

**HOUSE BILL NO. 265**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

**Introduced: 1/23/26**

**Referred: Finance**

**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
	*****	*****	
	***** Department of Administration *****		
	*****	*****	
<b>Legal and Advocacy Services</b>		<b>4,318,500</b>	<b>3,894,900</b>
Office of Public Advocacy	2,892,500		
Public Defender Agency	1,426,000		
	*****	*****	
	***** Department of Corrections *****		
	*****	*****	
<b>Community Residential Centers</b>		<b>6,970,500</b>	<b>6,970,500</b>
Community Residential Centers	6,970,500		
<b>Health and Rehabilitation Services</b>		<b>10,209,500</b>	<b>9,707,800</b>
Behavioral Health Care	8,565,600		
Substance Abuse Treatment Program	1,643,900		
	*****	*****	
	***** Department of Education and Early Development *****		
	*****	*****	
<b>Education Support and Admin Services</b>		<b>532,200</b>	<b>377,800</b>
Student and School Achievement	532,200		
	*****	*****	
	***** Department of Family and Community Services *****		
	*****	*****	

	<b>Appropriation</b>	<b>General</b>	<b>Other</b>	
	<b>Allocations</b>	<b>Items</b>	<b>Funds</b>	<b>Funds</b>
3	At the discretion of the Commissioner of the Department of Family and Community Services,			
4	up to \$7,500,000 may be transferred between all appropriations in the Department of Family			
5	and Community Services.			
6	<b>Alaska Psychiatric Institute</b>	<b>22,237,600</b>	<b>22,237,600</b>	
7	Alaska Psychiatric Institute	21,575,600		
8	Facility Rent, Operations,	662,000		
9	and Maintenance			
10	<b>Children's Services</b>	<b>2,226,900</b>	<b>2,226,900</b>	
11	Children's Services	69,500		
12	Management			
13	Front Line Social Workers	148,500		
14	Family Preservation	726,000		
15	Foster Care Augmented	500,000		
16	Rate			
17	Foster Care Special Need	782,900		
18	<b>Juvenile Justice</b>	<b>1,770,900</b>	<b>1,670,900</b>	<b>100,000</b>
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	<b>Departmental Support Services</b>	<b>8,288,300</b>	<b>7,799,000</b>	<b>489,300</b>
26	Coordinated Health and	8,281,400		
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.

		<b>Appropriation</b>	<b>General</b>	<b>Other</b>
		<b>Allocations</b>	<b>Funds</b>	<b>Funds</b>
			<b>Items</b>	
3	<b>Behavioral Health</b>		<b>54,062,700</b>	<b>52,253,100</b>
4	Behavioral Health	32,904,100		<b>1,809,600</b>
5	Treatment and Recovery			
6	Grants			
7	Alcohol Safety Action	1,311,100		
8	Program (ASAP)			
9	Behavioral Health	10,220,300		
10	Administration			
11	Behavioral Health	5,987,300		
12	Prevention and Early			
13	Intervention Grants			
14	Alaska Mental Health	1,036,300		
15	Board and Advisory Board			
16	on Alcohol and Drug Abuse			
17	Suicide Prevention Council	626,200		
18	Residential Child Care	1,614,400		
19	Behavioral Health Facility	363,000		
20	Operations and Maintenance			
21	<b>Health Care Services</b>		<b>283,000</b>	<b>283,000</b>
22	Health Facilities Licensing	128,700		
23	and Certification			
24	The amount allocated for Health Facilities Licensing and Certification includes the			
25	unexpended and unobligated balance on June 30, 2026, of general fund program receipts			
26	collected for biennial license fees issued under AS 47.32.050.			
27	Residential Licensing	154,300		
28	<b>Public Health</b>		<b>5,133,000</b>	<b>4,516,200</b>
29	Women, Children and	2,181,000		<b>616,800</b>
30	Family Health			
31	Emergency Programs	700		
32	Chronic Disease Prevention	2,604,800		
33	and Health Promotion			

	<b>Appropriation</b>	<b>General</b>	<b>Other</b>
	<b>Allocations</b>	<b>Funds</b>	<b>Funds</b>
	<b>Items</b>		
1			
2			
3	Bureau of Vital Statistics	74,500	
4	Public Health Facility	272,000	
5	Operations and Maintenance		
6	<b>Senior and Disabilities Services</b>	<b>12,589,200</b>	<b>10,786,300</b>
7	Senior and Disabilities	1,180,600	
8	Community Based Grants		
9	Early Intervention/Infant	7,724,500	
10	Learning Programs		
11	Senior and Disabilities	2,155,900	
12	Services Administration		
13	General Relief/Temporary	740,300	
14	Assisted Living		
15	Commission on Aging	271,000	
16	Governor's Council on	474,400	
17	Disabilities and Special		
18	Education		
19	Senior and Disabilities	42,500	
20	Services Facility Operations		
21	and Maintenance		
22	<b>Medicaid Services</b>	<b>82,155,800</b>	<b>82,155,800</b>
23	Medicaid Services	82,155,800	
24	*****	*****	
25	***** Department of Labor and Workforce Development *****		
26	*****	*****	
27	<b>Commissioner and Administrative</b>	<b>25,900</b>	<b>25,900</b>
28	<b>Services</b>		
29	Labor Market Information	25,900	
30	<b>Vocational Rehabilitation</b>	<b>100,000</b>	<b>100,000</b>
31	Vocational Rehabilitation	100,000	
32	Administration		

33 The amount allocated for Vocational Rehabilitation Administration includes the unexpended

		<b>Appropriation</b>	<b>General</b>	<b>Other</b>
		<b>Allocations</b>	<b>Items</b>	<b>Funds</b>

and unobligated balance on June 30, 2026, of receipts from all prior fiscal years collected under the Department of Labor and Workforce Development's federal indirect cost plan for expenditures incurred by the Department of Labor and Workforce Development.

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\* \* \* \* \* Department of Law \* \* \* \* \*

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<b>9</b>	<b>Civil Division</b>	<b>100,100</b>		<b>100,100</b>
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The amount appropriated by this appropriation includes the unexpended and unobligated 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 \* \* \* \* \*

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<b>17</b>	<b>Administration &amp; Support Services</b>	<b>6,438,200</b>		<b>6,438,200</b>
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	Mental Health Trust Lands	5,542,400		
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Administration

	Mental Health Trust Lands	895,800		
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Facility Operations and  
Maintenance

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\* \* \* \* \* Department of Public Safety \* \* \* \* \*

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<b>26</b>	<b>Alaska State Troopers</b>	<b>60,000</b>		<b>60,000</b>
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	Alaska State Trooper	60,000		
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Detachments

<b>29</b>	<b>Alaska Police Standards Council</b>	<b>80,000</b>		<b>80,000</b>
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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		
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	Appropriation	General	Other
	Allocations	Items	Funds
1			
2			
3	Council		
4	<b>Integrated Victim Assistance</b>	<b>1,617,500</b>	<b>1,617,500</b>
5	Council on Domestic	1,617,500	
6	Violence and Sexual Assault		
7	*****	*****	
8	***** Department of Revenue *****		
9	*****	*****	
10	<b>Alaska Mental Health Trust Authority</b>	<b>6,718,500</b>	<b>787,100</b>
11	Mental Health Trust	5,931,400	
12	Operations		
13	Long Term Care	787,100	
14	Ombudsman Office		
15	<b>Alaska Housing Finance Corporation</b>	<b>200,000</b>	<b>200,000</b>
16	AHFC Operations	200,000	
17	*****	*****	
18	***** University of Alaska *****		
19	*****	*****	
20	<b>University of Alaska</b>	<b>3,431,800</b>	<b>805,800</b>
21	Anchorage Campus	3,381,800	
22	Troth Yeddha' Campus	50,000	
23	*****	*****	
24	***** Judiciary *****		
25	*****	*****	
26	<b>Alaska Court System</b>	<b>634,800</b>	<b>532,800</b>
27	Trial Courts	634,800	
28	<b>Therapeutic Courts</b>	<b>4,562,700</b>	<b>4,404,400</b>
29	Therapeutic Courts	4,562,700	158,300
30	(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)		

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

3	Funding Source	Amount
4	<b>Department of Administration</b>	
5	1037 General Fund / Mental Health	3,894,900
6	1092 Mental Health Trust Authority Authorized	423,600
7	Receipts	
8	<b>*** Total Agency Funding ***</b>	<b>\$4,318,500</b>
9	<b>Department of Corrections</b>	
10	1037 General Fund / Mental Health	9,707,800
11	1092 Mental Health Trust Authority Authorized	501,700
12	Receipts	
13	1246 Recidivism Reduction Fund	6,970,500
14	<b>*** Total Agency Funding ***</b>	<b>\$17,180,000</b>
15	<b>Department of Education and Early Development</b>	
16	1037 General Fund / Mental Health	377,800
17	1092 Mental Health Trust Authority Authorized	154,400
18	Receipts	
19	<b>*** Total Agency Funding ***</b>	<b>\$532,200</b>
20	<b>Department of Family and Community Services</b>	
21	1037 General Fund / Mental Health	33,934,400
22	1092 Mental Health Trust Authority Authorized	589,300
23	Receipts	
24	<b>*** Total Agency Funding ***</b>	<b>\$34,523,700</b>
25	<b>Department of Health</b>	
26	1037 General Fund / Mental Health	118,963,000
27	1092 Mental Health Trust Authority Authorized	4,229,300
28	Receipts	
29	1180 Alcohol and Other Drug Abuse Treatment &	20,100,000
30	Prevention Fund	
31	1246 Recidivism Reduction Fund	4,412,000

1	1254 Marijuana Education and Treatment Fund	6,519,400
2	<b>*** Total Agency Funding ***</b>	<b>\$154,223,700</b>
3	<b>Department of Labor and Workforce Development</b>	
4	1092 Mental Health Trust Authority Authorized	125,900
5	Receipts	
6	<b>*** Total Agency Funding ***</b>	<b>\$125,900</b>
7	<b>Department of Law</b>	
8	1037 General Fund / Mental Health	100,100
9	<b>*** Total Agency Funding ***</b>	<b>\$100,100</b>
10	<b>Department of Natural Resources</b>	
11	1092 Mental Health Trust Authority Authorized	6,438,200
12	Receipts	
13	<b>*** Total Agency Funding ***</b>	<b>\$6,438,200</b>
14	<b>Department of Public Safety</b>	
15	1092 Mental Health Trust Authority Authorized	140,000
16	Receipts	
17	1246 Recidivism Reduction Fund	1,617,500
18	<b>*** Total Agency Funding ***</b>	<b>\$1,757,500</b>
19	<b>Department of Revenue</b>	
20	1037 General Fund / Mental Health	787,100
21	1092 Mental Health Trust Authority Authorized	200,000
22	Receipts	
23	1094 Mental Health Trust Administration	5,931,400
24	<b>*** Total Agency Funding ***</b>	<b>\$6,918,500</b>
25	<b>University of Alaska</b>	
26	1037 General Fund / Mental Health	805,800
27	1092 Mental Health Trust Authority Authorized	2,626,000
28	Receipts	
29	<b>*** Total Agency Funding ***</b>	<b>\$3,431,800</b>
30	<b>Judiciary</b>	
31	1037 General Fund / Mental Health	4,937,200

1	1092 Mental Health Trust Authority Authorized	260,300
2	Receipts	
3	<b>* * * Total Agency Funding * * *</b>	<b>\$5,197,500</b>
4	<b>* * * Total Budget * * *</b>	<b>\$234,747,600</b>

5 (SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)

\* **Sec. 3.** The following appropriations are for capital projects and grants from the general fund or other funds as set out in sec. 4 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	Items	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 *****		
	*****	*****	*****
<b>Alaska Housing Finance Corporation</b>			
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	<b>Appropriation</b>	<b>General</b>	<b>Other</b>
2	<b>Allocations</b>	<b>Items</b>	<b>Funds</b>
3	<b>(SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)</b>		

1 \* **Sec. 4.** The following sets out the funding by agency for the appropriations made in sec. 3  
2 of this Act.

3	Funding Source	Amount
4	<b>Department of Health</b>	
5	1037 General Fund / Mental Health	1,150,000
6	1092 Mental Health Trust Authority Authorized	1,000,000
7	Receipts	
8	<b>*** Total Agency Funding ***</b>	<b>\$2,150,000</b>
9	<b>Department of Revenue</b>	
10	1092 Mental Health Trust Authority Authorized	1,285,000
11	Receipts	
12	1139 Alaska Housing Finance Corporation Dividend	5,800,000
13	<b>*** Total Agency Funding ***</b>	<b>\$7,085,000</b>
14	<b>Department of Transportation and Public Facilities</b>	
15	1037 General Fund / Mental Health	700,000
16	<b>*** Total Agency Funding ***</b>	<b>\$700,000</b>
17	<b>*** Total Budget ***</b>	<b>\$9,935,000</b>

18 (SECTION 5 OF THIS ACT BEGINS ON THE NEXT PAGE)

1 \* **Sec. 5.** The following summarizes by fund source the funding for appropriations made in  
2 secs. 1 and 3 of this Act.

3 Funding Source Amount

4 **Unrestricted General Funds**

5 1037 General Fund / Mental Health 175,358,100

6 1139 Alaska Housing Finance Corporation Dividend 5,800,000

7 \* \* \* Total Unrestricted General Funds \* \* \* \$181,158,100

8 **Designated General Funds**

9 1180 Alcohol and Other Drug Abuse Treatment & 20,100,000

10 Prevention Fund

11 1246 Recidivism Reduction Fund 13,000,000

12 1254 Marijuana Education and Treatment Fund 6,519,400

13 \* \* \* Total Designated General Funds \* \* \* \$39,619,400

14 **Other Non-Duplicated Funds**

15 1092 Mental Health Trust Authority Authorized 17,973,700

16 Receipts

17 1094 Mental Health Trust Administration 5,931,400

18 \* \* \* Total Other Non-Duplicated Funds \* \* \* \$23,905,100

19 **Other Duplicated Funds**

20 \* \* \* Total Other Duplicated Funds \* \* \* \$0

21 **Federal Receipts**

22 \* \* \* Total Federal Receipts \* \* \* \$0

23 \* \* \* **Total Budget** \* \* \* **\$244,682,600**

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

1 \* **Sec. 6. 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. 7. 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. 8. SALARY AND BENEFIT ADJUSTMENTS.** (a) The appropriations made in  
11 sec. 1 of this Act include amounts for salary and benefit adjustments for public officials,  
12 officers, and employees of the executive branch, Alaska Court System employees, employees  
13 of the legislature, and legislators and to implement the monetary terms for the fiscal year  
14 ending 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. 9.** This Act takes effect July 1, 2026.