2	\$250.0	\$250.0	\$0.0	0.0%
Other	\$570.1	\$254.5	\$258.0	\$3.5	1.4%
Federal	\$6,097.3	\$8,125.9	\$8,609.5	\$483.6	6.0%
IJJA FED	\$4,857.2	\$8,126.1	\$8,126.1	\$0.0	0.0%
Total	\$25,222.9	\$31,691.6	\$32,749.9	\$1,058.3	3.3%



*Includes Facilities Operations and Maintenance State Owned

DEC FY2027 Operating Budget:

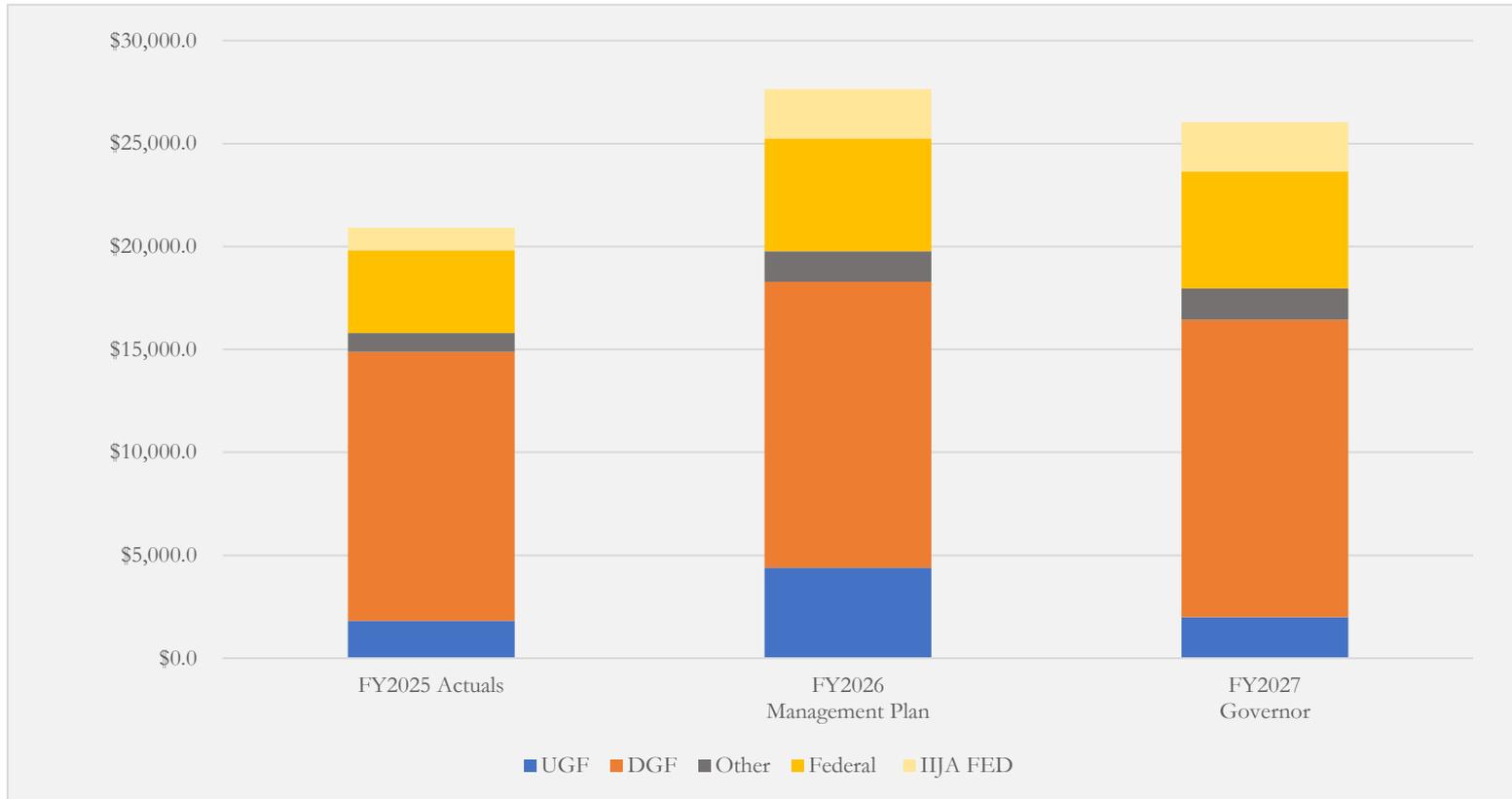
Division of Air Quality (\$ in thousands)



	FY2025 Actuals	FY2026 Management Plan	FY2027 Governor	Difference FY26 and FY27	% Difference FY26 and FY27
UGF	\$3,606.9	\$3,805.7	\$3,900.9	\$95.2	2.5%
DGF	\$415.4	\$701.3	\$719.1	\$17.8	2.5%
Other	\$7,112.3	\$7,904.0	\$8,202.0	\$298.0	3.8%
Federal	\$2,542.0	\$3,294.2	\$3,357.7	\$63.5	1.9%
Total	\$13,676.6	\$15,705.2	\$16,179.7	\$474.5	3.0%



DEC FY2027 Operating Budget: Spill Prevention and Response (\$ in thousands)



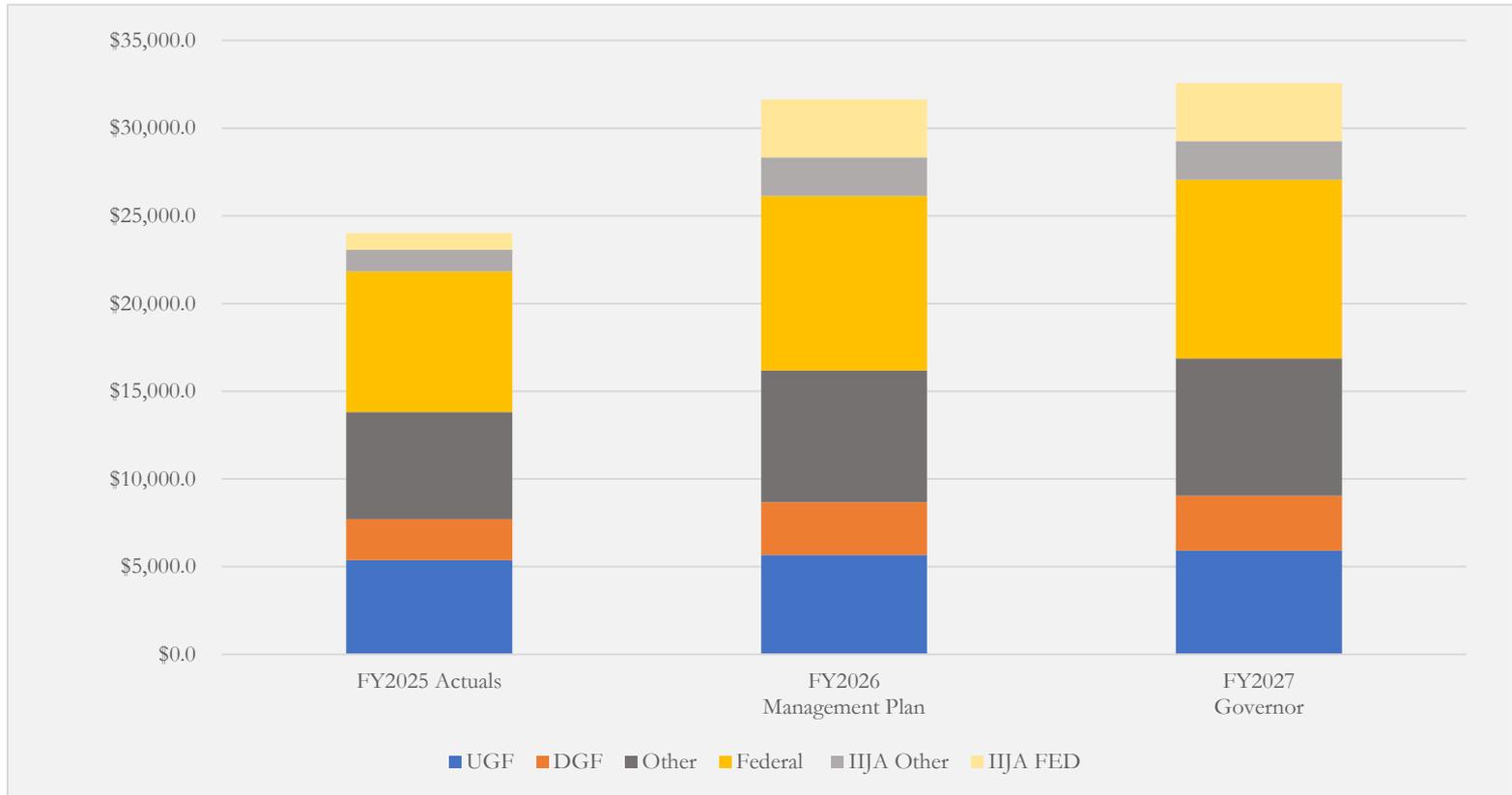
	FY2025 Actuals	FY2026 Management Plan	FY2027 Governor	Difference FY26 and FY27	% Difference FY26 and FY27
UGF*	\$1,819.8	\$4,398.0	\$1,998.1	(\$2,399.9)	-54.6%
DGF	\$13,065.0	\$13,885.6	\$14,437.0	\$551.4	4.0%
Other	\$913.5	\$1,487.4	\$1,525.3	\$37.9	2.5%
Federal	\$4,012.6	\$5,482.7	\$5,682.8	\$200.1	3.6%
IIJA FED	\$1,099.8	\$2,400.0	\$2,400.0	\$0.0	0.0%
Total	\$20,910.7	\$27,653.7	\$26,043.2	(\$1,610.5)	-5.8%



*UGF decrease is related to reversal of One-Time Item for PFAS Reimbursement Program

DEC FY2027 Operating Budget:

Division of Water (\$ in thousands)



	FY2025 Actuals	FY2026 Management Plan	FY2027 Governor	Difference FY26 and FY27	% Difference FY26 and FY27
UGF	\$5,372.4	\$5,666.7	\$5,917.9	\$251.2	4.4%
DGF	\$2,333.0	\$3,010.6	\$3,119.0	\$108.4	3.6%
Other	\$6,098.1	\$7,513.0	\$7,834.3	\$321.3	4.3%
IIJA Other	\$1,235.9	\$2,197.1	\$2,197.1	\$0.0	0.0%
Federal	\$8,033.3	\$9,937.4	\$10,189.9	\$252.5	2.5%
IIJA FED	\$951.9	\$3,302.5	\$3,302.5	\$0.0	0.0%
Total	\$24,024.6	\$31,627.3	\$32,560.7	\$933.4	3.0%



Questions?



Commissioner

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