

State of Alaska

Office of Management and Budget

Overview of the FY2027 Budget

Alaska Municipal League Winter Legislative Conference

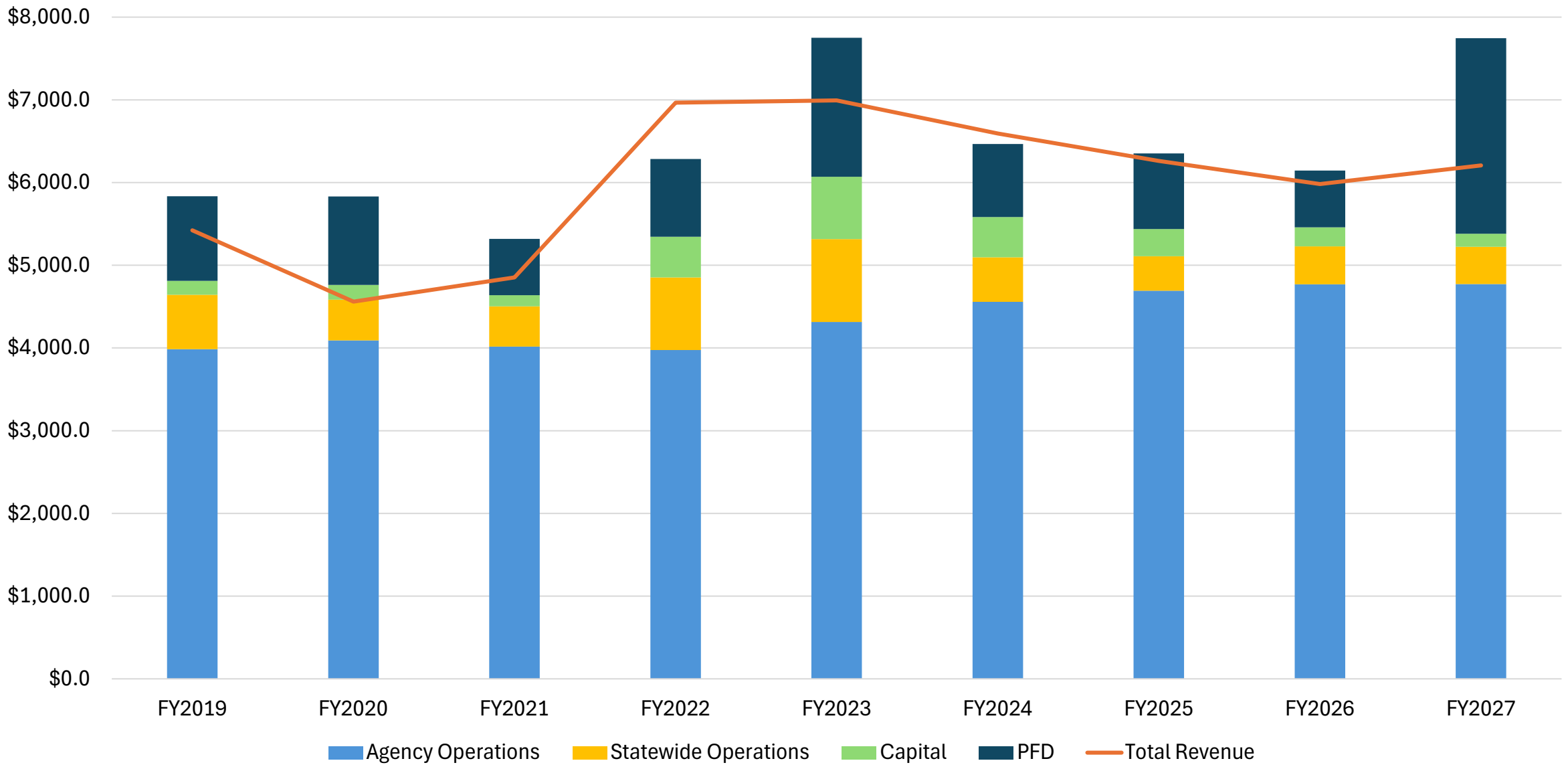
February 17, 2026

Lacey Sanders, Director

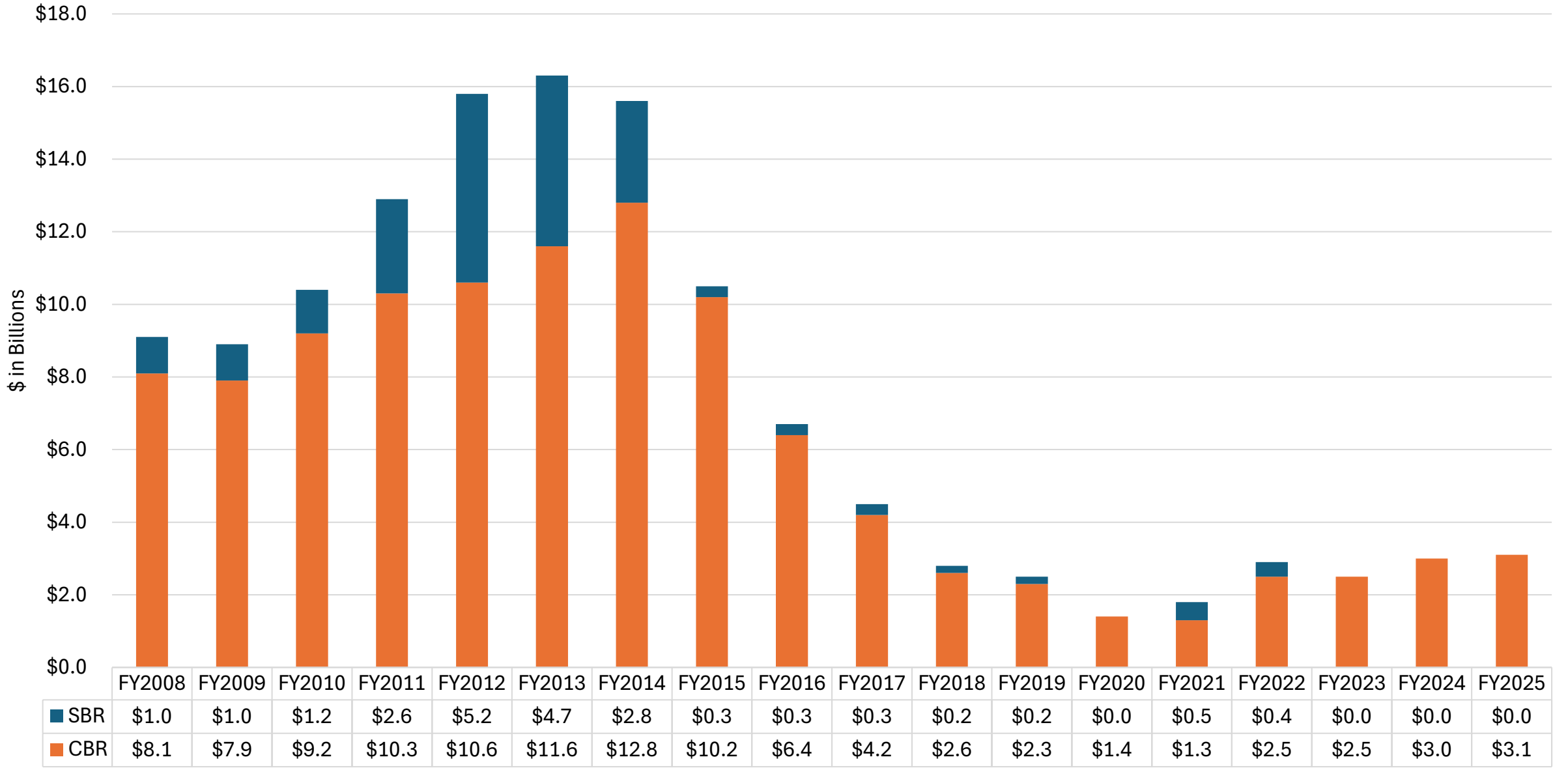


Budget and Revenue Look-back

UGF Budget and Revenue, FY2019-FY2027 Governor's Budget



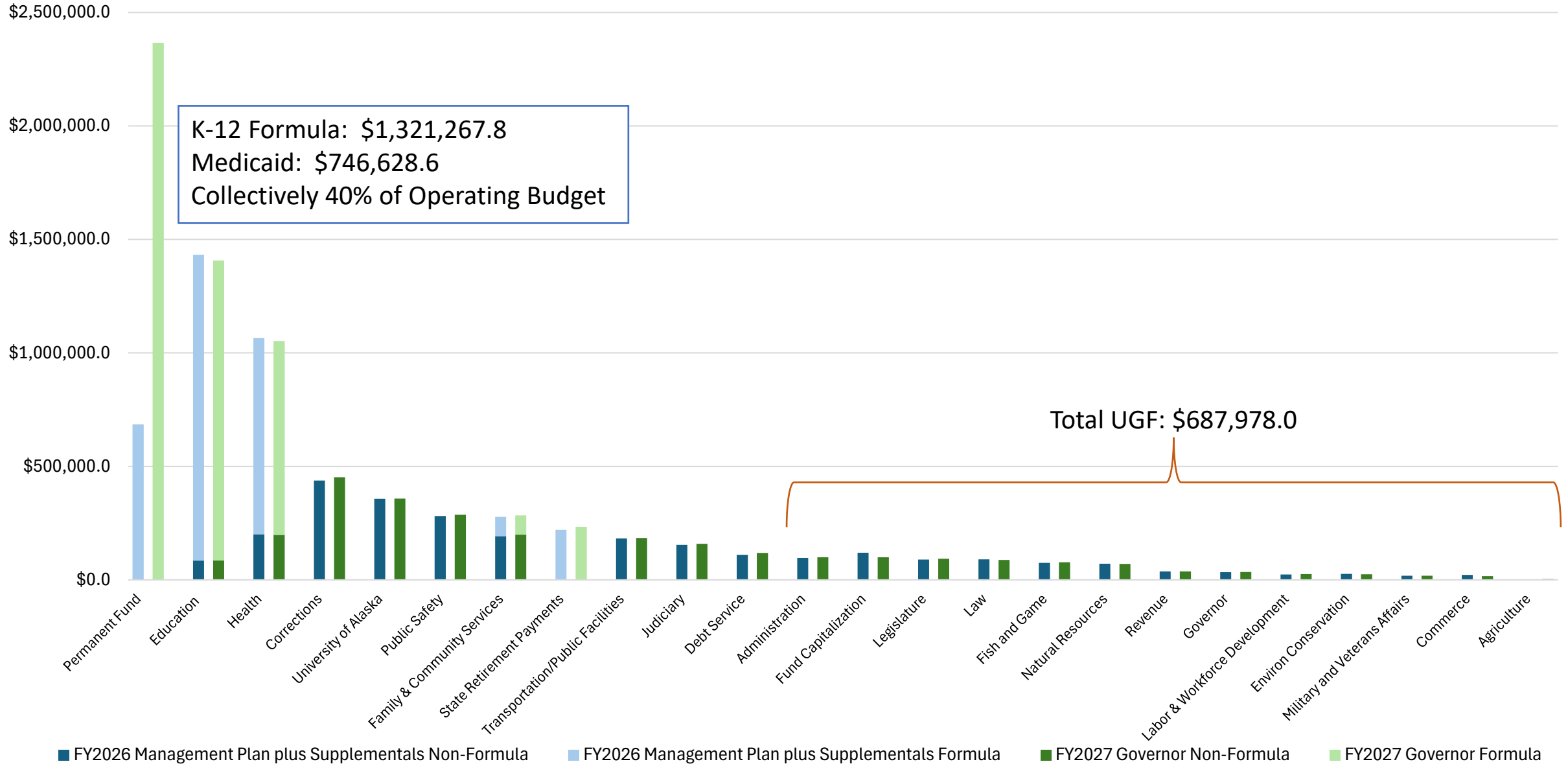
Historical Reserves Balances



FY2027 Short Fiscal Summary (UGF)

FY2026 Management Plan plus Proposed Supplementals		FY2027 Governors Proposed	FY2026 to FY2027	
Revenues	UGF	UGF	UGF Change	UGF %
Unrestricted Revenue	2,148.2	2,218.6	70.3	3%
POMV ERA Draw For Government	3,798.9	3,996.9	198.0	5%
Carryforward and Adjustments	34.8	-	(34.8)	-100%
Total Revenues	5,982.0	6,215.5	233.5	4%
Expenditures	UGF	UGF	UGF Change	UGF %
Total Operating	5,493.3	5,223.6	(269.7)	-5%
Agency Operations	4,851.5	4,772.0	(79.5)	-2%
Statewide Operations	641.8	451.6	(190.2)	-30%
Total Capital	229.2	156.6	(72.6)	-32%
Total Appropriations	5,348.7	5,380.2	31.5	1%
Total Supplementals and RPLs	373.8	-	(373.8)	-100%
Total Expenditures	5,722.5	5,380.2	(342.3)	-6%
Permanent Fund Appropriations	UGF	UGF	UGF Change	UGF %
Permanent Fund Appropriations	685.3	2,365.9	1,680.6	245%
Surplus/(Deficit)	(425.9)	(1,530.6)		
Available Reserve Balances (as of 12/11/25)				
Constitutional Budget Reserve*	2,959.0			
Statutory Budget Reserve	0.0			
Total	2,959.0			

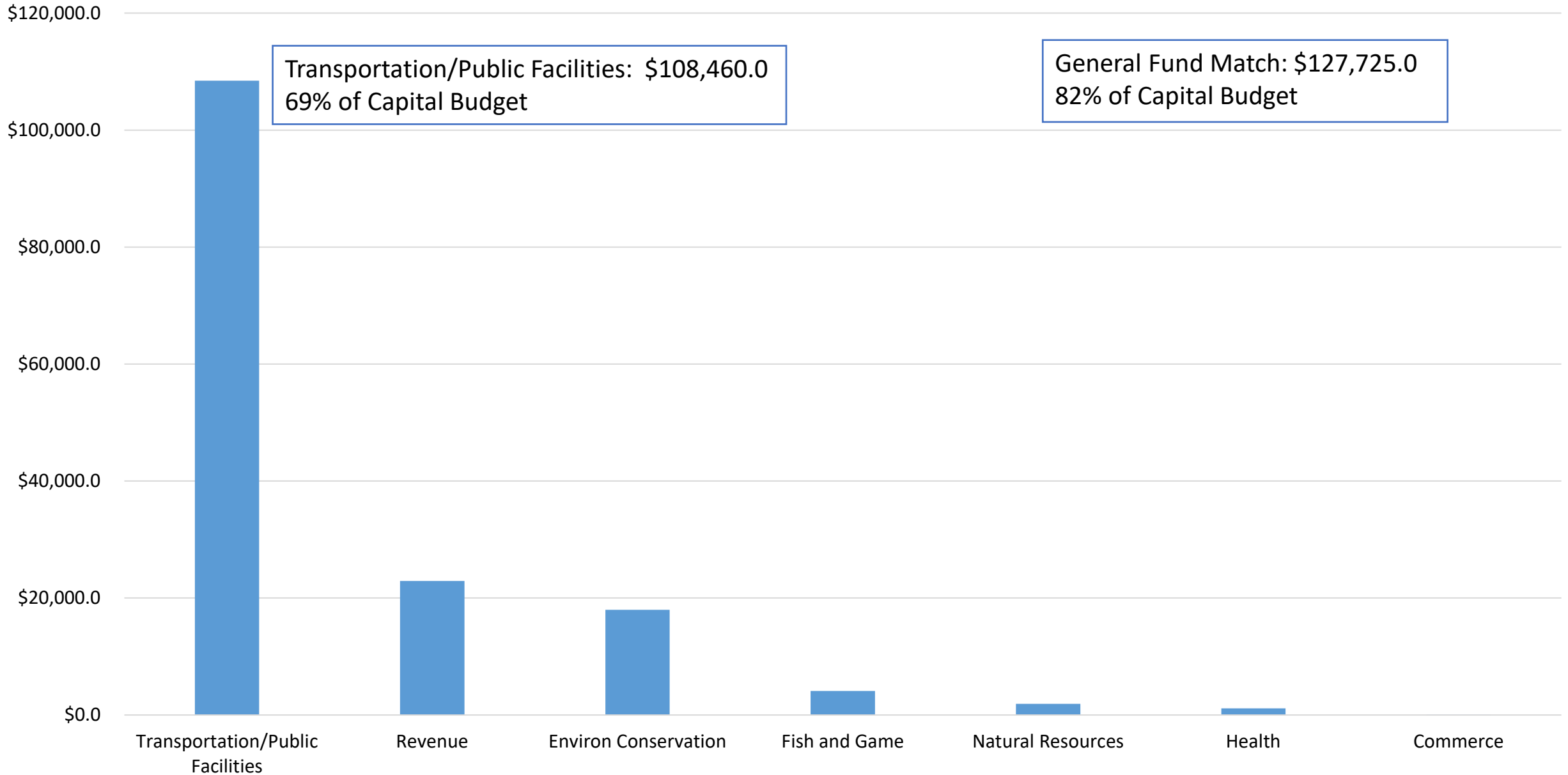
Operating Budget Comparison FY2026 to FY2027 (UGF)



Operating Budget Significant Highlights

- K-12 Foundation and Pupil Transportation Programs fully funded based on the statutory formulas
- School Bond Debt and REAA funding fully funded based on the statutory formulas
- Ensure statewide disaster preparedness and response capability with deposits to the Disaster Relief Fund
 - FY2026 \$40,000.0 UGF (*Supplemental*)
 - FY2027 \$33,000.0 total
- Senior Benefit Payment Program fully funded based on the statutory formula
- Alaska Energy Authority's Power Cost Equalization Program; \$44,279.0 DGF (Power Cost Equalization Endowment Fund)
- Community Assistance Fund deposit providing for a FY2027 distribution of \$18 million
- Maintain critical services that support life, health, and safety
- Provide a statutory PFD and protect the Permanent Fund with an inflation-proofing transfer

FY2027 Capital Budget Breakdown (UGF)



Capital Budget Significant Highlights

- Village Safe Water and Wastewater Infrastructure Projects; \$272,500.0 total
- Alaska Housing Finance Corporation (AHFC) Annual Housing Programs; \$92,935.0 total
 - Senior Citizens Housing Development Program
 - Homeless Assistance Program
 - Affordable Housing Development Program
 - Rural Professional Housing
 - Energy Programs Weatherization
 - Federal and Other Competitive Grants – Alaska Sustainable Energy Corporation
- Department of Transportation and Public Facilities
 - State Match for Statewide Transportation Improvement Plan (STIP); \$70,154.1 UGF (***Supplemental***)
 - Federal Program Match Requirements; \$130,859.5 total
 - Federal-Aid Highway State Match
 - Federal-Aid Aviation State Match
 - Other Federal Program Match

Governor Dunleavy's Fiscal Plan - Components

1. Statutory Spending Cap
 - Limit government spending growth to 1% per year, with exceptions
2. Permanent Fund Dividend (PFD) Growth and Preservation for Future Generations
 - Enshrine a 50/50 PFD in the constitution
3. Oil and Gas Tax Revision
 - Temporarily raise the production tax floor from 4% to 6%
 - Institute a 15 cents-per-barrel fee on pipeline throughput
4. Seasonal Sales Tax
 - 4% April-September, 2% October-March
 - Reduced to 0% starting 2034
5. Elimination of the Corporate Income Tax
 - Effective 2032
6. Government Sunset and Reauthorization
 - Establish a recurring six-year agency review process
 - Default result of review is termination unless the Legislature chooses to continue the agency



OMB Main Line (907) 465-4660

More information, reports, and detailed department budget books at [omb.Alaska.gov](https://omb.alaska.gov)

[FY2027 Fiscal Summary](#)

[FY2027 Budget Overview and 10-Year Plan](#)