

34-GH2502\I
Marx
2/6/26

CS FOR HOUSE BILL NO. 265(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act making appropriations for the operating and capital expenses of the state's
2 integrated comprehensive mental health program; and providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 (SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in the fiscal year 2027 budget summary for the operating budget by funding source to the agencies named for the purposes expressed for the fiscal year beginning July 1, 2026, and ending June 30, 2027, unless otherwise indicated.

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
	*****	*****		
	***** Department of Administration *****			
	*****	*****		
Legal and Advocacy Services		4,262,500	3,894,900	367,600
Office of Public Advocacy	2,892,500			
Public Defender Agency	1,370,000			
	*****	*****		
	***** Department of Corrections *****			
	*****	*****		
Community Residential Centers		6,970,500	6,970,500	
Community Residential	6,970,500			
Centers				
Health and Rehabilitation Services		10,349,500	9,707,800	641,700
Behavioral Health Care	8,705,600			
Substance Abuse Treatment	1,643,900			
Program				
	*****	*****		
	***** Department of Education and Early Development *****			
	*****	*****		
Education Support and Admin Services		512,200	377,800	134,400
Student and School	512,200			
Achievement				
	*****	*****		
	***** Department of Family and Community Services *****			
	*****	*****		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1	At the discretion of the Commissioner of the Department of Family and Community Services,			
2	up to \$7,500,000 may be transferred between all appropriations in the Department of Family			
3	and Community Services.			
4				
5				
6	Alaska Psychiatric Institute	22,237,600	22,237,600	
7	Alaska Psychiatric	21,575,600		
8	Institute			
9	Facility Rent, Operations,	662,000		
10	and Maintenance			
11	Children's Services	2,226,900	2,226,900	
12	Children's Services	69,500		
13	Management			
14	Front Line Social Workers	148,500		
15	Family Preservation	726,000		
16	Foster Care Augmented Rate	500,000		
17	Foster Care Special Need	782,900		
18	Juvenile Justice	1,770,900	1,670,900	100,000
19	McLaughlin Youth Center	989,800		
20	Fairbanks Youth Facility	143,300		
21	Bethel Youth Facility	211,800		
22	Probation Services	326,000		
23	Juvenile Justice Health	100,000		
24	Care			
25	Departmental Support Services	7,814,000	7,324,700	489,300
26	Coordinated Health and	7,807,100		
27	Complex Care			
28	Commissioner's Office	6,900		
29	* * * * *	* * * * *		
30	* * * * * Department of Health * * * * *			
31	* * * * *	* * * * *		
32	At the discretion of the Commissioner of the Department of Health, up to \$15,000,000 may be			
33	transferred between all appropriations in the Department of Health.			

		Appropriation	General	Other
		Allocations	Funds	Funds
	Behavioral Health		54,337,000	52,727,400
	Behavioral Health Treatment	32,904,100		
	and Recovery Grants			
	Alcohol Safety Action	1,311,100		
	Program (ASAP)			
	Behavioral Health	10,020,300		
	Administration			
	Behavioral Health	5,987,300		
	Prevention and Early			
	Intervention Grants			
	Alaska Mental Health Board	1,036,300		
	and Advisory Board on			
	Alcohol and Drug Abuse			
	Suicide Prevention Council	626,200		
	Residential Child Care	2,088,700		
	Behavioral Health Facility	363,000		
	Operations and Maintenance			
	Health Care Services		283,000	283,000
	Health Facilities Licensing	128,700		
	and Certification			
	The amount allocated for Health Facilities Licensing and Certification includes the unexpended and unobligated balance on June 30, 2026, of general fund program receipts collected for biennial license fees issued under AS 47.32.050.			
	Residential Licensing	154,300		
	Public Health		4,912,000	4,516,200
	Women, Children and Family	2,090,000		
	Health			
	Emergency Programs	700		
	Chronic Disease Prevention	2,474,800		
	and Health Promotion			
	Bureau of Vital Statistics	74,500		

		Appropriation	General	Other
		Allocations	Funds	Funds
1				
2				
3	Public Health Facility	272,000		
4	Operations and Maintenance			
5	Senior and Disabilities Services	12,753,500	10,786,300	1,967,200
6	Senior and Disabilities	1,180,600		
7	Community Based Grants			
8	Early Intervention/Infant	8,184,500		
9	Learning Programs			
10	Senior and Disabilities	2,150,200		
11	Services Administration			
12	General Relief/Temporary	740,300		
13	Assisted Living			
14	Commission on Aging	206,000		
15	Governor's Council on	249,400		
16	Disabilities and Special			
17	Education			
18	Senior and Disabilities	42,500		
19	Services Facility			
20	Operations and Maintenance			
21	Medicaid Services	82,155,800	82,155,800	
22	Medicaid Services	82,155,800		
23	*****	*****		
24	***** Department of Labor and Workforce Development *****			
25	*****	*****		
26	Commissioner and Administrative	25,900		25,900
27	Services			
28	Labor Market Information	25,900		
29	*****	*****		
30	***** Department of Law *****			
31	*****	*****		
32	Civil Division	100,100	100,100	
33	The amount appropriated by this appropriation includes the unexpended and unobligated			

	Appropriation	General	Other
	Allocations	Funds	Funds
balance on June 30, 2026, of inter-agency receipts collected in the Department of Law's federally approved cost allocation plan.			
Health, Safety & Welfare	100,100		
	* * * * *	* * * * *	
	* * * * * Department of Natural Resources * * * * *		
	* * * * *	* * * * *	
Administration & Support Services	5,865,000		5,865,000
Mental Health Trust Lands	5,542,400		
Administration			
Mental Health Trust Lands	322,600		
Facility Operations and			
Maintenance			
	* * * * *	* * * * *	
	* * * * * Department of Public Safety * * * * *		
	* * * * *	* * * * *	
Alaska State Troopers	50,000		50,000
Alaska State Trooper	50,000		
Detachments			
Alaska Police Standards Council	80,000		80,000
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2026, of the receipts collected under AS 12.25.195(c), AS 12.55.039, AS 28.05.151, and AS 29.25.074 and receipts collected under AS 18.65.220(7).			
Alaska Police Standards	80,000		
Council			
Integrated Victim Assistance	1,617,500	1,617,500	
Council on Domestic	1,617,500		
Violence and Sexual Assault			
	* * * * *	* * * * *	
	* * * * * Department of Revenue * * * * *		
	* * * * *	* * * * *	
Alaska Mental Health Trust Authority	6,420,000	787,100	5,632,900

		Appropriation	General	Other
		Allocations	Funds	Funds
1				
2				
3	Mental Health Trust	5,632,900		
4	Operations			
5	Long Term Care Ombudsman	787,100		
6	Office			
7	Alaska Housing Finance Corporation	200,000		200,000
8	AHFC Operations	200,000		
9		* * * * *	* * * * *	
10		* * * * * University of Alaska * * * * *		
11		* * * * *	* * * * *	
12	University of Alaska	2,675,800	805,800	1,870,000
13	Anchorage Campus	2,625,800		
14	Troth Yeddha' Campus	50,000		
15		* * * * * * * * * *		
16		* * * * * Judiciary * * * * *		
17		* * * * * * * * * *		
18	Alaska Court System	532,800	532,800	
19	Trial Courts	532,800		
20	Therapeutic Courts	4,562,700	4,404,400	158,300
21	Therapeutic Courts	4,562,700		
22	(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)			

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
----------------	--------

Department of Administration

1037 General Fund / Mental Health	3,894,900
1092 Mental Health Trust Authority Authorized Receipts	367,600
*** Total Agency Funding ***	4,262,500

Department of Corrections

1037 General Fund / Mental Health	9,707,800
1092 Mental Health Trust Authority Authorized Receipts	641,700
1246 Recidivism Reduction Fund	6,970,500
*** Total Agency Funding ***	17,320,000

Department of Education and Early Development

1037 General Fund / Mental Health	377,800
1092 Mental Health Trust Authority Authorized Receipts	134,400
*** Total Agency Funding ***	512,200

Department of Family and Community Services

1037 General Fund / Mental Health	33,460,100
1092 Mental Health Trust Authority Authorized Receipts	589,300
*** Total Agency Funding ***	34,049,400

Department of Health

1037 General Fund / Mental Health	119,437,300
1092 Mental Health Trust Authority Authorized Receipts	3,972,600
1180 Alcohol and Other Drug Abuse Treatment & Prevention Fund	20,100,000
1246 Recidivism Reduction Fund	4,412,000
1254 Marijuana Education and Treatment Fund	6,519,400
*** Total Agency Funding ***	154,441,300

Department of Labor and Workforce Development

1092 Mental Health Trust Authority Authorized Receipts	25,900
*** Total Agency Funding ***	25,900

Department of Law

1	1037	General Fund / Mental Health	100,100
2	***	Total Agency Funding ***	100,100
3	Department of Natural Resources		
4	1092	Mental Health Trust Authority Authorized Receipts	5,865,000
5	***	Total Agency Funding ***	5,865,000
6	Department of Public Safety		
7	1092	Mental Health Trust Authority Authorized Receipts	130,000
8	1246	Recidivism Reduction Fund	1,617,500
9	***	Total Agency Funding ***	1,747,500
10	Department of Revenue		
11	1037	General Fund / Mental Health	787,100
12	1092	Mental Health Trust Authority Authorized Receipts	200,000
13	1094	Mental Health Trust Administration	5,632,900
14	***	Total Agency Funding ***	6,620,000
15	University of Alaska		
16	1037	General Fund / Mental Health	805,800
17	1092	Mental Health Trust Authority Authorized Receipts	1,870,000
18	***	Total Agency Funding ***	2,675,800
19	Judiciary		
20	1037	General Fund / Mental Health	4,937,200
21	1092	Mental Health Trust Authority Authorized Receipts	158,300
22	***	Total Agency Funding ***	5,095,500
23	* * * * * Total Budget * * * * *		232,715,200
24	(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)		

* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Unrestricted General	
1037 General Fund / Mental Health	173,508,100
*** Total Unrestricted General ***	173,508,100
Designated General	
1180 Alcohol and Other Drug Abuse Treatment & Prevention Fund	20,100,000
1246 Recidivism Reduction Fund	13,000,000
1254 Marijuana Education and Treatment Fund	6,519,400
*** Total Designated General ***	39,619,400
Other Non-Duplicated	
1092 Mental Health Trust Authority Authorized Receipts	13,954,800
1094 Mental Health Trust Administration	5,632,900
*** Total Other Non-Duplicated ***	19,587,700

(SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 4.** The following appropriations are for capital projects and grants from the general fund or other funds as set out in sec. 5 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other
	Allocations	Funds	Funds
	* * * * *	* * * * *	
	* * * * * Department of Health * * * * *		
	* * * * *	* * * * *	
MH Trust: Deferred Maintenance and Accessibility Improvements (HD 1-40)	500,000		500,000
MH Trust: Home Modification and Upgrades to Retain Housing (HD 1-40)	1,150,000	1,150,000	
MH Trust: Person Centered Transportation (HD 1-40)	250,000		250,000
MH Trust: Universal Changing Spaces Assistance Fund (HD 1-40)	250,000		250,000
	* * * * *	* * * * *	
	* * * * * Department of Revenue * * * * *		
	* * * * *	* * * * *	
Alaska Housing Finance Corporation			
MH Trust: AHFC Homeless Assistance Program (HD 1-40)	5,000,000	4,050,000	950,000
MH Trust: AHFC Beneficiary and Special Needs Housing (HD 1-40)	1,950,000	1,750,000	200,000
MH Trust: AHFC Rural Housing Coordinator - Ketchikan (HD 1-40)	135,000		135,000
	* * * * *	* * * * *	
	* * * * * Department of Transportation and Public Facilities * * * * *		
	* * * * *	* * * * *	
MH Trust: Coordinated Transportation and Vehicles (HD 1-40)	700,000	700,000	

1		Appropriation	General	Other
2		Allocations	Items	Funds
3		(SECTION 5 OF THIS ACT BEGINS ON THE NEXT PAGE)		

* **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Department of Health	
1037 General Fund / Mental Health	1,150,000
1092 Mental Health Trust Authority Authorized Receipts	1,000,000
*** Total Agency Funding ***	2,150,000
Department of Revenue	
1092 Mental Health Trust Authority Authorized Receipts	1,285,000
1139 Alaska Housing Finance Corporation Dividend	5,800,000
*** Total Agency Funding ***	7,085,000
Department of Transportation and Public Facilities	
1037 General Fund / Mental Health	700,000
*** Total Agency Funding ***	700,000
* * * * * Total Budget * * * * *	9,935,000

(SECTION 6 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Unrestricted General	
1037 General Fund / Mental Health	1,850,000
1139 Alaska Housing Finance Corporation Dividend	5,800,000
*** Total Unrestricted General ***	7,650,000
Other Non-Duplicated	
1092 Mental Health Trust Authority Authorized Receipts	2,285,000
*** Total Other Non-Duplicated ***	2,285,000

(SECTION 7 OF THIS ACT BEGINS ON THE NEXT PAGE)

1 * **Sec. 7. PURPOSE.** In accordance with AS 37.14.003 and 37.14.005, the appropriations
2 made in this Act are for the state's integrated comprehensive mental health program.

3 * **Sec. 8. NONGENERAL FUND RECEIPTS.** (a) Alaska Mental Health Trust Authority
4 authorized receipts (AS 37.14.036) or administration receipts (AS 37.14.036) that exceed the
5 amounts appropriated in this Act are appropriated conditioned upon compliance with the
6 program review provisions of AS 37.07.080(h).

7 (b) If Alaska Mental Health Trust Authority authorized receipts (AS 37.14.036) or
8 administration receipts (AS 37.14.036) fall short of the estimates used as the basis of the
9 appropriation, the affected appropriation is reduced by the amount of the shortfall in receipts.

10 * **Sec. 9. SALARY AND BENEFIT ADJUSTMENTS.** (a) The appropriations made in sec.
11 1 of this Act include amounts for salary and benefit adjustments for public officials, officers,
12 and employees of the executive branch, Alaska Court System employees, employees of the
13 legislature, and legislators and to implement the monetary terms for the fiscal year ending
14 June 30, 2027, of the following ongoing collective bargaining agreements:

- 15 (1) Public Employees Local 71, for the labor, trades, and crafts unit;
- 16 (2) Alaska Public Employees Association, for the supervisory unit;
- 17 (3) Teachers' Education Association of Mt. Edgecumbe, representing the
18 teachers of Mt. Edgecumbe High School;
- 19 (4) Alaska Vocational Technical Center Teachers' Association, National
20 Education Association, representing the employees of the Alaska Vocational Technical
21 Center;
- 22 (5) International Organization of Masters, Mates, and Pilots, representing the
23 masters, mates, and pilots unit;
- 24 (6) Alaska State Employees Association, for the general government unit;
- 25 (7) Marine Engineers' Beneficial Association, representing licensed engineers
26 employed by the Alaska marine highway system;
- 27 (8) Confidential Employees Association, representing the confidential unit;
- 28 (9) Inlandboatmen's Union of the Pacific, Alaska Region, representing the
29 unlicensed marine unit.

30 (b) The appropriations made to the University of Alaska in sec. 1 of this Act include
31 amounts for salary and benefit adjustments to implement the monetary terms for the fiscal

1 year ending June 30, 2027, of the following collective bargaining agreements:

2 (1) Alaska Graduate Workers Association/UAW;

3 (2) United Academics - American Association of University Professors,
4 American Federation of Teachers;

5 (3) United Academic - Adjuncts - American Association of University
6 Professors, American Federation of Teachers.

7 (c) If a collective bargaining agreement listed in (a) of this section is not ratified by
8 the membership of the respective collective bargaining unit, the appropriations made in this
9 Act applicable to the collective bargaining unit's agreement are adjusted proportionately by
10 the amount for that collective bargaining agreement, and the corresponding funding source
11 amounts are adjusted accordingly.

12 (d) If a collective bargaining agreement listed in (b) of this section is not ratified by
13 the membership of the respective collective bargaining unit and approved by the Board of
14 Regents of the University of Alaska, the appropriations made in this Act applicable to the
15 collective bargaining unit's agreement are adjusted proportionately by the amount for that
16 collective bargaining agreement, and the corresponding funding source amounts are adjusted
17 accordingly.

18 (e) Appropriations made in sec. 1 of this Act for salary and benefit adjustments as
19 described in (a) and (b) of this section are for the benefit of the state's integrated
20 comprehensive mental health program only and do not necessarily affect every group of
21 noncovered employees or every collective bargaining unit listed in (a) and (b) of this section.

22 * **Sec. 10.** This Act takes effect July 1, 2026.