

HOUSE FINANCE COMMITTEE
March 9, 2026
9:07 a.m.

[9:07:35 AM](#)

CALL TO ORDER

Co-Chair Josephson called the House Finance Committee meeting to order at 9:07 a.m.

MEMBERS PRESENT

Representative Andy Josephson, Co-Chair
Representative Calvin Schrage, Co-Chair
Representative Jeremy Bynum
Representative Alyse Galvin
Representative Sara Hannan
Representative Nellie Unangiq Jimmie
Representative Elexie Moore
Representative Frank Tomaszewski

MEMBERS ABSENT

Representative Neal Foster, Co-Chair
Representative Jamie Allard
Representative Will Stapp

ALSO PRESENT

Timothy Clark, Staff, Representative Sara Hannan; Monica Schwingendorf, Staff, Representative Alyse Galvin.

SUMMARY

HB 263 APPROP: OPERATING BUDGET;AMEND;SUPP

HB 263 was HEARD and HELD in committee for further consideration.

HB 265 APPROP: MENTAL HEALTH BUDGET

HB 265 was HEARD and HELD in committee for further consideration.

SUBCOMMITTEE CLOSEOUT REPORTS:

DEPARTMENT OF ENVIRONMENTAL CONSERVATION
UNIVERSITY OF ALASKA

Co-Chair Josephson reviewed the meeting agenda.

#hb263

#hb265

HOUSE BILL NO. 263

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; making supplemental appropriations; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

HOUSE BILL NO. 265

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

[9:08:41 AM](#)

^SUBCOMMITTEE CLOSOUT REPORTS

[9:08:42 AM](#)

^DEPARTMENT OF ENVIRONMENTAL CONSERVATION

[9:08:43 AM](#)

TIMOTHY CLARK, STAFF, REPRESENTATIVE SARA HANNAN, reviewed the subcommittee recommendations for the Department of Environmental Conservation:

The House Finance Budget Subcommittee for the Department of Environmental Conservation held a total of three meetings and submits the following recommended department operating budget for FY27 to the House Finance Committee.

RECOMMENDATIONS:

Unrestricted General Funds (UGF): \$22,881.6
Designated General Funds (DGF): \$27,505.6
Other Funds: \$26,704.7
Federal Funds: \$45,076.1
Total: \$122,168.0

This represents a zero percent change in funds between the subcommittee recommendation and the governor's amended budget proposal.

Positions:
Permanent Full-Time: 560
Permanent Part-Time: 0
Temporary: 9
Total 569

BUDGET ACTIONS

The subcommittee accepted the six budget items put forward by the administration and added one item. This is item number five, on page four of the Budget Action Report.

This removes a \$1,968,100 UGF appropriation to Spill Prevention and Response and replaces that figure with monies from the Oil and Hazardous Release Prevention and Response Fund.

In recent years, some UGF has been appropriated to Spill Prevention and Response out of concern for the sustainability of the SPAR fund.

However, the recent settlement of more than \$24 million from the Flint Hills refinery has greatly increased fund holdings, making the UGF appropriation no longer necessary.

The administration's requests included \$319,000 in UGF, DGF, Other funds, and Federal funds spending to meet the costs of implementing the Information Technology employee classification study. These increases are necessary to bring compensation for these positions into professional parity.

[9:11:44 AM](#)

Co-Chair Josephson asked what happened to the part of the Flint Hills settlement that was not used in the next year's budget.

Mr. Clark replied that it was his understanding it would rest in the fund to help ensure its sustainability for many years into the future.

Co-Chair Josephson asked if Mr. Clark had queried about the fund's sweepability.

Mr. Clark replied in the negative.

Co-Chair Josephson stated he was told it was not sweepable.

[9:12:52 AM](#)

AT EASE

[9:16:09 AM](#)

RECONVENED

^UNIVERSITY OF ALASKA

[9:16:16 AM](#)

MONICA SCHWINGENDORF, STAFF, REPRESENTATIVE ALYSE GALVIN, reviewed the subcommittee recommendations for the University of Alaska:

The House Finance Budget Subcommittee for the University of Alaska held a total of four meetings and submits the following recommended operating budget for FY27 to the House Finance Committee:

RECOMMENDATIONS:

Fund Source: (dollars are in thousands)
Unrestricted General Funds (UGF): \$369,755.1
Designated General Funds (DGF): \$310,797.3
Other Funds: \$253,116.8
Federal Funds: \$229,820.8
Total: \$1,163,490.0

Compared to the FY27 Adjusted Base/House Committee Substitute 1, the subcommittee recommendations represent an increase of \$11,817.4 (3.3 percent) in Unrestricted General Funds and a decrease of \$9,776.4

(-3.0 percent) in Designated Funds. There is no difference in Other Funds and Federal Receipts.

Positions:

Permanent Full-Time: 3,848

Permanent Part-Time: 270

Temporary: 0

Total: 4,118

BUDGET ACTIONS

Compared to the FY 27 governor's amended budget, the subcommittee recommendations increased the position count by 10 positions or 0.2 percent. The House Finance Budget Subcommittee for the University of Alaska reviewed the FY2027 Governor's budget request and recommends the following changes:

Items 2 and 3 are related. Item 3 modifies item 2 by changing the fund source for \$9,776,400 from University Receipts to Unrestricted General Fund. This item is for non-union staff salary adjustments, changing the funding source from University Receipts to UGF. University Receipts require raising student tuition, auxiliary services and indirect costs, sales and rentals of university property, gifts and grants, among other sources. These sources of revenue vary and can be unpredictable on a year-to-year basis. Unrestricted General Fund, on the other hand, is a predictable fund source which will only be impacted by a decrement passed in an enacted budget.

Pages 5 and 6, Items 19, 23, and 27 are all related subcommittee additions requested by the Board of Regents. A total of \$1,076.0 UGF for five Permanent Full-Time (PFT) was recommended to address public safety concerns across all three University of Alaska campuses: University of Alaska, Anchorage (UAA), University of Alaska, Fairbanks (UAF), and University of Alaska, Southeast (UAS).

- Starting with item 19, UAA's Police Department has experienced a sharp increase in property crimes and crisis calls since 2022. An increment of \$500.0 UGF for two PFTs was recommended in order to support two new police officer positions and cover non-personnel costs such as body cameras, vehicle cameras, and less-than-lethal

tasers. It would also allow UAA to make two currently temporary commissioned security officer positions permanent and support 40 hours of crisis intervention training to improve responses to mental health incidents.

- Looking at item 23, UAF currently does not have enough dispatchers in its emergency communications center for 24/7 coverage. An increment of \$326.0 UGF for two PFTs for dispatchers. This funding would also be used for body and vehicle cameras to improve law enforcement integration and support de-escalation efforts.
- Looking at item 27, UAS currently does not have a full-time safety officer. For the past two years, students and employees at UAS have raised safety concerns and requested increased campus safety measures, including additional cameras and a greater safety presence. An increment of \$250.0 UGF included one campus safety officer and campus physical security such as security cameras, building access systems, emergency phone kiosks, and modernizing existing security measures.

Items 20, 24, and 28 are all related subcommittee additions requested by the Board of Regents. A total of \$965.0 UGF for five PFTs was recommended to strengthen student mental health services and expand capacity across all three University of Alaska campuses. For context, recent statistics show 92 percent of suicides in Alaska were the result of mental health crisis. Additionally, in 2025 approximately 30 percent of students who received support from Student Health and Counseling Center in Anchorage reported experiencing suicidal ideation.

- Starting with item 20, this item is an increment of \$440.0 UGF for three PFTs at UAA. Two of these positions are in-house providers and one position is a care team coordinator. It also includes funding to expand telehealth services.
- Looking at item 24, this item is an increment of \$350.0 UGF for one PFT at UAF for a clinical psychologist. Adding this position would offset turnover and staffing shortages, increasing the likelihood that students receive consistent, high-quality psychological and counseling

services. This funding would also help establish a predoctoral interns and postdoctoral residency program.

- Looking at item 28, this item is an increment of \$175.0 UGF for one PFT at UAS for a case manager. This position would improve support for students facing challenges related to food insecurity, housing, and academic needs. Currently, UAS has only one in-house counselor, despite the growing demand for case management services. This funding would also support virtual counseling services to meet increased demand. Virtual care would allow after-hours access and provide services to out-of-state students who cannot see the in-person counselor due to Alaska licensure restrictions. Currently, students may wait up to two weeks for an in-person counseling appointment.

Items 21, 22, 25, and 26 were denied. The University transferred Higher Education Investment Fund receipts (HEIF) from the Troth Yeddha' Campus to the College of Indigenous Studies. The original appropriation of those funds to Troth Yeddha' Campus was appropriated in the language section of the bill. The transfer in the numbers section was made by mistake. Legislative Finance Division already fixed this in their Adjusted Base reports.

Ms. Schwingendorf concluded her report and thanked the committee.

Co-Chair Josephson thanked Ms. Schwingendorf and asked members if they had any questions.

[9:24:09 AM](#)

Representative Bynum shared his concerns about the shift into UGF for personnel and university expenses. He thought it was a bad trend to push an additional \$2 million worth of personnel adds and the change from university receipts to UGF to try to reduce impacts on tuition. He understood the desire to keep tuition low but the cost shifting to UGF masked the many needs of the university and continued the pressure on general funds.

HB 263 was HEARD and HELD in committee for further consideration.

HB 265 was HEARD and HELD in committee for further consideration.

Co-Chair Josephson reviewed the schedule for the afternoon meeting.

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ADJOURNMENT

9:26:14 AM

The meeting was adjourned at 9:26 a.m.