



ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Finance

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MEMORANDUM

DATE: January 21, 2026

TO: Senator Lyman Hoffman, Senate Finance Co-Chair
Senator Donald Olson, Senate Finance Co-Chair
Senator Bert Stedman, Senate Finance Co-Chair
Representative Andy Josephson, House Finance Co-Chair
Representative Neal Foster, House Finance Co-Chair
Representative Calvin Schrage, House Finance Co-Chair
Senator Elvi Gray-Jackson, Legislative Budget & Audit Chair

FROM: 
Alexei Painter
Director of Legislative Finance Division

SUBJECT: Agency Responses to FY26 Legislative Intent Language

This memorandum restates applicable FY26 legislative intent (*italics*) for each agency and provides agency responses to our request for status reports. Responses indicating non-compliance, partial compliance, and indeterminate compliance have been identified using bold font and yellow highlighting.

This memo also includes follow-up on legislative intent from the FY24 and FY25 budgets for which compliance could not yet be determined when we sent the FY25 memo. Next year's memo will follow up on pending FY26 items.

DEPARTMENT OF ADMINISTRATION

1. Department of Administration

Operating Bill (CCS HB 53 (brf sup maj fld H), Sec. 28(d))

NON-COMPLIANCE

(d) The amount necessary to maintain, after the appropriation made in (c) of this section, a minimum target claim reserve balance of one and one-half times the amount of outstanding claims in the group health and life benefits fund (AS 39.30.095), estimated to be \$10,000,000, is appropriated from the unexpended and unobligated balance of any appropriation that is determined to be available for lapse at the end of the fiscal year ending June 30, 2026, to the group health and life benefits fund (AS 39.30.095). It is the intent of the legislature that the rate for the employer contribution to the AlaskaCare employee health plan for the fiscal year ending June 30, 2027, be set based on the full actuarial rate without relying on lapsed funding.

The Department of Administration (DOA) took conservative steps to balance the Group Health Life Fund over the next several fiscal years to reduce reliance on lapse funding. The DOA, in consultation with the Office of Management and Budget, adopted a stair-stepped, conservative approach that increases employer contributions, increases employee premiums and approved plan changes which should yield estimated savings to the cost of the plan. The selected options prioritize fiscal prudence while still addressing funding sustainability and member equity.

Legislative Fiscal Analyst Comment: The plan implemented by DOA and OMB refers to a “stair-stepped, conservative approach” “reducing reliance” on lapsing funding in order to balance the cost to the employer and employee.

This reduced reliance still projects to use between \$18.5 million and \$26.3 million in FY27. Without further policy changes, DOA projects a need of \$27.0 to \$50.5 million by FY30. This indicates that additional steps are necessary for the fund to remain solvent.

2. Office of Information Technology / Licensing, Infrastructure & Servers

Operating Bill (CCS HB 53 (brf sup maj fld H), Sec. 1)

It is the intent of the legislature that the Office of Information Technology shall present a plan to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025 to contain the growth of information technology costs relating to cloud services and software licensing in the Executive Branch.

A plan containing the growth of information technology costs relating to cloud services and software licensing in the Executive Branch will be provided to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025.

Legislative Fiscal Analyst Comment: The Department provided the requested report on December 19, 2025. It is included in this packet as **Attachment 1**.

3. Office of Information Technology / Chief Information Officer
Operating Bill (CCS HB 53 (brf sup maj fld H), Sec. 1)

It is the intent of the legislature that the Office of Information Technology shall present a prioritized plan to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025 for the uses, costs, and expected benefits of projects using artificial intelligence.

A prioritized plan for the uses, costs, and expected benefits of projects using artificial intelligence will be provided to the Co-chairs of the Finance Committees and the Legislative Finance Division by December 20, 2025.

Legislative Fiscal Analyst Comment: The Department provided the requested report on December 19, 2025. It is included in this packet as **Attachment 2**.

DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT

4. Community and Regional Affairs / Community and Regional Affairs Operating Bill (CCS HB 53 (brf sup maj fld H), Sec. 1)

It is the intent of the legislature that the Bristol Bay Science and Research Institute continue to share data with the Alaska Department of Fish and Game.

The Department of Commerce, Community, and Economic Development's Division of Community and Regional Affairs confirms that the intent language is incorporated within the scope of work outlined in the Chum Salmon Assessment and Genetics Lab grant agreement with the Bristol Bay Science and Research Institute (BBSRI). In addition, the Department of Fish and Game (DFG) works closely with the BBSRI on several fishery research projects and the BBSRI continues to share data and information with the DFG in a timely manner.

DEPARTMENT OF CORRECTIONS

5. Department of Corrections

Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)

It is the intent of the legislature that the Department of Corrections prepare a report to the legislature that analyzes the possibility of closing an institution and submit it to the Co-chairs of the Finance committees and the Legislative Finance Division by December 20, 2025. The report should examine which institutions would produce the most cost savings if they were closed, estimate the long-term cost savings associated with closing those institutions, and what transition costs would be needed, including capital costs.

The Department of Corrections is currently reviewing each institution, its operational purpose, capacity, and cost and will provide a report to the Co-chairs of the Finance committees and the Legislative Finance Division by December 20, 2025.

Legislative Fiscal Analyst Comment: The Department provided the requested report on December 19, 2025. It is included in this packet as **Attachment 3**.

6. Population Management / Anchorage Correctional Complex

Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)

NON-COMPLIANCE

It is the intent of the legislature the State of Alaska, through the Department of Corrections (DOC), no longer covers the full cost of unsentenced federal inmates housed in State facilities. The legislature urges the Department to coordinate with the Department of Law to either receive adequate daily funding for federal inmates housed in State facilities or to determine a method for them to be housed at a federal or private facility until court hearings. DOC and Department of Law shall then submit a joint response to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025, outlining the determined terms, number of federal inmates housed in State facilities by day in 2025 and the final cost associated to the State, if any.

The Department of Corrections is in discussions with the Department of Law regarding persons held within a State correctional facility that have both federal and State charges and will provide a joint response to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025.

Legislative Fiscal Analyst Comment: The Departments provided a joint response as requested on December 19, 2025. Despite attempted negotiations, the full cost is still borne by the State due to the firm policy stance of the United States Martial Service. The response is included in this packet as **Attachment 4**.

7. Population Management / Spring Creek Correctional Center
Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)

It is the intent of the legislature that the Department of Corrections permanently close one housing unit at Spring Creek Correctional Facility. Closing one unit will allow the Department to direct personnel resources to other areas of the facility, reduce overtime, and find efficiencies. The Department shall provide a report to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025, detailing the efforts taken towards closing a housing unit, and resulting cost savings and efficiencies.

The Department of Corrections has closed Spring Creek House 2 and will provide a report detailing the efforts taken towards closing a housing unit, and resulting cost savings and efficiencies to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025.

Legislative Fiscal Analyst Comment: The Department provided the requested report on December 19, 2025. It is included in this packet as **Attachment 5**.

8. Population Management / Regional and Community Jails
Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)

PARTIAL COMPLIANCE

It is the intent of the legislature that the Department of Corrections continue the reform of the Regional and Community Jails program. Since the program's inception, public safety has changed in the state and jails are not utilized to the same extent. Therefore, the Department should renegotiate FY27 contracts by reducing the bed count by two-thirds if the individual community's unused bed rate was over sixty percent, when FY24 and FY25 are averaged, and any other corresponding costs. This realignment prevents closures and allows communities to maintain a jail with a more appropriate bed count and cost to the State. The Department shall issue a status report to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025.

The Department of Corrections is coordinating with the Alaska Municipal League to continue the review of the Regional and Community Jails program and will provide a report to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025.

Legislative Fiscal Analyst Comment: The Department provided the requested report on December 19, 2025. It is included in this packet as **Attachment 6**. The Department has not committed to renegotiating contracts for facilities with unused bed rates exceeding 60%.

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

9. Department of Education and Early Development / Judiciary

Capital Bill (HCS CSSB 57(FIN) am H(efd fld H), Sec. 12)

COMPLIANCE MAY BE DETERMINED AT A LATER DATE

(a) The proceeds from the sale of the Stratton Library building in Sitka are appropriated from the general fund to the Department of Education and Early Development, Alaska state libraries, archives and museums, for renovation and repair of, and other necessary projects related to, the Sheldon Jackson Museum in Sitka and other buildings and facilities. It is the intent of the legislature that the department and the Alaska Court System negotiate in good faith to facilitate the sale and, if the parties agree on the terms of the sale, that the Alaska Court System submit a request for a supplemental appropriation in the amount of the purchase price.

The Department of Education and Early has reached an agreement with the Alaska Court System for the purchase of the Stratton Library for \$2,000,000, contingent on the appropriation of funds to the Courts sufficient for the purchase.

10. Education Support and Admin Services / School Finance & Facilities

Operating Bill (CCS HB 53 (brf sup maj fld H), Sec. 1)

It is the intent of the legislature that a school district report to the Department twice annually, once by the end of the count period set out in AS 14.17.500, and on February 1, 2026, the balance of each of the following funds: 1) school operating fund, 2) special revenue funds, 3) capital project funds, 4) other governmental funds. Additionally, each fund shall be reported based on the following classifications: 1) nonspendable fund balance, 2) restricted fund balance, 3) committed fund balance, 4) assigned fund balance, 5) unassigned balance. The Department shall provide these reports and associated data in electronic format to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025 and by February 15, 2026.

The Department of Education & Early Development (DEED) shared the legislative intent language with school district superintendents and business managers in communications over the summer and provided the reporting template in early October.

The DEED is utilizing the reporting template collaboratively developed with the Alaska Association of School Business Officials (ALASBO) for the initial FY2024 collection to gather the current fiscal year school district data. Using the same template provides school district personnel familiarity with report and internal data gathering processes.

The DEED will collect data on a timeline similar to the FY2024 and FY2025 collections, which had been developed based on feedback received from school district leadership, with the overall timeline was adjusted to align with school district payroll processes. For the first round of reporting, districts will report their Fund Balances as of October 31 (to be submitted to the DEED

by November 25, 2025, for submission to the Alaska Legislature by December 20, 2025). The second round of reporting will show Fund Balances as of December 31, 2025, (to be submitted to the DEED by January 25, 2026, for submission to the Alaska Legislature by February 15, 2026).

Legislative Fiscal Analyst Comment: The Department provided the requested report on December 19, 2025. It is included in this packet as Attachment 7 .
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11. Facility Maintenance and Operations / Facilities Rent State Owned Operating Bill (CCS HB 53 (brf sup maj fld H), Sec. 1)

NON-COMPLIANCE

It is the intent of the legislature that the Department not enter into new leases, expand office space, or otherwise incur new facilities costs.

The Department of Education and Early Development (DEED) shares the goal of fiscal discipline and efficient use of State resources while maintaining the operational capacity necessary to carry out its statutory responsibilities.

The DEED expanded its office footprint in the Anchorage Atwood Building, as of July 1, 2025, by obtaining a lease for adjoining office spaces. This action responded to the Department's identified workspace shortage associated with expanded in-person staffing in Anchorage and facilitated the co-location of teams critical to program coordination and effective service delivery. The additional lease cost and minor structural changes were accommodated within the DEED's existing facilities appropriation.

The DEED remains committed to transparent, efficient, and well-coordinated management of its facilities portfolio and will continue to ensure that facilities planning supports operational needs while maintaining fiscal accountability.

DEPARTMENT OF FAMILY AND COMMUNITY SERVICES

12. Department of Family and Community Services

Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)

COMPLIANCE MAY BE DETERMINED AT A LATER DATE

It is the intent of the legislature that the Department shall submit a report of transfers between appropriations that occurred during the fiscal year ending June 30, 2026 to the Co-chairs of the Finance committees and to the Legislative Finance Division by September 30, 2026.

A report of transfers between appropriations that occur during FY2026 will be provided to the Co-Chairs of the Finance committees and the Legislative Finance Division by September 30, 2026.

13. Children's Services / Family Preservation

Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)

It is the intent of the legislature that the Department, in collaboration with the Department of Public Safety, consider how to maintain funding for Child Advocacy Center services when preparing its FY27 budget submission to the legislature.

The Department of Family and Community Services (DFCS) is actively collaborating with the Department of Public Safety to ensure continued financial support for the Child Advocacy Centers. Two grant solicitations, managed by the DFCS, have been issued to make full use of the \$5.5 million appropriation for FY2026.

OFFICE OF THE GOVERNOR

14. Office of Management and Budget / Office of Management and Budget Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)

NON-COMPLIANCE

It is the intent of the legislature that, in preparing the fiscal year 2027 budget, the Office of Management and Budget use zero-based budgeting principles to prepare the budget of one agency. The director of the Office of Management and Budget shall submit a report not later than December 20, 2025, to the Co-chairs of the Finance committee of each house of the legislature and to the Legislative Finance Division that provides a detailed explanation of each agency that was selected for zero-based budgeting and an analysis and justification for each expense of the agency.

The Office of Management and Budget will submit a report regarding zero-based budgeting to the Co-chairs of the Finance committee of each house of the legislature and to the Legislative Finance Division by December 20, 2025.

Legislative Fiscal Analyst Comment: The Office of Management Budget submitted a report on December 19, 2025 (included in this packet as **Attachment 8**) that explained that the agency did not utilize zero-based budgeting. OMB stated that “implementing ZBB, even in one agency, is a multi-step process and would require a much longer timeframe to implement effectively.”

15. Office of Management and Budget / Office of Management and Budget Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)

COMPLIANCE MAY BE DETERMINED AT A LATER DATE

It is the intent of the legislature that the Office of Management and Budget submit a report by December 20, 2025, to the Co-chairs of the Finance committees and to the Legislative Finance Division that shows overtime, bonus, standby, and any other specialty pay that are included in the Fiscal Year 2026 Management Plan for each agency. It is the further intent of the legislature that the Office of Management and Budget submit a report by September 30, 2026, to the Co-chairs of the Finance committees and to the Legislative Finance Division that provides actual amounts of overtime, bonus, standby, and any other specialty pay that were paid out in Fiscal Year 2026 for each agency.

The Office of Management and Budget (OMB) will provide a report that shows overtime, bonus, standby, and any other specialty pay that are included in the FY2026 Management Plan for each agency to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025. In addition, the OMB will provide a report showing actual amounts of

overtime, bonus, standby, and any other specialty pay that are paid out in FY2026 for each agency by September 30, 2026.

Legislative Fiscal Analyst Comment: OMB provided the first requested report on December 19, 2025. It is included in this packet as **Attachment 9**. The second report is due in September 2026 and compliance will be reported in the 2027 intent memo.

DEPARTMENT OF HEALTH

16. Department of Health

Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)

COMPLIANCE MAY BE DETERMINED AT A LATER DATE

It is the intent of the legislature that the Department shall submit a report of transfers between appropriations that occurred during the fiscal year ending June 30, 2026, to the Co-chairs of the Finance committees and to the Legislative Finance Division by September 30, 2026.

A report of transfers between appropriations that occur during FY2026 will be provided to the Co-chairs of the Finance Committees and the Legislative Finance Division by September 30, 2026.

17. Senior and Disabilities Services / Early Intervention/Infant Learning Programs

Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1), and Mental Health Bill (CCS HB 55, Sec. 1)

NON-COMPLIANCE DUE TO VETO

It is the intent of the legislature that the Department direct grantees of the Infant Learning Program to expand service provision from children with a 50 percent or more delay in one developmental area to children with a 25 percent or more delay in one developmental area, or with a 20 percent delay or more in two developmental areas.

This funding was vetoed; no funding was allocated for this purpose.

18. Medicaid Services

Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)

COMPLIANCE MAY BE DETERMINED AT A LATER DATE

It is the intent of the legislature that the Department submit the Medicaid Services Projection Model and Summary Overview of UGF Medicaid Increments with year-to-date information for fiscal year 2026 to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 15, 2025, and subsequently update the report before resubmitting it by February 17, 2026

The FY2026 Medicaid Services Projection Model and Summary Overview of UGF Medicaid Increments will be made available by December 15, 2025, update the report prior to resubmitting by February 17, 2026.

Legislative Fiscal Analyst Comment: The Department provided the first requested report on December 15, 2025. It is included in this packet as **Attachments 10 and 11**. The second report is due in February 2026, and compliance will be reported in the 2027 intent memo.

19. Medicaid Services / Medicaid Services
Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)

PARTIAL COMPLIANCE

It is the intent of the legislature that the Temporary Increment (FY26-FY27) for clinical behavioral health services provide bridge funding through augmented clinic and rehabilitation rates while the Department of Health completes a rebasing methodology study and implements rates to cover the true cost of delivering all behavioral health services under the Medicaid State Plan Amendment.

The Department of Health recently rolled out the results of the Behavioral Health rate methodology. This approach will more broadly address the overall rate recommendations. The Behavioral Health Rate Study report is available on the Department of Health, Office of Rate Review, website at <https://health.alaska.gov/media/kbxpx2ve/alaska-department-of-health-behavioral-health-report-2025.pdf>.

Legislative Fiscal Analyst Comment: The Department did complete and publish the rate methodology study, but the Governor's FY27 budget proposal did not contain any budget action that reflected policy options from the study. Additionally, the Governor's FY27 budget proposal omitted the Temporary Increment (FY26-FY27) that the legislature appropriated to fund behavioral health rate increases in SLA 2025.

DEPARTMENT OF LAW

20. Criminal Division

Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)

NON-COMPLIANCE

It is the intent of the legislature the State of Alaska no longer cover the full cost of housing unsentenced federal inmates in State facilities. Therefore, the legislature urges the Department of Law to work with the Department of Corrections and federal agencies to either receive adequate daily funding for federal inmates housed in State facilities or to determine a method for them to be housed at a federal or private facility until court hearings. Law and DOC shall submit a joint response to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025, outlining the determined terms, number of federal inmates housed in State facilities by month in 2025 and the final cost associated to the State, if any.

The Department of Law is in discussions with the Department of Corrections regarding persons held within a state correctional facility that have both federal and State charges and will provide a joint response to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025.

Legislative Fiscal Analyst Comment: The Departments provided a joint response as requested on December 19, 2025. Despite attempted negotiations, the full cost is still borne by the State due to the firm policy stance of the United States Martial Service. The response is included in this packet as **Attachment 12**.

DEPARTMENT OF NATURAL RESOURCES

21. Administration & Support Services / Mental Health Trust Lands Administration Mental Health Bill (CCS HB 55, Sec. 1)

It is the intent of the legislature that the FY27 budget promote transparency by reflecting the existing maintenance and operations costs of the Trust and its lessees in the Cordova building and the Trust Authority building.

The FY2027 budget will be reviewed to ensure transparency by separately reflecting the existing maintenance and operations costs of the Trust and its lessees in the Cordova building and the Trust Authority building.

Legislative Fiscal Analyst Comment: The FY27 Governor's budget proposal includes a new allocation for Mental Health Trust Lands Facility Operations and Maintenance with \$895.8 in Mental Health Trust Authority Authorized Receipt (MHTAAR) authority.

22. Fire Suppression, Land & Water Resources / Forest Management & Development Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)

It is the intent of the legislature that the Department prepare a report of infrastructure projects related to expanding or improving access to timber. The report should include a list of all projects detailing what activities were performed and the costs incurred for each project in the past year. The report should also provide the available balance of Timber Sales Receipts with total annual expenditures and revenues. The report should be submitted to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025.

The Department of Natural Resources will provide a report of infrastructure projects related to expanding or improving access to timber to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025.

Legislative Fiscal Analyst Comment: The Department of Natural Resources submitted a letter on December 19, 2025 (included in this packet as **Attachment 13**) that reports the active forestry infrastructure projects, recent activities, and approximate costs. The balance of the Timber Sale Receipts account was reported at \$7,296,714 as of November 12, 2025.

DEPARTMENT OF PUBLIC SAFETY

23. Statewide Support / Commissioner's Office Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)

PARTIAL COMPLIANCE

It is the intent of the legislature to direct public safety funds to areas of the state that do not have the tax base to provide needed policing services to their communities. The Department of Public Safety executives are urged to meet with officials from three organized, non-unified boroughs in the state, Kenai Peninsula, Fairbanks North Star and Matanuska-Susitna, who do not currently offer adequate local public safety services and encourage them to take the steps necessary to police their respective boroughs rather than relying on the State to provide those services. The Department shall submit a full response to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025, outlining the communication, feedback or actions taken by each borough.

The Department of Public Safety's (DPS) Deputy Commissioner met with the Matanuska-Susitna Borough Assembly and spoke about this legislative intent on August 2, 2025. The DPS provided crime density maps, coverage areas, and deployed Trooper numbers and contract policing was discussed at a macro level. The Commissioner and Deputy Commissioner will be meeting with the Fairbanks North Star Borough and Kenai Peninsula Borough during the first week of December. The DPS will provide a full response to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025.

Legislative Fiscal Analyst Comment: The Department of Public Safety submitted a letter on December 19, 2025 (included in this packet as **Attachment 14**) that describes the three meetings the agency attended with the Mat-Su, Kenai Peninsula, and Fairbanks North Star Boroughs. The letter describes communication efforts but does not adequately outline any feedback or actions taken by the boroughs.

DEPARTMENT OF REVENUE

24. Department of Revenue

Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)

NON-COMPLIANCE

It is the intent of the legislature that the Alaska Permanent Fund Corporation decommission the Anchorage office and not establish or maintain any new office locations without corresponding budget increments for that purpose. It is the further intent of the legislature that the Alaska Permanent Fund Corporation shall provide a report to the Co-chairs of the Finance committee and the Legislative Finance Division by December 20, 2025, that details any actual expenditures to date related to the Anchorage office.

The \$100 appropriation to decommission the Anchorage office was vetoed by the Governor. This action aligns with the Board of Trustees' support for Alaska-based offices in Juneau and Anchorage to ensure staffing continuity and sustain recruitment and retention success.

The Anchorage satellite office:

- Strategic: A practical, Alaska-based solution to supporting workforce challenges. The Anchorage location strengthens the Alaska Permanent Fund Corporation's (APFC) ability to attract and retain professional talent who are rooted in Southcentral Alaska or who prefer the professional opportunities and connectivity that a larger urban center provides. Currently, there are six APFC Anchorage Office-based staff, five working in investments and one in trade operations, all supporting the APFC's core mission.
- Value: The Anchorage office is a modest investment that strengthens the APFC's presence in the State and aligns with the Board of Trustees' long-term strategy for supporting top talent through workplace flexibility.

The APFC values its partnership with the Legislature and is committed to transparency and accountability. Below is the required Anchorage office expenditure detail (in thousands):

Anchorage Office Operations	FY2024	FY2025	FY2026 Thru
			10/31/2025
Travel	\$33.7	\$19.3	\$ 6.8
Contractual Services	\$27.8	\$31.3	\$ 34.1
Commodities	\$ 1.6	\$ 9.7	\$ 0.7
Equipment	\$18.6	\$10.8	\$ 0
Totals per FY	\$81.7	\$71.1	\$ 41.6
Total to Date			\$194.4

Cost Overview (in thousands): The total expenditures to date is \$194.4. The FY2026 Contractual Services amount includes an estimate for the office lease of \$32.5. The FY2025 expense totaled \$71.1 equal to 0.0002% (0.02 basis points) of the APFC's FY2025 ending assets under management (AUM). No FY2025 or FY2026 relocation costs have been incurred.

Legislative Fiscal Analyst Comment: APFC has continued to maintain and further establish the Anchorage Office, which defies the legislature's intent. APFC submitted a report which is included as **Attachment 15**.

**25. Alaska Housing Finance Corporation / AHFC Operations
Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)**

It is the intent of the Legislature that the Alaska Housing Finance Corporation study housing development opportunities in the Chester Creek sports complex area of Anchorage.

The Alaska Housing Finance Corporation has had a few meetings on including housing in a Chester Creek sports complex and will continue to work with potential developers of new housing in Alaska.

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

26. Highways, Aviation and Facilities / Northern Region Highways and Aviation Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)

It is the intent of the legislature that the agency shall provide a report detailing the feasibility of designating the Dalton Highway an Industrial Use Highway in order to collect fees to address the road's maintenance. This report shall be provided to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025.

The Department of Transportation and Public Facilities (DOT&PF) has reviewed existing regulations governing the Industrial Use Highway (IUH) designation found under 17 AAC 35, along with the documentation for the only current IUH designation, the Klondike Highway, to review potential designation of the Dalton Highway. This review also incorporated discussions with Dalton Highway stakeholders regarding maintenance activities along the corridor. Given the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA, 23 U.S.C. § 127), enacted into law in 1991 just five years after the Klondike Highway IUH designation, a federal limit to maximum size and weight were "frozen" or grandfathered at existing levels along federally funded corridors such as the Dalton Highway. Because of this, the IUH designation is not possible without a change to federal law. A report detailing the feasibility of designating the Dalton Highway an IUH will be provided to the Co-chairs of the Finance Committees and the Legislative Finance Division by December 20, 2025. The report will provide greater detail on the IUH designation review, applicable federal limitations, basic analysis of tolling alternative, and the state of current maintenance on the Dalton Highway.

Legislative Fiscal Analyst Comment: The Department provided the requested report on December 20, 2025, and it is included in this packet as **Attachment 16**.

27. Department of Transportation

Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 38(b))

COMPLIANCE MAY BE DETERMINED AT A LATER DATE

It is the intent of the legislature that, for the appropriations made in sec. 5, ch. 7, SLA 2024, the Department of Transportation and Public Facilities prioritize spending federal funds and unrestricted general funds first, preserving the balance of the Alaska marine highway system fund (AS 19.65.060(a)) to the extent possible.

The appropriations listed in this intent language align with calendar year 2026, so spending has not started yet. The Department of Transportation and Public Facilities will prioritize spending based on the availability of funds and revenue but will keep this legislative intent in mind as spending occurs.

UNIVERSITY OF ALASKA

28. University of Alaska

Operating Bill (CCS HB 53(brf sup maj fld H)), Sec. 1)

COMPLIANCE MAY BE DETERMINED AT A LATER DATE

It is the intent of the legislature that the University of Alaska provide two reports detailing all transfers of funds from rural campus allocations to main campus allocations during the fiscal year ending June 30th, 2026, to the Co-Chairs of the Finance Committees and the Legislative Finance Division. This should include an interim report due March 31st, 2026, and a final report by September 30th, 2026.

The University of Alaska will provide two reports to the Co-chairs of the Finance Committees and the Legislative Finance Division on the transfers of funds from rural campus allocations to main campus allocations during the fiscal year ending June 30, 2026. The interim report will be provided by March 31, 2026, and the final report will be provided by September 30, 2026.

JUDICIARY

29. Department of Education and Early Development / Judiciary

Capital Bill (HCS CSSB 57(FIN) am H(efd fld H), Sec. 12)

(a) The proceeds from the sale of the Stratton Library building in Sitka are appropriated from the general fund to the Department of Education and Early Development, Alaska state libraries, archives and museums, for renovation and repair of, and other necessary projects related to, the Sheldon Jackson Museum in Sitka and other buildings and facilities. It is the intent of the legislature that the department and the Alaska Court System negotiate in good faith to facilitate the sale and, if the parties agree on the terms of the sale, that the Alaska Court System submit a request for a supplemental appropriation in the amount of the purchase price.

The Alaska Court System has reached an agreement with the Department of Education and Early Development for the purchase of the Stratton Library for \$2,000,000, contingent on the appropriation of funds sufficient for the purchase.

Legislative Fiscal Analyst Comment: The Judiciary Branch reports that they submitted a supplemental capital request of \$2 million for the purchase of the building, but it was not included in the FY27 Governor's request.

SLA 2025 FY 2025 INTENT ITEMS

30. Alaska Permanent Fund

Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 25(f))

NON-COMPLIANCE

(f) It is the intent of the legislature that the appropriation made in sec. 55(f), ch. 1, SSSLA 2021, constitutes forward funding of the amount calculated under AS 37.13.145(c) to offset the effect of inflation on the principal of the Alaska permanent fund.

The Board of Trustees urges the Legislature to adhere to statutory, rules-based inflation proofing for the Fund's Principal. It is important to note from a policy perspective that only the permanent deposits to Principal are subject to statutory inflation proofing.

A consistent approach to inflation proofing will strengthen Alaska's fiscal foundation, preserve the Fund's real value, and uphold the intent of its founders to provide lasting benefits for all Alaskans.

Board Position: During its quarterly meeting in May 2025, the Board of Trustees reaffirmed the importance of annual, rules-based inflation proofing for the Principal within the current two-account structure. For the Alaska Permanent Fund Corporation's (APFC) reporting, the Board concluded that the \$4 billion transfer from FY2022 should remain classified as a special appropriation to the Principal, in accordance with the original appropriation, rather than being re-categorized as rules-based inflation proofing.

Context: For decades, the rules-based inflation proofing calculation outlined in AS 37.13.145(c) has been a cornerstone of intergenerational equity, protecting the real value of the Fund's Principal under the two-account framework. In recent years, however, this practice has become inconsistent. Since 2016, the Legislature has occasionally deviated from its statutory inflation proofing formula, omitting appropriations in some years, making ad hoc "catch-up" transfers in others, and, more recently, reclassifying prior appropriations as inflation proofing through subsequent intent language.

While these actions were taken to address near-term fiscal pressures, they have introduced uncertainty into what has historically been a disciplined and predictable mechanism for protecting the Fund's real value and the Principal's intergenerational purchasing power under the two-account structure.

Importance of Rules-Based Practices: As outlined in Trustees' Papers 9 and 10, and affirmed in Board Resolutions 17-01, 18-01, 18-04, and 20-01, consistent adherence to rules-based practices strengthens transparency, supports sound fiscal governance, and safeguards the Fund's intergenerational promise for all Alaskans.

Reference: The following table outlines the annual appropriations for inflation proofing, calculated under AS 37.13.145(c) and applied to the permanent deposits to the Principal.

APFC Reporting: Rules-based Inflation Proofing

\$ millions	Per Statute	Appropriated	Surplus/ (Deficit)
FY2016	\$47.3	\$0.0	(\$47.3)
FY2017	\$501.6	\$0.0	(\$501.6)
FY2018	\$855.6	\$0.0	(\$855.6)
FY2019	\$989.5	\$989.5	\$0.0
FY2020	\$757.7	\$4,757.7	\$4,000.0
FY2021	\$577.3	\$0.0	(\$577.3)
FY2022	\$2,419.5	\$0.0	(\$2,419.5)
FY2023	\$4,179.3	\$4,179.3	\$0.0
FY2024	\$2,346.6	\$1,413.0	(\$933.6)
FY2025	\$1,733.0	\$0.0	(\$1,733.0)
FY2026	\$1,505.0	\$0.0	(\$1,505.0)
TOTAL	\$15,912.4	\$11,339.5	(\$4,572.9)

Based on the legislative intent, the re-categorization of the FY2022 Special Appropriation as Inflation Proofing would reduce the amount still owed for Principal Inflation Proofing to \$572.9 million, rather than \$4.6 billion owed based on the Trustees' assessment.

Legislative Fiscal Analyst Comment: Contrary to legislative intent, the Board of Trustees continues to consider the \$4 billion FY22 transfer as a special appropriation, rather than inflation proofing.

SLA 2024 FY 2025 INTENT ITEMS

31. Department of Education

Education Support and Admin Services / School Finance & Facilities
Operating/Capital Budget (Ch. 7, SLA 24, CCS HB 268 (Corrected))

It is the intent of the legislature that a school district report to the Department twice annually, once by the end of the count period set out in AS 14.17.500, and on February 1, 2025, the balance of each of the following funds: 1) school operating fund, 2) special revenue funds, 3) capital project funds, 4) other governmental funds. Additionally, each fund shall be reported based on the following classifications: 1) nonspendable fund balance, 2) restricted fund balance, 3) committed fund balance, 4) assigned fund balance, 5) unassigned balance. The Department shall provide these reports and associated data in electronic format to the Co-Chairs of Finance and the Legislative Finance Division by December 20, 2024 and by February 15, 2025.

The Department of Education and Early Development (DEED) provided the second report and associated data to the Co-chairs of Finance and the Legislative Finance Division on February 14, 2025. These reports are also posted on the DEED website under School Finance, Budgets and Actual Reporting under Reports to the Legislature (<https://education.alaska.gov/schoolfinance/budgetsactual>).

Legislative Fiscal Analyst Comment: The Department provided the requested report on September 14, 2025. It is included in this packet as **Attachment 17**.

32. Department of Family and Community Services

Operating/Capital Budget (Ch. 7, SLA 24, CCS HB 268 (Corrected))

It is the intent of the legislature that the Department shall submit a report of transfers between appropriations that occurred during the fiscal year ending June 30, 2025 to the Co-chairs of the Finance Committees and the Legislative Finance Division by September 30, 2025.

A report of transfers between appropriations that occur during FY2025 was provided to the Co-Chairs of the Finance Committees and the Legislative Finance Division on September 23, 2025.

Legislative Fiscal Analyst Comment: The Department provided the requested report on September 23, 2025. It is included in this packet as **Attachment 18**.

33. Department of Health

Operating/Capital Budget (Ch. 7, SLA 24, CCS HB 268 (Corrected))

It is the intent of the legislature that the Department shall submit a report of transfers between appropriations that occurred during the fiscal year ending June 30, 2025, to the Co-chairs of the Finance Committees and the Legislative Finance Division by September 30, 2025.

A report of transfers between appropriations that occur during FY2025 was provided to the Co-chairs of the Finance Committees and the Legislative Finance Division by September 30, 2025.

Legislative Fiscal Analyst Comment: The Department provided the requested report on September 30, 2025. It is included in this packet as Attachment 19 .
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SLA 2023 FY 2024 INTENT ITEMS

34. Department of Administration Centralized Administrative Services / Personnel Operating/Capital Budget (Ch. 1, FSSLA 23, SLA 2023 SCS CSHB 39(FIN) am S)

It is the intent of the legislature that the Division of Personnel set the job classification salary alignment to the 65th percentile.

The Statewide Salary Survey is complete and the final documents can be found on the Department of Administration, Division of Personnel, website at <https://doa.alaska.gov/dop/reports/doplrStudies/salaryStudy2025/>. Since it will be a policy decision, the Division of Personnel will need to work with the administration and legislature on setting the job classification salary alignment to the 65th percentile.

Legislative Fiscal Analyst Comment: The study did include a comparison to the 65th percentile but focused on the 50th percentile.

35. Department of Administration Centralized Administrative Services / Personnel Operating/Capital Budget (Ch. 1, FSSLA 23, SLA 2023 SCS CSHB 39(FIN) am S)

It is the intent of the legislature that the Statewide Salary Survey include benefits and salaries to ensure that comparisons more accurately represent compensation differences between employers.

The Statewide Salary Survey is complete and provides a comparative analysis of salary and benefits market data collected from private and public organizations. The final documents can be found on the Department of Administration, Division of Personnel, website at <https://doa.alaska.gov/dop/reports/doplrStudies/salaryStudy2025/>.

Legislative Fiscal Analyst Comment: The study included both salary and benefits data in its evaluation of the differences between employers.

36. Department of Law

Operating/Capital Budget (Ch. 1, FSSLA 23, SCS CSHB 39(FIN) am S)

(a) *The sum of \$5,000,000 is appropriated from the general fund to the Department of Law, civil division, for litigation relating to the defense of rights to develop and protect the state's natural resources, to access land, to manage its fish and wildlife resources, and to protect state sovereignty in the fiscal years ending June 30, 2024, June 30, 2025, and June 30, 2026.*

(b) *It is the intent of the legislature that funds from the appropriation made in (a) of this section may not be used for any action that may erode existing federal or state subsistence rights.*

The Department of Law adhered to the legislative intent expressed in the appropriation and did not fund any cases related to federal or State subsistence rights with the money received from the appropriation.

Legislative Fiscal Analyst Comment: The agency has not provided a comprehensive list of legal engagements and has been involved in multiple cases of litigation regarding subsistence rights in recent years. The Legislative Finance Division cannot confirm whether or not any of the “Statehood Defense” appropriations have been used for litigation related to subsistence rights.



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

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Office of Information Technology

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December 19, 2025

Honorable Finance Co-Chairs
Alaska State Legislature
State Capitol Building
Juneau, AK 99801

Dear Finance Committee Co-Chairs:

The Department of Administration is submitting the following report, "Licensing and Cloud Services: IT Growth, Associated Costs, and Cost Containment," in response to legislative intent language included in CCS HB 53(BRF SUP MAJ FLD H).

In this report, the Office of Information Technology (OIT):

- Explains cost containment priorities for fiscal year (FY) 2026-2028.
- Provides an overview of the current state of IT costs for the executive branch, including cloud and licensing challenges and opportunities.
- Describes strategic next steps for cost containment within three areas: Governance and Oversight, Optimization of Cloud Spend, and Software Asset Management.

We appreciate the opportunity to provide additional information to the Legislature about information technology (IT) costs for the State of Alaska.

Sincerely,

DocuSigned by:

A handwritten signature in black ink, appearing to read "Bill Smith".

DFC79A53C0734CD...

Bill Smith

Chief Information Officer

Office of Information Technology

cc:

Alexei Painter, Director, Legislative Finance Division
Jordan Shilling, Director, Governor's Legislative Office
Lacey Sanders, Director, Office of Management and Budget
Paula Vrana, Commissioner of Administration
Niel Smith, Deputy Chief Information Officer
Colin Amundson, Chief Workforce and Finance Officer
Forrest Wolfe, Legislative Liaison

Licensing and Cloud Services

IT Growth, Associated Costs, and Cost Containment

This report is submitted by the Office of Information Technology to the co-chairs of the Finance committees and the Legislative Finance Division in response to Legislative intent language included in CCS HB 53(BRF SUP MAJ FLD H).



OFFICE OF INFORMATION TECHNOLOGY
One government, empowered by innovative technical collaboration

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Executive Summary

Information Technology (IT) costs – whether for computing power, data storage, or software – continue to rise due to growing consumption in the delivery of services and external inflationary pressures. These factors have outpaced the cost efficiencies and realized savings that have been provided by process and technology improvements. The scale of Alaska's IT environment magnifies these pressures: more than 900 software vendors, 1,700 products, and an estimated 1.8 million installations support the day-to-day operations of state government.

Consumption-based pricing, annual license escalators, and vendor lock-in create persistent upward pressure that are difficult to manage department by department.

often reduced, but year over year ***operating*** costs can climb.

The prices of IT services continue to rise due to several factors. While usage-based pricing models give us the ability to only pay for what we use, the increasing use of digital services can result in accumulating costs. Vendors typically increase prices annually, and once an organization commits to a vendor, switching can incur significant expenses. Managing these challenges across multiple departments can make it difficult to control overall costs.

The Office of Information Technology (OIT) manages enterprise IT across the executive branch. OIT's IT spend is a portion of statewide IT expenditures. Each department budgets for and has IT expenditures which make up the rest of our State's total IT spend for the executive branch.

State government relies on a complex network of vendors, devices, software licenses, and cloud services to operate. **In the State of Alaska, there are over 42,000 licenses tied to over 20,000 devices.** This creates persistent challenges for cost containment that requires governance, financial discipline, and technical oversight.

Throughout this report, we will reference three cost containment priorities – visibility, optimization, and accountability – that will guide our approach to tracking IT growth and managing IT costs.

Every employee, every department, and even critical life-safety functions such as public safety and cybersecurity depend on software and cloud infrastructure.

Cloud platforms and enterprise software have delivered improved scalability, security, and service delivery, but they represent a fundamental shift from more fixed-capital models to recurring operating expenses. Overall, **(capital + operating)** expenditures over time are



Licensing and Cloud Services
Cost Containment Priorities

Visibility



Understand IT spend across the executive branch

Use processes and tools, such as FinOps and Software Asset Management (SAM) tools to gain additional IT spend visibility across the executive branch.

Optimization



Identify cost saving opportunities across the executive branch

Work with department IT leads to identify duplication and reduce fragmented vendor relationships, while maintaining department flexibility to meet mission needs.

Accountability



Align teams to take ownership of licensing and cloud usage costs

Empower departments to make strategic investment decisions by providing enterprise visibility tools segmented by department.

Constraints

Despite progress, several structural challenges continue to place upward pressure on statewide IT costs. These are not the result of department mismanagement but of systemic realities that require coordinated responses.

Fragmented Visibility - Today, building a complete picture of Statewide IT expenditures is extremely difficult. Departments track costs individually and, as a result, identifying opportunities for enterprise savings beyond the small percentage of services managed centrally is problematic.

Volatile Consumption-Based Costs - Cloud and subscription services scale with usage. While this brings flexibility and avoids paying for excess capacity, it also creates unpredictability in budgeting and makes forecasting difficult.

Segmentation/Duplication - Departments must retain flexibility to meet mission needs. However, when similar solutions are purchased independently, it can result in duplicated contracts, unused licenses, increased workloads or fragmented vendor relationships that increase overall enterprise costs.

Opportunities

Despite the challenges of rising costs and complex funding models, the State is positioned to capture meaningful opportunities that strengthen both fiscal discipline and service delivery.

Strategic Decision-Making Through Transparency - With clearer visibility into IT expenditures, the State has the opportunity to make strategic investment decisions that effectively enable future capabilities.



Enterprise-Level Alignment - By approaching IT services more holistically, the State can reduce duplication, ensure consistency, and strengthen collaboration across departments while still supporting individual department missions.

Sustainable Financial Planning - Transitioning from capital-based funding toward operating models presents the opportunity to build budgets that more accurately reflect long-term obligations and ongoing service needs.

Strategic Partnerships with Departments - Continuing to increase collaboration between departments can transform cost containment into a joint effort that balances fiscal responsibility with innovation.

Value Creation from Technology Investments - As IT services become more efficient, the State has an opportunity to capture and reinvest those gains—reducing manual workloads, modernizing processes, and improving services for Alaskans.

Where We Are Today

In the face of our extremely complex environment, we have worked to gain greater visibility into our overall IT expenditures to help the State adapt to changes in costs.

The Office of Information Technology (OIT) manages enterprise IT software licenses and cloud services across the executive branch, including the purchasing, contract management, license distribution, utilization tracking, audits and performance reviews associated with those licenses and services. These enterprise licenses represent about 30% of the statewide license cost. Most statewide IT expenditures are managed by individual departments.

OIT's visibility across the executive branch is provided by financial codes and through the Investment Review Board (IRB)—a review process for large IT purchases. Ongoing process improvements for direct expenditures and standardized visibility of statewide expenditures provide an opportunity to materially impact the statewide spend.

This report documents our progress in stabilizing cloud costs, identifies opportunities for optimization, and presents a multi-phased roadmap that balances fiscal responsibility with the need to maintain secure, reliable services for Alaskans. With focus, the State is positioned to improve IT cost visibility and long-term IT cost controls.

Current State of Costs

Cloud Services

The State's rapid cloud migration project is complete, with Azure serving as the primary platform. For Alaska, “the cloud” is not a single system but a combination of services: Oracle’s cloud platform for enterprise applications, Microsoft’s Azure for most of our servers and business applications, a broad portfolio of software-as-a-service (SaaS) tools used by departments across the enterprise, and the



ongoing effort to migrate the State's mainframe to cloud infrastructure. These platforms now deliver the backbone of State technology operations, with on-premise facilities comprising a smaller part of the hybrid environment.

This transition has delivered significant value. From a security perspective, cloud providers deliver constant monitoring, rapid patching, and resiliency features that would be cost-prohibitive for the State to replicate in its own data centers. By moving into the cloud, the State has also reduced its technical debt—the aging servers, storage, and networking equipment that previously required millions in replacement costs no longer burden the capital budget. Instead, these functions are now delivered “as a service,” meaning we fund only what we consume, as we consume it. Rather than tying up resources in equipment that depreciates quickly and becomes outdated, the State now pays for scalable, modern, and reliable services.

Challenges in Cloud Cost Management

While migration to cloud services has delivered security, scalability, and long-term value, it has also introduced a new set of financial realities. Managing cloud expenditures requires balancing the benefits of flexibility with the challenges of controlling consumption, shifting funding models, and changes in how services are used across the enterprise.

Rising Consumption and Pricing - Cloud services follow a consumption-based model, which means costs grow as more services are consumed. Departments increasingly rely on cloud-based solutions to deliver services more efficiently, which bring benefits but create enterprise-wide cost pressures. In addition, vendors raise per-unit pricing regularly, often without alternatives for opting out of added features or bundled services.

Funding Structure Misalignment - Historically, IT infrastructure expenditures were generally funded through capital appropriations, which covered one-time projects. Cloud services by contrast, distribute infrastructure cost over time as recurring operating expenses. Over the past several years, OIT has been steadily transitioning cloud expenditures into the operating budget, with the majority of this migration scheduled for FY27.

Cultural Barriers to Cost Management - Another challenge lies in actively managing usage. In a legacy environment built with excess capacity, it was normal to leave technology services online 24x7. In the cloud, this mindset can drive unnecessary costs. Managing utilization closely is a requirement for effective cloud cost management.

The Role of FinOps

To manage these dynamics, the Office of Information Technology has implemented a FinOps program. FinOps – short for *Financial Operations* – is a discipline that brings together finance, technology, and business teams to manage cloud spending more effectively. It is a way to ensure the State gets the most



value from its cloud investments by making cloud costs visible, understandable, and actionable across teams.

This integrated approach transforms cloud costs from a purely technical matter into an enterprise-level financial strategy. Already, FinOps has allowed the State to identify idle or oversized resources, leverage reserved instances for long-term savings, and avoid expenditures that would otherwise make cloud costs 50% higher than present levels.

Software Licensing

Software has become the foundation of modern government operations, enabling everything from internal productivity to the delivery of essential services that Alaskans depend on every day. Across our two largest volume vendors, the State manages over 42,000 licenses deployed to over 20,000 hardware devices. This does not include the hundreds of smaller vendors that the State works with. Without disciplined oversight, this volume inevitably drives duplication and waste.

Software licensing is one of the largest recurring expenses in the State's IT budget. Inflation, vendor pricing models, and growing technology consumption all contribute to upward pressure on costs. While these tools often create efficiencies at the department level, the State's overall budget still feels the impact. Without active management, software spending can grow faster than other areas of the budget, creating difficult trade-offs and reducing flexibility in how State dollars are allocated.

Challenges in Software Licensing

Rising Unit Costs - The cost per license unit continues to increase year after year. Inflation is one driver, as well as the standard practice of routinely adding new features or bundling additional services.

Growing Technology Consumption – In the course of providing needed services, the State is consuming more technology each year. Departments adopt new software and expand their use of enterprise tools because these investments typically create efficiencies, reduce manual work, meet compliance needs and save employee time at the department level.

Enterprise-Level Cost Tracking Limitations - Many enterprise agreements are purchased to capture economies of scale and lower overall prices. While this approach is fiscally sound at a macro level, it also makes it difficult to tie specific consumption back to individual departments. Because we often lack transaction-level detail at the department level, costs appear concentrated at the enterprise level.

Cost Tracking and Visibility - In 2021, the State implemented standardized cost tracking across departments to bring visibility into major IT cost categories. This effort enabled visibility into software-related expenses. It was a critical first step in building the foundation for an ongoing process to improve insight and transparency into software costs as part of a broader cost containment strategy. Maturing this reporting framework is critical.

The Value of Software Asset Management (SAM)



In July 2025, OIT launched a Software Asset Management (SAM) program, starting with its two largest enterprise agreements: Microsoft and Adobe. The program is designed to provide near real-time visibility into the utilization of more than 90% of licenses under these agreements.

Historically, software license management depended on annual reviews, a slow and resource-intensive process because usage data was difficult to obtain and analyze. That meant licenses could sit unused for months (sometimes years) before being identified and reclaimed.

When the initial phase of the SAM program is complete, the State will be able to:

- Shut off unused licenses quickly, ensuring we stop paying for accounts no longer in use.
- Recycle existing licenses, issuing them to new users instead of buying additional ones.
- Accurately match spending to actual need, reducing waste and improving predictability.

Software Asset Management (SAM) helps organizations to track and manage software use across all departments.

- **Statewide Visibility:** Understand what software is being used per user and why.
- **Smarter Purchasing:** Only pay for the software used.
- **Compliance Oversight:** Prevent costly penalties from audits or license violations.

The value of SAM is straightforward: every unused license deactivated or recycled represents direct savings for the State and more responsible stewardship of public funds. Beyond cost savings, the program also creates a single source of truth for software usage building transparency, accountability, and trust in how IT dollars are managed.

With continued support, SAM will expand to additional vendors, strengthen central contracting, and deliver lasting cost control. Over time, this positions the State not just to manage expenses, but to actively drive down costs across one of the most expensive areas of the IT budget.

Oversight and Review – The Investment Review Board (IRB)

The Investment Review Board (IRB) is an oversight tool already in place that reviews technology expenditures above \$25,000. Managed by OIT, the IRB has proven useful in identifying duplication and ensuring alignment with enterprise technology and security standards.

OIT is currently maturing the IRB to provide greater transparency around IT expenditures and working to provide additional value to departments as they move through the process. When engaged early in the procurement process, the IRB is uniquely positioned to capture enterprise-wide activities and help departments meet their mission requirements. Maturing this process will transform the IRB into a proactive instrument for cost savings, accountability, and enterprise-wide consistency.



Strategic Cost Containment Plan: Next Steps

The preceding sections demonstrate both the necessity of cloud and software to every aspect of State operations and the challenges that drive costs upward year after year. The solution is not to reverse modernization, but to ensure that the tools we already have — FinOps, SAM, IRB, centralized procurement, and standardized cost tracking — are fully leveraged, expanded, and supported with the right governance.

The cost containment plan is not a new layer of bureaucracy, but a disciplined execution and maturity of practices already underway, scaled to deliver enterprise-wide impact. It rests on three integrated pillars that connect directly to the challenges described above:

- Coordinate activities across departments by clearly articulating **Governance and Oversight** of IT expenditures.
- Mature and implement procedures to **optimize cloud spend (FinOps)** across departments, making cloud costs visible, understandable, and actionable across teams.
- Mature and implement **Software Asset Management (SAM)** for all enterprise software to increase efficiency and actively drive down costs.

FY 2026

Phase 1: Foundation

- **Strengthen the Investment Review Board (IRB)** by requiring early submission of major technology purchases for review
- Formalize IRB's partnership with OMB
- Complete Phase 1 implementation for Microsoft and Adobe enterprise agreements
- **Implement real-time cloud cost dashboards that are accessible by departments**
- Launch targeted campaigns to reduce waste (e.g., shutting down non-production environments when idle)

FY 2027-2028

Phase 2: Scaling

- Require cost-benefit analysis for new technology investments
- Expand SAM coverage to additional enterprise vendors (i.e., Oracle, select SaaS products)
- Automate license recapture and recycling across agencies
- Implement statewide chargeback model
- Increase reserved instance commitments to lock in lower pricing
- Embed FinOps across departments

FY 2029

Phase 3: Maturity

- Use Software Asset Management (SAM) software for all enterprise agreements and high-value SaaS products
- Integrate SAM with hardware asset management software
- Automatically deactivate or recycle unused software licenses
- Ensure departments have visibility and responsibility for IT usage
- Formalize department-level accountability metrics (e.g., idle resources shut down within 30 days, 90% reserved instance coverage for predictable workloads)

FY 2026 contains activities that target establishing the foundation of the cost containment plan. Taking FinOps and SAM from small pilot implementations to more scalable models, building additional transparency, and continuing IRB development are examples of that foundational activity.

Our strategic plan has three focus areas: Governance and Oversight, Optimization of Cloud Spend, and Software Asset Management.



Governance and Oversight

- Strengthen the Investment Review Board (IRB) by working closely with OMB as a fiscal authority alongside OIT's technical review.
- Move IRB earlier in the procurement cycle, enabling duplication checks and alignment to enterprise standards with time to support the department decision cycle.
- Publish spend dashboards ensuring transparent oversight.
- Formalize the existing chargeback working group of department Administrative Services Directors (ASDs) into a broader IT financial governance process.
- Provide training for department leaders on FinOps and SAM to promote cost ownership.

Optimization of Cloud Spend

- Expand FinOps to monitor all platforms (Azure, Oracle, SaaS, and mainframe migration).
- Provide department-level reporting ("show back") in FY26, moving to chargeback in FY27 so costs are tied to consumption decisions.
- Automate right-sizing and shut-down of idle resources, such as development environments left running.
- Leverage enterprise purchasing mechanisms (reserved instances, committed use) to reduce unit costs.
- Establish an additional dedicated FTE focused solely on cloud cost control to accelerate adoption of FinOps best practices.

Software Asset Management

- Complete Phase 1 (Microsoft and Adobe) by FY26, covering over 90% of enterprise licenses.
- Secure resources to expand SAM beyond Phase 1, focusing on additional vendors and the integration of hardware asset management.
- Enhance hardware asset management to link licenses directly to installed software on machines, giving true usage visibility rather than relying on human reporting.
- Reclaim unused licenses within 30 days, reassigning them rather than buying new.
- Use SAM data to enforce compliance, avoiding costly audit penalties.
- Eliminate redundant department-level contracts that overlap with enterprise agreements.

Summary

Over the past several years, the State of Alaska has made significant advancements in modernizing its IT infrastructure. These improvements have enabled departments to leverage emerging technologies, enhance security, increase system resilience, and offer additional capabilities. However, as the demand for IT services has grown to better serve Alaskans, overall costs have continued to rise due to external inflationary pressures.

It is crucial to modernize our approach to managing these costs to ensure the provision of services in an affordable manner. Systemic methodologies such as FinOps and SAM offer visibility into usage and cost, facilitate service optimization, and involve all functional teams in the effective management of licensing and cloud utilization. By utilizing these tools and adopting a coordinated strategy, the State can manage costs effectively while continuing to benefit from modern and more efficient technologies.



Appendices

Implementation Roadmap Detail

Phase 1: Foundation (FY26)

Goal: Establish visibility, accountability, and governance structures.

Governance & Oversight

- Strengthen the Investment Review Board (IRB) by requiring early submission of major technology purchases for review.
- Formalize IRB's partnership with OMB so that fiscal and technical reviews are conducted together.
- Stand up an IT Financial Working Group (OIT, OMB, Department ASDs) to coordinate on IT expenditures.
- Establish routine reporting cycles and dashboards for transparency.

Software Asset Management (SAM)

- Complete Phase 1 implementation for Microsoft and Adobe enterprise agreements.
- Standardize license usage reporting across all departments.
- Begin integration of SAM with hardware asset management to validate license usage against installed assets.

Cloud FinOps

- Roll out real-time cloud cost dashboards accessible by departments.
- Pilot a chargeback model with the existing department ASD working group to test allocation approaches.
- Launch targeted campaigns to reduce waste (e.g., shutting down non-production environments when idle).

Expected Outcomes:

- IRB elevated into a practical cost control mechanism.
- First statewide visibility into software and cloud expenditures.
- Concrete cost savings from reclaimed licenses and rightsized cloud resources.
- Clear accountability framework between OIT, OMB, and departments.

Phase 2: Scaling (FY27–FY28)

Goal: Scale optimization efforts and align funding structures.

Governance & Oversight

- Transition the IRB from a review function into an enforcement mechanism by tying outcomes directly to budget recommendations.
- Require cost-benefit analysis for new technology investments to ensure alignment with enterprise standards.

Software Asset Management (SAM)

- Expand SAM coverage to additional enterprise vendors (e.g., Oracle, select SaaS products).
- Automate license recapture and recycling across departments.
- Integrate hardware asset management to improve accuracy of license tracking.

Cloud FinOps

- Implement statewide chargeback or “show back” model so departments are accountable for their share of usage.



- Increase reserved instance commitments for predictable workloads to lock in lower pricing.
- Conduct department-level training programs to embed FinOps practices and cultural change.

Expected Outcomes:

- IRB + OMB partnership produces enforceable fiscal discipline.
- Broader license coverage under SAM with measurable reductions in redundant purchases.
- Cloud cost growth is held in check through cultural adoption and financial accountability.

Phase 3: Maturity (FY29 and Beyond)

Goal: Achieve sustainable, transparent, and accountable IT cost management across the enterprise.

Governance & Oversight

- Transition IRB + OMB partnership into a standing Enterprise IT Financial Governance Council with clear authority to enforce alignment.

Software Asset Management (SAM)

- Expand coverage to all enterprise agreements and high-value SaaS products.
- Fully integrate with hardware asset management to validate license installations against actual use.
- Build an ongoing license recapture program where unused licenses are automatically deactivated or recycled.

Cloud FinOps

- Move from cost monitoring to standardized cost allocation across departments, ensuring every department has visibility and responsibility for its share of usage.
- Formalize department-level accountability metrics (e.g., idle resources shut down within 30 days, 90% reserved instance coverage for predictable workloads).
- Continue cultural adoption by embedding FinOps roles within department IT teams.

Funding & Policy Alignment

- Treat cloud and software costs as recurring operating expenses in budget baselines rather than exceptions.
- Establish a savings reinvestment model: documented cost reductions can be repurposed for modernization or efficiency projects, incentivizing departments to actively participate.

Expected Outcomes:

- Predictable and stable year-over-year IT expenditures, limited to inflationary increases.
- Comprehensive visibility into both software and cloud spend across all departments.
- Demonstrated cost savings from license recapture, cloud rightsizing, and procurement alignment.
- Stronger partnership between OIT, OMB, and departments, ensuring technology investments are strategically aligned and fiscally responsible.





THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

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Office of Information Technology

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December 19, 2025

Honorable Finance Co-Chairs
Alaska State Legislature
State Capitol Building
Juneau, AK 99801

Dear Finance Committee Co-Chairs:

The Department of Administration is submitting the following report, "State of Alaska's AI Plan: Use Cases, Costs, and Benefits," in response to legislative intent language included in CCS HB 53(BRF SUP MAJ FLD H).

In this report, the Office of Information Technology (OIT):

- Outlines the State's artificial intelligence (AI) priorities for fiscal year (FY) 2026-2028.
- Provides an overview of where we are today in deploying responsible AI.
- Describes the strategic framework for maturing AI development and adoption to address State challenges.

We appreciate the opportunity to provide additional information to the Legislature about AI within the State of Alaska.

Sincerely,

DocuSigned by:

A handwritten signature in black ink, appearing to read "Bill Smith".

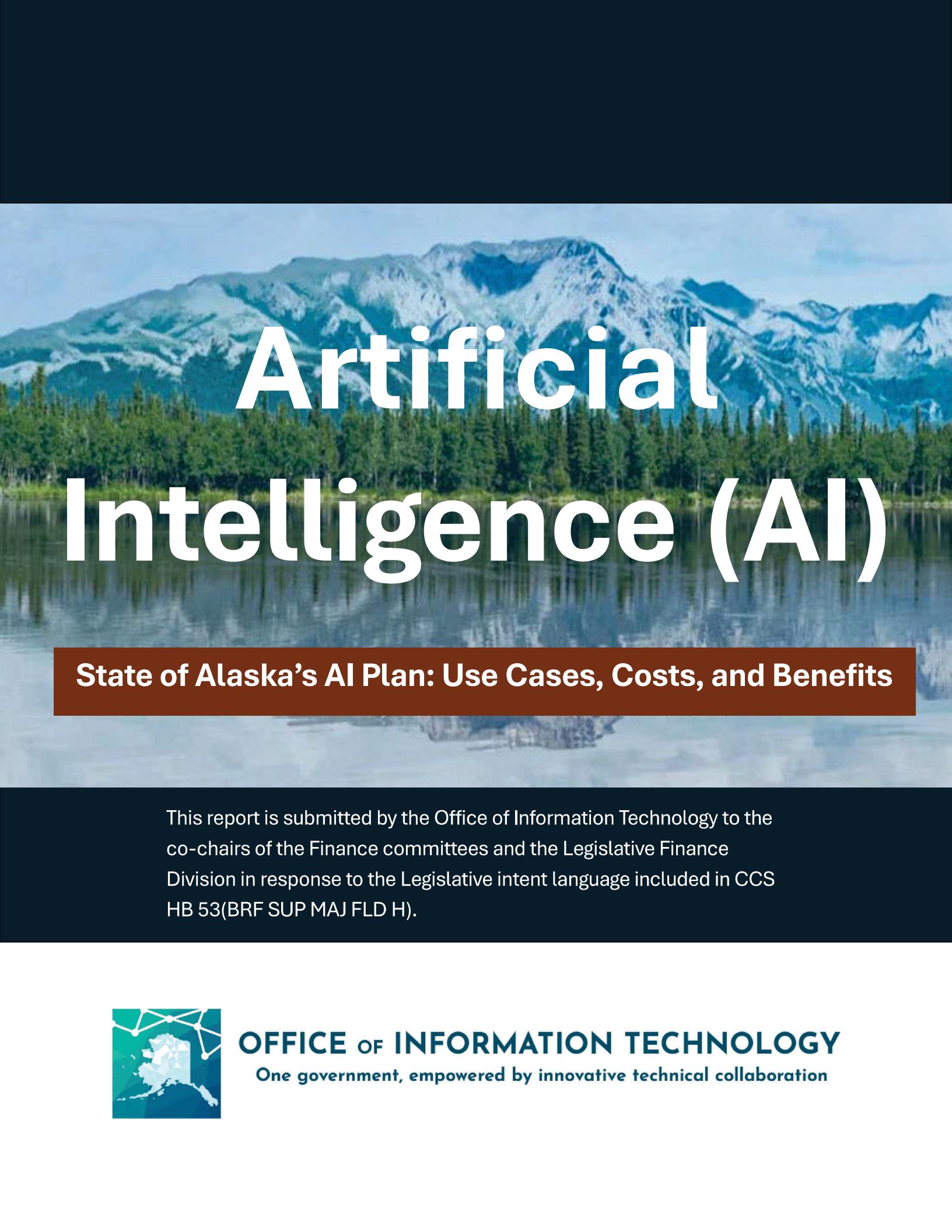
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Bill Smith

Chief Information Officer
Office of Information Technology

cc:

Alexei Painter, Director, Legislative Finance Division
Jordan Shilling, Director, Governor's Legislative Office
Lacey Sanders, Director, Office of Management and Budget
Paula Vrana, Commissioner of Administration
Niel Smith, Deputy Chief Information Officer
Chris Letterman, Chief Technology Officer
Forrest Wolfe, Legislative Liaison



Artificial Intelligence (AI)

State of Alaska's AI Plan: Use Cases, Costs, and Benefits

This report is submitted by the Office of Information Technology to the co-chairs of the Finance committees and the Legislative Finance Division in response to the Legislative intent language included in CCS HB 53(BRF SUP MAJ FLD H).



OFFICE OF INFORMATION TECHNOLOGY
One government, empowered by innovative technical collaboration

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Executive Summary

The State of Alaska is embracing the transformative potential of Artificial Intelligence (AI) to enhance our government's efficiency and service delivery. Our strategic plan prioritizes the implementation of AI in three key areas: driving innovation, leveraging existing tools, and building internal capabilities.

The Office of Information Technology (OIT) manages enterprise IT networks and infrastructure, including software licenses and cloud services, that allow for AI tools to be utilized across the executive branch in our State of Alaska IT environment.

Priorities

1. ***AI-Driven Innovation:*** Guided by AO 359 and AO 360, we support departments in AI initiatives that address longstanding administrative challenges. These efforts aim to unlock new opportunities and drive significant improvements in government operations.
2. ***Leveraging Existing Tools and Processes:*** By integrating secure AI tools into our enterprise environment, we are leveraging scalable and cost-effective pathways to deploy AI solutions. This approach minimizes risks while maximizing value, helping us enhance government services and internal operations.
3. ***Building Internal Capabilities:*** We are committed to growing our internal expertise to harness emerging technologies. While budgetary and staff constraints exist, we will strategically utilize external expertise for complex AI projects requiring specialized knowledge.

Costs

Implementing AI solutions involves both initial investments and ongoing costs. Previous State of Alaska investments in cloud infrastructure, have provided a foundation for emerging technologies. Our focus on scalable and secure AI tools ensures cost-effectiveness while maintaining the highest standards of data security.

Expected Benefits

Artificial Intelligence (AI) represents a significant leap forward in technology, enabling computer systems to help people perform tasks that typically require significant investment of time to conduct research, surface knowledge, perform comparative analysis, and solve complex problems. AI has successfully proven its contribution in areas like large data analysis, report generation, content generation, and more. The adoption of AI promises to yield substantial benefits for the State of Alaska:

Administrative Orders (AO) and AI

AO 359 | Utilize technology and AI to review large datasets in order to better report how State of Alaska funds are being spent.

AO 360 | Leverage technology, such as AI, to support digitization, automation, and public access to permitting information.



- Enhanced Services: AI tools integrated into public facing websites and services, such as the chat bot in the new myAlaska mobile app, enable citizens to more easily find, understand and consume State government information and services.
- Efficiency Gains: State employees utilizing AI tools search, summarize large data sources, and generate content faster to improve citizen services such as processing licenses, benefits and managing public records.
- Predictive Capabilities: Utilizing the Alaska AI Opportunity Radar, we will prioritize projects based on their impact, ranging from everyday efficiencies to major applications.

Expected Challenges

- **Developing AI Expertise:** As AI is integrated into our IT systems, our workforce needs to improve their AI knowledge and expertise. For IT staff, AI developer skills will be essential for assisting departments with implementing AI use cases. For State of Alaska employees, understanding responsible AI use and increasing AI training opportunities will be an important factor for continued AI adoption.
- **Custom AI projects:** One-of-a-kind, special AI projects will be in demand by departments looking to integrate AI into their specific business functions. While these projects can bring value, they are often complex, require specialized IT expertise and resources, and are costly to implement and manage.

Our strategic plan for AI adoption aligns with our goal to improve government efficiency and service delivery. By prioritizing innovation, leveraging existing tools, and building internal capabilities, we expect to realize significant benefits while managing IT costs effectively.

Where We Are Today

In Spring of 2024, Governor Dunleavy instructed his cabinet to explore responsible AI opportunities to improve services to State employees and citizens. To assist with this effort, OIT brought industry specialists to Anchorage and Juneau to provide presentations to commissioners outlining the art-of-the-possible using AI. Afterwards, departments worked to match their business challenges with possible use cases for AI solutions.

Over 400 potential use cases were generated. Many of the common use cases could be addressed with employee-level enterprise tools, so OIT focused on providing these capabilities to departments and their employees. We have also deployed advanced tools across the executive branch, from those focused on individual employees, to environments that support advanced AI applications. All of these deployments have been made with security and compliance in mind, providing a safe environment for innovation.

OIT worked with Microsoft AI specialists to determine how these opportunities align with our available tools and provided feedback to departments. This exploration of capabilities and potential use cases informed the path of early adoption. Focusing on currently available, cost-effective and secure AI tools, OIT worked to link departments with quality partners to pursue proof of concept opportunities.

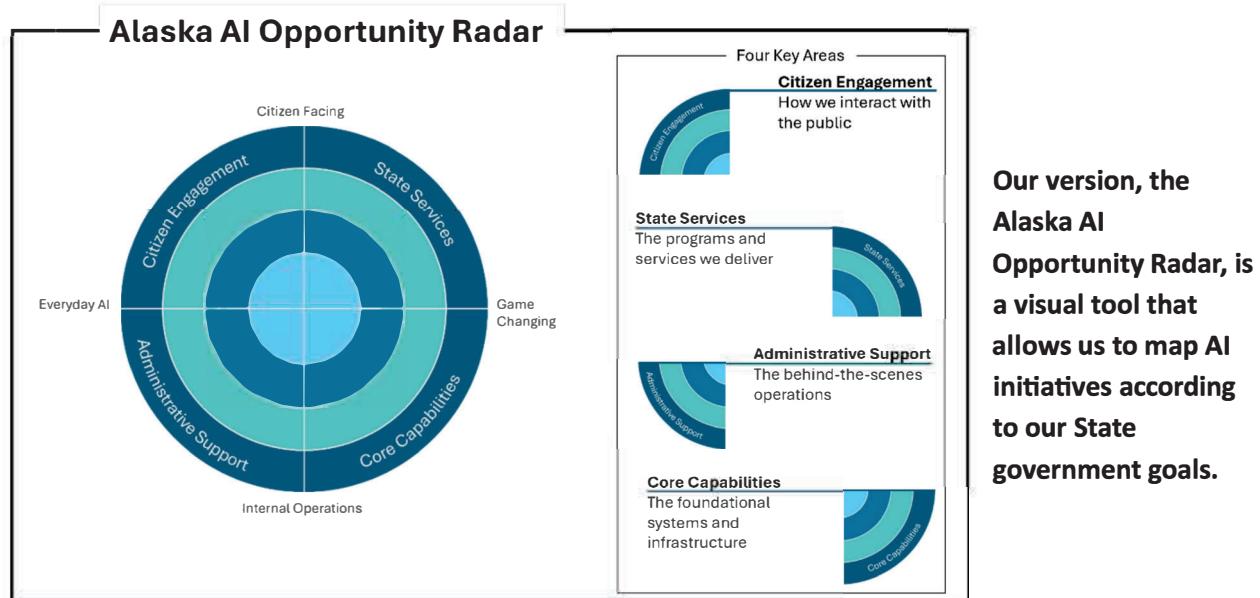


Our task is to move from idea generation and small-scale deployment into an environment where the AI tools we have in place are routinely used to solve problems, gain efficiencies and improve services. We must continue to enhance our capabilities as well as our partner relationships to maximize value for Alaskans. This plan is designed to capitalize on our foundation and build repeatable processes that enable rapid and scalable AI implementation.

Current Framework and Adoption

Alaska's AI Opportunity Radar

To help guide AI innovation, we are utilizing an AI Opportunity Radar, originally designed by Gartner¹. This framework supports the goal of positioning the State of Alaska as a leader in utilizing AI to enhance public services and operational efficiency. The Alaska AI Opportunity Radar looks at four key areas: Citizen Engagement, Administrative Support, State Services, and Core Capabilities.

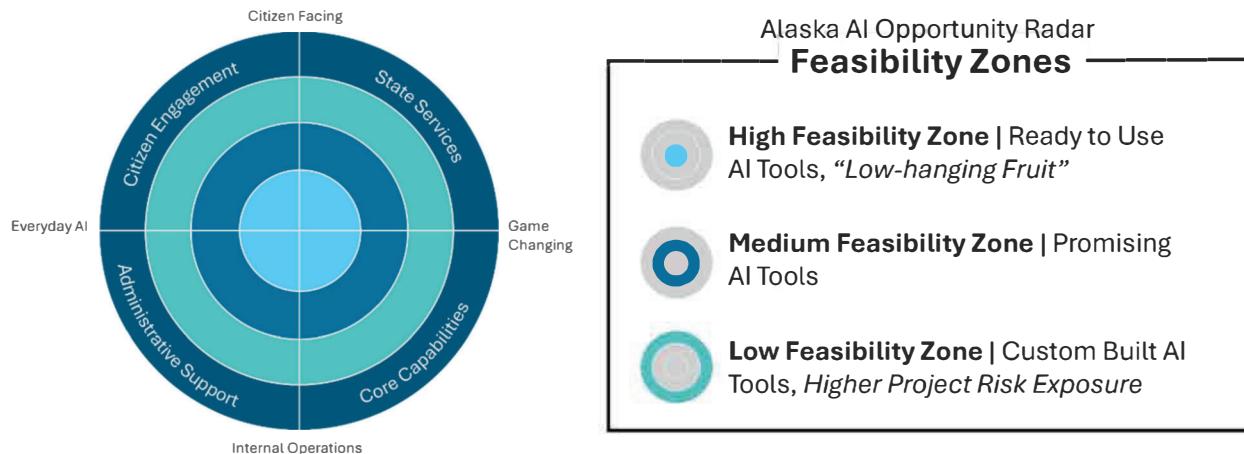


These initiatives range from everyday efficiencies, like meeting summaries with action items, to major transformations, such as predicting policy impacts. This framework helps us identify and prioritize AI projects based on their potential impact and feasibility. As Alaska State government continues its AI journey, it is important to recognize the benefits and challenges of using a unified framework.

Opportunity Radar: Feasibility Zones

The framework itself is made up of rings, like a target. These rings are meant to show how practical it is to use certain AI technologies right now to address State government challenges.

¹ Gartner is a research firm that produces technology data, trends, and research reports that are used by industry leaders for business and analytic insights.



The inner rings represent the feasibility of AI use cases:

- *High Feasibility Zone* – These are the ‘low-hanging fruit’. The AI tools here are ready to use, affordable, and easy to plug into what we’re already doing.
- *Medium Feasibility Zone* - These tools show promise but aren’t quite there yet or require more complex development. They may be more expensive or harder to fit into current systems, so they will take more time and effort to implement.
- *Low Feasibility Zone* - These are the big bets. They’re new, custom built, and could be game changers, but they also come with higher project risk, time and potential cost.

You can see how several identified business challenges align with this framework in the Appendices section of this report.

Enterprise AI Tools Currently in Use

The State of Alaska has made strategic investments in Microsoft’s Cloud and AI ecosystem to accelerate responsible AI adoption across departments. These tools are integrated into our existing enterprise environment, offering secure, scalable, and cost-effective pathways to deploy AI solutions that improve government services and internal operations.

Microsoft’s AI solutions are delivered to the State via familiar methods. This means these AI solutions take advantage of the State of Alaska’s existing cloud technology platforms, applications and permissions currently in use by departments. The high-level integration with existing State technology standards and platforms means AI tools are often housed in the same cloud locations as protected State data, simplifying design, and reducing cost and effort.

State of Alaska User Groups	Enterprise AI Tools
End User The enterprise AI tool can be used by any State of Alaska (SOA) employee. End user AI tools are the easiest to implement and use.	Office Software Assistant AI-powered assistant for use with office productivity applications such as email, documents, meetings, presentations and spreadsheets.
Professional The enterprise AI tool can be used by SOA employees within specific functional areas. This category includes non-IT professionals who are subject matter experts.	Copilot Studio (SOA cloud infrastructure) Low-code tool that allows users to create custom AI plugins to connect data sources.
Developer The enterprise AI tool requires software developers to customize the tool for department usage.	Azure AI Services (SOA cloud infrastructure) AI services that help developers rapidly create intelligent applications with prebuilt and customizable models.

Employees: Empowering State Employees with Everyday AI

OIT deployed AI tools to over 14,500 executive branch employees to enhance worker efficiency in searches, summarizing texts, data analysis, writing, and conducting research. Over 800 licenses for more advanced Microsoft Office AI tools were deployed to further boost work productivity in Teams meetings, email management, document generation, and presentation building. The results below are from a two-month pilot confirming significant improvement in worker efficiency.

Key Results:

- Pilot users reported enhanced productivity, better communication, and more efficient meetings.
- Significant time savings reported (2 hours/week for higher value tasks, much higher seen in an extended study in another state government).
- Over 30 training sessions focused on the 200 State workers in the pilot.
- Pilot users reported feeling less overwhelmed by their workload after receiving AI tools and training.

Professionals: Copilot Studio Low Code AI Tool

OIT equipped professionals across the executive branch with AI tools that do not require developer experience. Copilot Studio enables professional staff to create intelligent solutions, such as chatbots, by connecting relevant data sources like document libraries and policy repositories to AI tools. This approach empowers non-technical staff to create custom AI tools that integrate with internal systems, automate workflows, and extend capabilities.

Enabling Developers: Toolkits, Discovery, and the myAlaska Mobile App

For programmers and developers, OIT has emphasized a robust set of AI tools available within the State's online Microsoft footprint called a 'tenant'. These tools became available with our cloud migration and OIT conducted a series of discovery exercises to build awareness within departments. Within our cloud environment, departments can leverage different AI Large Language Models (LLMs)—not just those provided by Microsoft.



Significant Activities:

- Deployed myAlaska mobile app 24/7 chatbot functionality to respond in real-time to questions about State services.
- Completed DNR digitalization proof of concept, which uncovered additional use cases such as streamlining digitizing land records and ingesting public forms.
- Connected DEC with a technology partner to improve air quality information systems and data quality.

Initial experience has shown that employee training, even for relatively common AI tools like Copilot Chat, is a force multiplier for realizing maximum benefit. OIT has focused on providing training events and resources to support skill development.

Strategic Plan: Next Steps

The State of Alaska is moving forward with responsible and cost-effective adoption of AI and other emerging technologies. Our strategic plan is informed by the Governor's Administrative Orders, OIT's initial assessment of potential use cases, a foundational infrastructure that securely supports a wide range of opportunities, and our initial experience with limited AI pilots.

The following fundamental principles form the basis of our FY26-FY28 AI Strategic Plan:

- **Focus on security** by prioritizing established secure cloud infrastructure and supporting data classification tools.
- **Minimize cost** by leveraging previous investments and using the AI tools included in our enterprise environment.
- **Establish and mature a Center of Excellence (CoE)** to support Statewide AI development and other emerging technology. The CoE will:
 - Provide centralized guidance and support for AI and emerging technology adoption
 - Promote effective use of AI across State departments
 - Build internal capacity through training and shared resources
 - Reduce duplication and streamline innovation efforts

FY 2026	FY 2027	FY 2028
<p>Enterprise Alignment</p> <ul style="list-style-type: none">• Classify and evaluate use cases• Mature SOA AI Opportunity Radar• Conduct AI pilots that deliver value• Provide training opportunities for employees on AI tools• Creation of Center of Excellence (CoE)• Expand data classification• Mature Investment Review Board (IRB) to support AI adoption	<p>Selective Investment in Growth</p> <ul style="list-style-type: none">• CoE skill & best practice growth• Continue workforce adoption & training opportunities• Use AI tools to enhance digital interaction internally and externally• Statewide IT strategic plan update• Expand data classification• Evolve enterprise AI services• Support agency deployments	<p>Future Innovation and Transformation</p> <ul style="list-style-type: none">• Standardize AI benefit & value delivery• Expand data classification• Evolve enterprise AI services• Support agency deployments



FY 2026 includes activities aimed at achieving value quickly while establishing processes for future AI and emerging technology adoption. These efforts include training, classification of use cases, and development of CoE and IRB (Investment Review Board).

Our strategy is organized around three AI functional groups: Employee AI Tools, Professional AI Tools, and Developer AI Tools.

Employee AI Tools

- Conduct recurring engagement surveys to track adoption and end user experiences. *Example: Pre and post training survey feedback from integrated office AI tool (M365 Copilot) proof of concept pilot participants.*
- Capitalize on enterprise partner funding programs to further training and formal adoption efforts. *Example: Microsoft funded a vendor partner to help us deploy data labels before launching office AI tools in order to protect sensitive data.*
- Build our analytic capabilities to inform return on value, adoption, and benefits realization. *Example: Track adoption and use of employee AI desktop and office suite tools.*

Professional AI Tools

- Encourage the use of transferable templates and training materials to speed adoption and minimize frustration.
- Engage with departments who have “shovel ready” use cases challenged by competing priorities and resourcing pinch points.
- Champion and implement prompt engineering and solution design around our top 4 AI opportunities:
 - Data analysis and management
 - Automating routine tasks
 - Chatbots to quickly find answers
 - Financial and accounting reviews

Developer AI Tools

- Publish a prioritized catalog of opportunities. Prioritization factors should favor efficiency gains and enhance State services.
- Mature CoE to drive AI adoption across State departments, ensuring effective use of AI tools through expert guidance, best practices, and training resources.

Custom Engagement

While our strategic plan primarily focuses on employee, professional, and developer AI tools, we recognize that departments may have custom AI project needs. The technology Investment Review Board (IRB), established by the Office of Management and Budget and managed by OIT since 2016, is designed to evaluate all proposed IT investments within the executive branch that are \$25,000 or higher. This review assesses the impact of new technology on the enterprise environment, ensures security compliance, and prevents unnecessary duplication.

The following strategic plan action item is intended to address Custom AI engagement requests by departments:

- Update the Investment Review Board (IRB) process with AI project focused elements to provide additional value to departments and support Statewide objectives

Cost

Our focus is to prioritize those tools that are integrated into our existing enterprise environment, offering secure, scalable, and cost-effective pathways to deploy AI solutions that improve government services and internal operations. These tools are already integrated with the State's Microsoft 365 environment, ensuring:

- Security and compliance with existing identity and access controls
- Familiarity for staff using Word, Excel, Teams, and Outlook
- Rapid deployment of pilots and production-ready solutions
- Centralized cost management through existing enterprise agreements

AI implementation cost varies significantly with the scope of the use case and the nature of the tool selected. For instance, Microsoft CoPilot Chat is included in the existing licensing costs for all State of Alaska executive branch employees, whereas implementing a 3rd party tool with a custom deployment may run into multiple millions of dollars.

The most complex and costly option is to utilize an independent 3rd party solution. This approach, while sometimes appropriate, often involves higher levels of:

- Technical Complexity: Requires separate infrastructure for the specific use case.
- Cost: Higher cost of ownership due to standalone security, monitoring, and support.
- Customization: Custom controls for data protection, privacy, and auditability.
- Workforce Complexity: Requires technical skill and expertise not widely available within our workforce.

It is possible to utilize some 3rd party solutions and deploy them into our cloud environment. This provides the benefit of utilizing established security controls and reduces but does not eliminate potential additional cost.

AI Project Risk Exposure and Current AI Costs

To maximize return on investment and minimize risk, the State will continue to prioritize enterprise AI solutions for:

- Everyday AI use cases (e.g., chatbots, summarization, document automation)
- Department-led innovation through Copilot Studio and Azure AI Studio

State of Alaska AI Tools Project Risk Exposure

Key Project Risk Exposure [complexity, schedule, cost, resource risk]		COST	TYPES OF AI TOOLS
		\$	EVERYDAY AI <i>Existing AI Tools within applications that exist in our SOA environment.</i> <input checked="" type="checkbox"/> AVAILABLE NOW
		\$\$	PROFESSIONAL AI <i>Specialized AI tools within applications that exist in our SOA environment.</i> <input checked="" type="checkbox"/> AVAILABLE NOW
		\$\$\$	DEVELOPER AI <i>AI Tools that exist within our SOA Azure environment.</i> <input checked="" type="checkbox"/> AVAILABLE NOW
		\$\$\$	Custom Developed AI Project <i>One-of-a-kind, special AI projects that are built for a department or agency.</i>

\$ - Included in current licensing costs or an additional add on fee for use (known costs)
 \$\$ - Requires advanced IT knowledge to utilize effectively (staff costs / time)
 \$\$\$ - Requires expertise and funding for a one-of-a-kind, custom developed AI project within a department or agency

Cost and Use by Types of AI Tools

Everyday AI: Empowering State of Alaska Employees

AI Tool	Cost	Use
M365 Copilot Chat	No additional cost – included in M365 G5 license for State of Alaska Employees	M365 Copilot Chat is a secure AI chat tool for work. M365 Copilot Chat generates answers, assists with data analysis, and produces content using publicly available information, while protecting data.
M365 (Office) Copilot	\$367/year per employee	M365 (Office) Copilot is a secure AI tool that is available within common Microsoft applications (Outlook, Word, PowerPoint, Excel, etc.). M365 Copilot can assist with document drafting, summarization, email management, and meeting insights.

Professional AI: Low Code AI Tools

AI Tool	Cost	Use
Copilot Studio	\$200/tenant/month minimum (consumption-based)	Copilot Studio allows non-developers to build secure AI tools using internal data. Some examples include low code chatbot development and internal workflow automation.
GitHub Copilot	\$39/user/month	GitHub Copilot allows IT application and development teams to generate and share code which significantly increases developer productivity.

Developer AI: Tools for Programmers and Developers



AI Tool	Cost	Use
Azure AI Studio	Consumption-based*	Azure AI Studio helps us build and use advanced AI tools that work with our internal State of Alaska systems, including custom solutions that improve how we find and use information.
Power BI Copilot	Consumption-based*	Power BI Copilot supports advanced data analytics and reporting through natural language data analysis and visualization.
Azure AI Foundry	Consumption-based* Varies by number and type of AI tool used as well as volume of data input/output.	Azure AI Foundry is built to handle large-scale business AI needs. It also helps employees quickly find the right information across our internal systems by using advanced search powered by AI.

* Cost calculators are available to estimate operational costs based on solution design

External AI Tools

External AI tools should be considered for highly specialized or research-driven use cases where existing tools are demonstrably not appropriate or cost prohibitive. Unique tools should be evaluated to ensure alignment with strategic goals, feasibility, and responsible AI principles. Our CoE and IRB functions are intended to support department decision making when considering the need for external AI tools.

Summary

As the State of Alaska delves deeper into the potential of artificial intelligence, the Office of Information Technology (OIT) is actively identifying early adoption opportunities and working with department leaders to address current challenges. Building on our established technical environment provides departments with access to powerful enterprise tools that can improve service delivery, optimize workflows, and allow our workforce to take on more strategic and meaningful roles.

Looking ahead, the insights gained from our engagements with technology partners provide a clear path forward, identifying numerous AI-driven pilot projects that offer significant benefits for our State. The Alaska AI Opportunity Radar serves as a framework for evaluating these initiatives, demonstrating our readiness to embrace innovative solutions responsibly. With our solid technical foundation, we believe that our strategic approach to AI will bring significant benefits to the State of Alaska and its citizens.



Appendices

AI Adoption Pathways

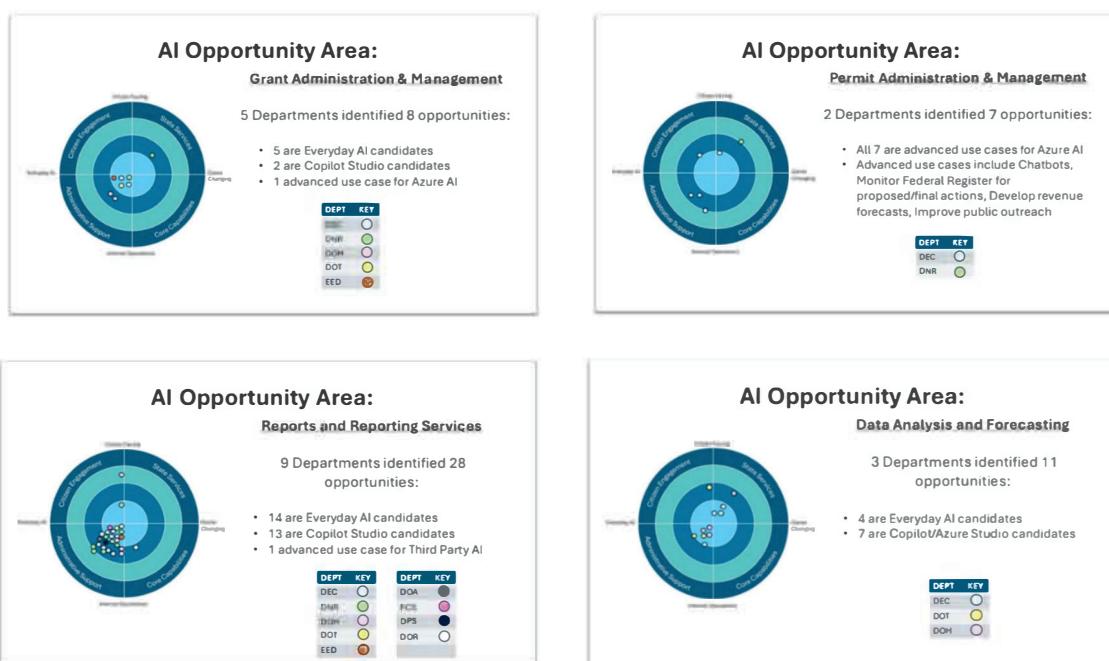
Utility, benefit realization, and value are three leading motivators for both business and government entities to embrace AI. The challenges of adoption lie in knowing what kind of AI would deliver the best combination of the three motivators. To help address this challenge, organizations have needed to adopt frameworks to help identify candidate opportunities. Once such framework, previously mentioned, is the AI Opportunity Radar, which has contributed greatly to how OIT is bringing the Governor's AI priorities for state government into reality.

Visualizing our AI Opportunities

In Spring of 2024, Governor Dunleavy instructed his cabinet to explore responsible AI opportunities to improve services to State employees and citizens. To assist with this effort, Microsoft dispatched an AI specialist to Anchorage and Juneau. They provided presentations outlining the art-of-the-possible using AI. Commissioners, or their delegates, were the audience for these engagements.

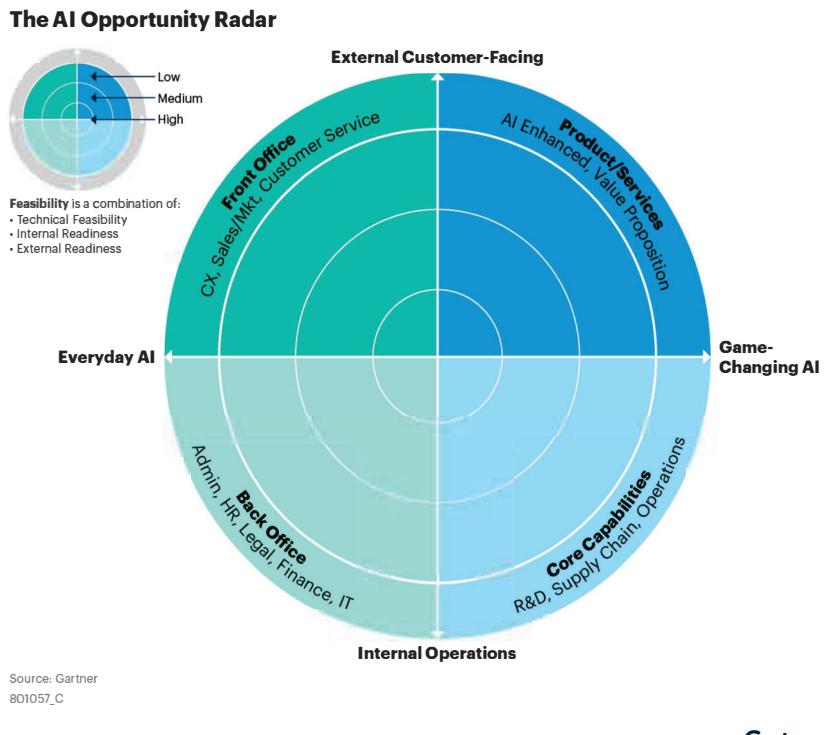
Afterwards, they devoted time to brainstorming about current department business problems and possible use cases for AI adoption. The outcomes were funneled to OIT who aggregated the information into a master list of potential AI opportunities.

OIT in turn worked with Microsoft AI specialists to determine what AI tools are available now and learn about those soon to be released that could tackle the business problems. Of the initial 400+, several were common across departments. Below, you see how four leading areas of business challenge align with Alaska's AI Opportunity Radar. This in turn provides a quick assessment of how many high and medium feasible opportunities were provided.



AI Opportunity Radar, A Deep Dive

States across the nation are faced with the challenges presented by the promises of AI. Maturing along the arc of AI adoption, we will see AI as less and less the 'new thing'; and more 'business as usual'. AI will soon become another ubiquitous technology; we'll soon find hard to live without – much like your iPhone or Android cellphone. And as states embrace AI's potential, many have found themselves wanting for the lack of a framework to focus attention and guide innovation. Our underlying goals to rapidly improve efficiency and enhance Alaska citizen's satisfaction with services needs a framework to assist us to move forward *thoughtfully*.



*Gartner AI Opportunity Radar: Set Your Enterprise's AI Ambition
Gartner Pub ID G00801057*

Gartner, a leading U.S. based think tank, provides pragmatic advice and guidance for organizations who need to maximize the value of technology in furthering business objectives. They developed the AI Opportunity Radar which is a framework designed to map AI initiatives according to an organization's AI ambition. Such initiatives include "everyday" efficiencies, such as automating emails, to "game-changing" transformations, like predicting the policy impacts of decisions. This framework helps organizations identify and prioritize AI initiatives based on their potential impact and feasibility.

This framework is what we've utilized as the basis for the Alaska AI Opportunity Radar featured throughout this document. The Alaska AI Opportunity Radar customizes the four key areas to: Citizen Engagement, Administrative Support, State Services, and Core Capabilities.

Feasibility is still predicted by the type of AI being considered, and the use case or business problem that needs to be solved. Not all AI applications are projects; some may be examinations of current processes for ways to optimize workflows or data analysis like a permitting process or responding to a citizen inquiry.

Understanding the Cost of AI

The State of Alaska has made strategic investments in Microsoft's Cloud and AI ecosystem to accelerate responsible AI adoption across departments. These tools are integrated into our existing enterprise environment, offering secure, scalable, and cost-effective pathways to deploy AI solutions that improve government services and internal operations.

This appendix outlines our current capabilities with Microsoft tools and provides a comparative view of the realities associated with adopting non-Microsoft AI solutions.

Current Capabilities with Microsoft AI Tools

Tool	Cost Model	Use Cases	Notes
Copilot for Office/M365	~\$30–\$366/user/year	Document drafting, summarization, email management, meeting insights	Included in M365 G5 suite; widely deployed across executive branch
Copilot Studio	\$200/tenant/month minimum (consumption-based)	Low-code chatbot development, internal workflow automation	Enables non-developers to build AI tools using internal data
GitHub Copilot	\$39/user/month	Code generation, developer productivity	Used by IT and application development teams
Azure AI Studio	Consumption-based	Custom AI model development, RAG pipelines, orchestration	Supports advanced use cases and integration with internal systems
Power BI Copilot	Consumption based on input prompts and output responses character counts (<i>tokens</i>)	Natural language data analysis and visualization	Supports advanced data analytics and reporting



Tool	Cost Model	Use Cases	Notes
Azure AI Foundry	Consumption based	Enterprise search with RAG across internal knowledge bases	Designed for enterprise AI workloads

These tools are already integrated with the State's Microsoft 365 environment, ensuring:

- Security and compliance with existing identity and access controls
- Familiarity for staff using Word, Excel, Teams, and Outlook
- Rapid deployment of pilots and production-ready solutions
- Centralized cost management through existing enterprise agreements

An important enabler of our rapid adoption rests on previous investments made by past Governor and Legislative backed resourcing for the State's Cloud First Strategy. Through cloud adoption, the State has established a secure footprint that positions us front and center for the future of emerging technologies like AI.



Reality of 3rd Party AI Adoption

With the incredible growth of AI, the vendor space has become a crowded mass market. While some 3rd party AI tools offer levels of flexibility and enhanced use case applications, they introduce significant complexity and cost. Some key considerations to consider:

Technical complexity

- Requires separate infrastructure for hosting solutions and deploying agents.
- Demand specialized expertise in Data Science, AI/ML engineering, DevOps and data governance.
- Integration with existing systems poses significant challenges and risk.

Cost implications

- Licensing, consumption, and usage costs vary by vendor and model, complicating financial management.
- Standalone security, monitoring, and support contribute to a higher cost of ownership.

Security & Compliance

- Requires custom approach and controls for data protection, privacy, auditability, and ethical responsible AI compliance.
- Introduces risk of data leakage and unauthorized access via non-standard security models.

Stretch Workforce Capabilities

- 3rd party tools often require advanced technical skill and expertise not likely available across the State's workforce.
- Creates potential for increased reliance on consultants or external vendors.
- Longer onboarding and training impacts time-to-value.



AI Adoption Foundations & Insights

Artificial Intelligence (AI) represents a significant leap forward in technology, enabling computer systems to help people perform tasks that typically require significant investment of time to conduct research, surface knowledge, perform comparative analysis, and solve complex problems. AI has successfully proven its contribution in other human endeavors like large data analysis, report generation, content generation, and more.

A notable example of AI is the Generative Pre-Trained Transformer (GPT), which functions like an advanced digital assistant. GPTs are the human interactive pathway to the underlying large language model (LLM) which is at the core of any GPT. LLMs are trained on vast amounts of information known as tokens. Tokens can be a research report, a visual like a graph, an image, a photograph, video, music, practically anything. In a recent milestone, a leading edge LLM surpassed ingestion of 3 trillion tokens containing a diverse mix of web content, scientific and academic publications, programming code, books, and encyclopedia material². Training LLMs allow them to understand, summarize, and create human-like content quickly and efficiently. This makes them invaluable tools for a variety of applications, including reading and summarizing lengthy documents in seconds. To further enhance accuracy and relevance, Retrieval-Augmented Generation (RAG) techniques enable GPTs to reference trusted internal data sources to better ground responses with organizational context and up-to-date information.

AI has great potential to transform state government, especially in "knowledge work" like researching laws, analyzing policy, and processing permits. AI can automate routine tasks, allowing staff to handle more complex work. For citizens, this means quicker and more efficient services.

AI significantly impacts tasks that usually require substantial time, such as research, knowledge retrieval, comparative analysis, and problem-solving. It also excels in data analysis, report generation, and content creation.

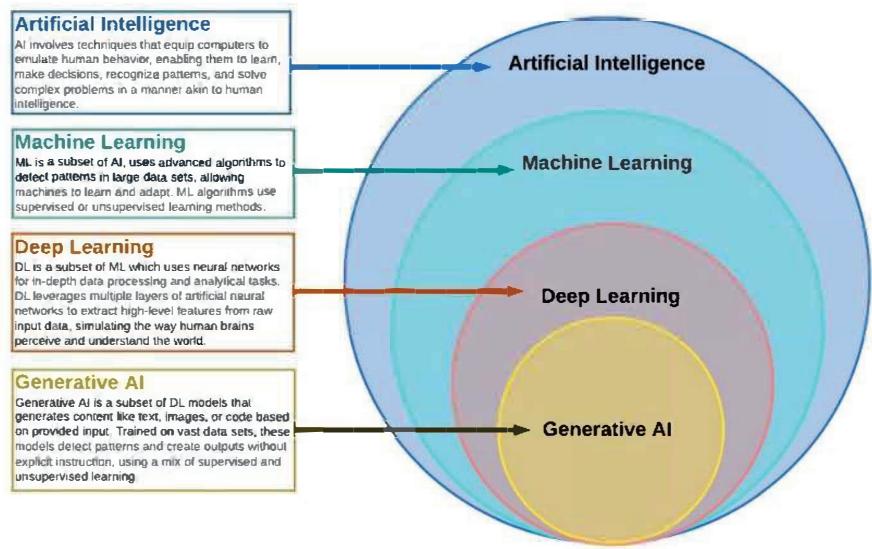


Figure 1. *Unraveling AI Complexity – A Comparative View of AI, Machine Learning, Deep Learning and Generative AI.*

² [Ai2 Dolma: 3 trillion token open corpus for language model pretraining | Ai2](#)

Words fall short to describe the enormity of change brought about by AI in everyday life. To illustrate, below we compare the rate of growth for other game-changing technologies from the Digital 2025: Global Overview Report³.

Technology	Annual Active Users (AAU) as of 2025 Global Overview Report	Annual Rate of Change
Internet	5.56 Billion	6.5% (2000-2025)
Social Media	5.24 Billion	4.1% (2000-2025)
Mobile Phones	5.78 Billion	3.7% (2018-2025)
OpenAI (ChatGPT)	800 Million	37.5% (2022-2025)

Below are figures around worldwide adoption trends of some leading AI generative models from their dates of ChatGPT's initial release in 2022^{4,5,6,7}:

Year	ChatGPT	Gemini	Meta AI
2022	1M	-	-
2023	100M	50M	-
2024	400M	200M	500M
2025	800M	350M	1B

Focusing on 2025 specifically^{4,5,6,7,8,9}:

Model	Monthly Active Users (MAU)	Annual Active Users (AAU)
ChatGPT	180M	900M
Gemini	80M	500M
Claude	25M	90M
Meta AI	150M	900M
Copilot (MS)	150M	588M
Mistral/Other	5M	20M
Total (2025)	~590M	~3B

³ Digital 2025: Global Overview Report. DataReportal, 2025. Available at: <https://datareportal.com/reports/digital-2025-global-overview-report>.

⁴ OpenAI, usage announcements 2022–2024

⁵ Google DeepMind Gemini usage stats, 2023–2024

⁶ Anthropic Claude adoption reports, 2023–2024

⁷ Meta AI user base reports, 2024

⁸ Microsoft Copilot adoption disclosures, 2024–2025

⁹ Global mobile/internet adoption reports (GSMA, ITU), 2024



In the past 3 years, OpenAI's ChatGPT has experienced a compounded annual growth rate of more than 800%.

CAGR Formula:

$$\text{CAGR} = \left(\frac{800,000,000}{1,000,000} \right)^{\frac{1}{3}} - 1 = (800)^{\frac{1}{3}} - 1$$

$$(800)^{1/3} \approx 9.283$$

$$\text{CAGR} \approx 9.283 - 1 = 8.283 \text{ or } 828.3\%$$

That growth rate cannot be sustained forever, but taking a conservative prediction of future growth, it is likely ChatGPT will reach 4 Billion users sometime between years 2029-2030. No other technology introduced in the past 100 years can compare to such a meteoric adoption. For general comparison, the population of Earth is 8.2 Billion – to think that such a game-changing technology will potentially be in use by 1/2 the world's population in 5 years is nothing short of extraordinary.

Microsoft's Copilot GPT (which uses the OpenAI ChatGPT LLM) was launched by Microsoft in November 2023, and it had 83 million users during the first quarter of 2025. The principal difference between OpenAI and Microsoft's Copilot are the multiple consumption paths to interact with the underlying model, from being embedded in the Windows operating system, the Copilot mobile app, and in business productivity applications (Teams, Word, Excel, etc.). Microsoft has extended the utility by placing the technology in the immediate grasp of users.

It would be challenging to find an individual who has not engaged with or derived benefits from AI. Its widespread utility has significantly driven adoption rates, especially in customer-facing applications such as virtual agents and chatbot functionalities.





THE STATE
of **ALASKA**
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December 20, 2025

The Honorable Andy Josephson
Co-Chair, House Finance Committee
Alaska State Capitol Room 505
Juneau, AK 99801

The Honorable Calvin Schrage
Co-Chair, House Finance Committee
Alaska State Capitol Room 410
Juneau, AK 99801

The Honorable Neal Foster
Co-Chair, House Finance Committee
Alaska State Capitol Room 511
Juneau, AK 99801

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
Alaska State Capitol Room 518
Juneau, AK 99801

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
Alaska State Capitol Room 516
Juneau, AK 99801

The Honorable Donny Olson
Co-Chair, Senate Finance Committee
Alaska State Capitol Room 508
Juneau, AK 99801

Sent via email: Senate.Finance.Committee@akleg.gov, House.Finance@akleg.gov

Re: FY2026 Legislative Intent Language

Dear Finance Committee Co-Chairs,

Please find below the Department of Corrections' (DOC) response to legislative intent language from House Bill (HB) 53.

Department of Corrections

Population Management / Spring Creek Correctional Center (CCS HB 53 (brf sup maj fld H), Sec. 1)

It is the intent of the legislature that the Department of Corrections prepare a report to the legislature that analyzes the possibility of closing an institution and submit it to the Co-chairs of the Finance Committees and the Legislative Finance Division by December 20, 2025. The report should examine which institutions would produce the most cost savings if they were closed, estimate the long-term cost savings associated with closing those institutions, and what transition costs would be needed, including capital costs.

The DOC has conducted a high-level review and operational analysis of each of the correctional facilities and summarized potential closure impacts.

Operational Overview:

A central challenge in identifying a facility for potential closure is Alaska's unique position as a Unified Corrections System, operating both jails and prisons statewide.

The DOC operates 13 correctional facilities statewide of which 10 facilities also provide booking for local law enforcement. Additionally, 11 facilities house sentenced and unsentenced offenders who are continuing through the adjudication process and make up approximately 45 percent of the incarcerated population.

Given the population management challenges, this report represents a thoughtful, good-faith effort to provide an operational snapshot on a facility-by-facility basis.

To identify a facility for closure, a fiscally responsible and thorough study by a cross-functional team of subject matter experts is needed to determine the full impacts of a facility closure to remaining operating facilities, law enforcement, and local communities.

Per the 2014 Performance Review report on the DOC, found on the Alaska' Division of Legislative Audit's website at: <https://legaudit.akleg.gov/wp-content/docs/performance-reviews/DOC-Report-Final-Redacted.pdf> ([DOC-Report-Final-Redacted.pdf](https://legaudit.akleg.gov/wp-content/docs/performance-reviews/DOC-Report-Final-Redacted.pdf)), closure of facilities reduces the system capacity and results in the DOC being required to contract for beds outside of Alaska. The cost of contracting out for housing offenders would reduce any "savings" generated from a facility closure and also has an economic impact as it will remove Alaska jobs from those communities. Additionally, because the DOC functions as a "jail" for newly arrested persons, many communities rely on these facilities as the primary justice system resource. Closure of these booking facilities would remove that primary facility increasing the overall costs to the State of Alaska. (See page 66 of the 2014 Performance Review report.)

Offender Classification

The DOC uses a classification based housing process to house the inmate population in the safest and least restrictive possible fashion as outlined under Policy 700.01. This process separates the inmate population into minimum, medium, close, and maximum custody levels. In assigning offender housing to the appropriate facility, the department considers prisoner needs, safety, and rights, as well as the safety of each facility.

Facility Levels

Each of the correctional facilities are assigned a degree of security based upon its security features. The DOC uses three (3) categories for institutions based upon a rating of structural variables and staffing ratios:

- **Level III (Maximum Security):**

The most secure institutions which are designed to house prisoners who require close confinement and constant supervision.

- **Level II (Medium Security):**

Moderately secure institutions which are designed to house prisoners who require regular quarters and average supervision.

- **Level I (Minimum Security):**

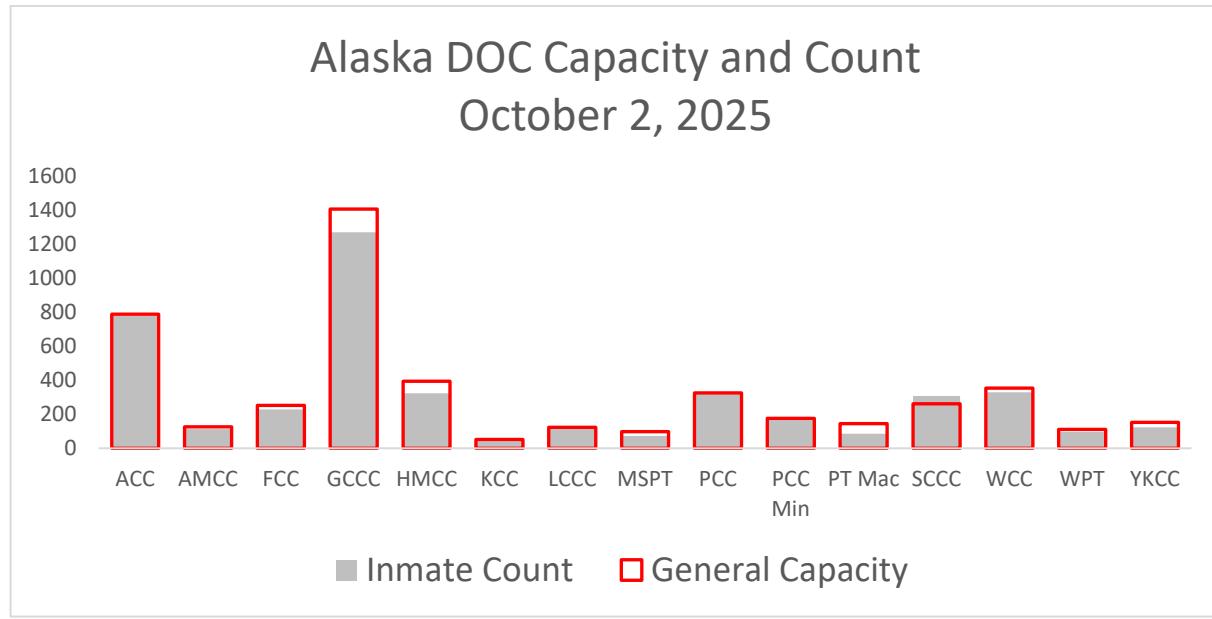
The least secure institutions which are designed to house prisoners who require minimal supervision.

Understanding Capacity: What "Maximum Capacity" Reflects

In assessing the impact of closing any correctional facility, it is essential to understand the difference between general capacity and maximum (or emergency) capacity. While maximum capacity may suggest additional room exists, in practice, it often reflects emergency-use beds—such as overflow or temporary segregation units—not viable for long-term population management. For example:

- Specialized beds, such as those in women's housing units or psychiatric wings, cannot be repurposed for general population when housing a specific population.
- Security level mismatches mean that a surplus of high-security beds (e.g., solitary or max custody) cannot safely accommodate low-risk, minimum-security inmates.
- Programmatic use of certain areas (e.g., education, treatment, or reentry programming) may reduce available bed space to maintain safety and rehabilitative functions.

Thus, relying on "maximum capacity" to offset inmate relocation would result in overcrowding, program loss, elevated operational risk, and long-term cost escalation.



Facility Analysis

The following provides an analysis of each correctional facility and the services provided within each Alaska community and potential impacts.

Anchorage Correctional Complex (ACC) East/West

Purpose: Central intake and detention hub for Southcentral Alaska

As the second-largest facility in the DOC, the ACC is one of the most operationally unique institutions in the State.

The ACC consists of two detention buildings—ACC West (formerly the Cook Inlet Pre-Trial Facility) and ACC East (formerly the Anchorage Jail)—operated under a unified administration. Its central location in Anchorage, with direct access to the Anchorage International Airport and all major statewide medical centers, makes the ACC the logistical hub of inmate transportation and specialized services for Alaska.

Although both ACC East and ACC West were purpose-built as pre-trial facilities, the ACC has progressively assumed several statewide functions for both unsentenced and sentenced individuals. The ACC West houses and operates the statewide Acute Mental Health Unit (Mike Mod) and Sub-Acute Mental Health Unit (Lima Mod). The ACC East is home to the DOC's first purpose-built Acute Medical Infirmary (Medical Segregation) and remains the only facility in Alaska with an initial arraignment courthouse directly accessible from its lobby.

Population

The ACC is a Level III facility housing minimum, medium, close custody, and maximum-security male felons and misdemeanants in pre-trial, unsentenced, and sentenced status in a secure setting with supervision consistent with their custody and security level.

The ACC houses persons charged with State, local or federal crimes as well as those detained on a civil hold.

Capacity: 789 (General) | 823 (Max)

As of October 2, 2025, the ACC was operating at 102 percent of its general capacity with more than 74 percent being unsentenced.

Admissions & Releases Per Year ~ 10,500

Key Implications of Closing This Facility:

Operational Impacts:

- Loss of Central Intake:** The ACC serves as a key intake and classification center. Closure would require redistribution of these functions to other facilities, potentially straining capacity.
- Increased Pressure on Other Facilities:** Facilities like Goose Creek and Spring Creek may face overcrowding, leading to higher operational costs and staffing challenges.

- **Operational Capacity:** The ACC houses approximately 800 offenders daily, capacity within other facilities is insufficient to meet this population and would require out-of-state placement.

Legal and Contractual Implications:

- **Federal Detainee Agreements:** Terminating ACC operations could disrupt existing contracts with federal agencies, potentially leading to legal disputes or financial penalties.
- **Compliance Risks:** Closure must be managed carefully to avoid violating court-mandated capacity limits and constitutional standards for inmate care.

Community and Public Safety:

- **Impact on Local Law Enforcement:** The closure of the ACC could affect timely processing of arrests and pretrial detentions, especially in Anchorage.
- **Transportation Costs:** Increased costs and logistical challenges in transporting detainees to more remote facilities.

Economic and Workforce Considerations:

- The ACC employs more than 248 staff and contractors across corrections, healthcare, food service, and maintenance.
- **Budget Reallocation:** Potential savings from closure could be offset by increased costs elsewhere, including facility upgrades, transportation, and staffing.

Conclusion: The DOC's assessment is that the closure of either the ACC East or West would result in significant disruption to Alaska's correctional system, public safety operations, and judicial processes. As the State's central intake and detention hub, ACC plays a critical role in managing pretrial and sentenced populations, coordinating inmate transportation, and delivering specialized medical and mental health services. Its strategic location and unique infrastructure cannot be replicated elsewhere without substantial capital investment and operational restructuring. The loss of ACC would strain remaining facilities, increase reliance on out-of-state placements, and elevate costs across multiple agencies. The DOC strongly recommends maintaining ACC's operations to preserve system integrity, ensure public safety, and support the efficient administration of justice in Southcentral Alaska.

Anvil Mountain Correctional Center (AMCC)

Purpose: Western Alaska regional correctional facility

The AMCC, located in Nome, Alaska, is a State-operated regional facility that houses adult sentenced and unsentenced felons and misdemeanants. Serving Nome, Kotzebue, and their surrounding 11 villages, the AMCC provides pre-trial detention and short-term sentenced incarceration. The facility opened in November 1985, replacing the former Territorial Jail located in the regional federal building.

Population

The AMCC is a level II facility and houses minimum, medium, and close custody male and female prisoners—both sentenced and unsentenced—that ensures supervision aligns with each individual's custody classification.

Capacity: 126 (General) | 128 (Max)

As of October 2, 2025, the AMCC was operating at 90 percent of its general capacity with more than 91 percent being unsentenced.

Admissions & Releases Per Year ~ 950

Key Implications of Closing This Facility:

Public Safety and Justice System Disruption:

- Elimination of in-region detention would require transporting detainees across vast distances, delaying court proceedings and increasing costs.
- Statutory requirements to return individuals to their point of arrest would further complicate logistics and increase operational burdens.

Increased Costs and Operational Strain:

- Long-distance inmate transport would significantly raise fuel, flight, and staffing expenses.
- Other facilities would need to absorb the AMCC's population, requiring infrastructure expansion and additional personnel.

Community and Cultural Impact:

- Loss of culturally tailored programming would negatively affect rehabilitation outcomes, particularly for Alaska Native inmates.
- Disruption of family and tribal support networks could lead to increased recidivism and reduced community cohesion.

Community and Economic Impact:

- The AMCC employs more than 41 staff and contractors across corrections, healthcare, food service, and maintenance.
- The facility's role as a primary justice system resource for regional law enforcement would be lost, requiring alternative holding solutions.

Conclusion: The DOC's assessment is that the closure of the AMCC would have far-reaching impacts for public safety, operational efficiency, community stability, and cultural integrity in Western Alaska. Given its unique geographic and demographic role, the AMCC is not easily replaceable without significant financial investment and systemic disruption. The DOC recommends continued operation of the AMCC to maintain regional justice services and uphold its commitment to culturally responsive rehabilitation and public safety.

Fairbanks Correctional Center (FCC)

Purpose: Interior Alaska detention and sentencing

The FCC is a close-custody institution located in Fairbanks—Alaska's Golden Heart City—serving as the primary intake facility for Northern Alaska. The FCC's service area spans one of the largest geographic regions in the State, stretching from the Canadian border to Utqiāġvik (Barrow), south to Cantwell, and includes two major military installations: Fort Wainwright and Eielson Air Force Base.

Constructed in 1967, the FCC is one of the DOC's oldest operating facilities and remains committed to secure operations, high-quality care, and the protection of public safety. Consistent with the department's mission, the FCC maintains a safe and professional environment for staff and offenders and provides reformatory programming aimed at reducing recidivism.

Population

The FCC is a Level II facility, housing minimum, medium, and close custody male and female prisoners—both sentenced and unsentenced—that ensures supervision aligns with each individual's custody classification.

Capacity: 253 (General) | 266 (Max)

As of October 2, 2025, the FCC was operating at 90 percent of its general capacity with more than 92 percent being unsentenced.

Admissions & Releases Per Year ~ 3,300

Key Implications of Closing This Facility:

Disruption to Regional Justice System:

- Closure would eliminate the only major correctional facility in Interior Alaska, requiring long-distance transport of detainees to other regions.
- Increased transportation needs would strain law enforcement resources, delay court proceedings, and elevate operational costs.

Operational and Fiscal Impact:

- Transporting inmates across vast distances would require additional staffing, fuel, and logistical coordination.
- Other facilities would need to absorb the FCC's population, potentially exceeding capacity and necessitating infrastructure expansion.

Community and Cultural Impacts:

- Displacement of inmates would sever ties to family, tribal, and community support systems, increasing the likelihood of recidivism.
- Loss of local programming and educational opportunities would hinder rehabilitation and reintegration efforts.

Economic and Employment Impact:

- The FCC employs more than 92 staff and contractors across corrections, healthcare, food service, and maintenance.
- Closure would result in job losses and reduce regional economic activity, impacting families and local businesses.

Public Safety Risks:

- The FCC's absence would compromise the ability of law enforcement to detain individuals locally, potentially delaying arrests and increasing risks to public safety.
- The facility's role in housing unsentenced individuals is critical, especially given that over 92 percent of its population is unsentenced, reflecting its importance in the adjudication process.

Conclusion: The DOC's assessment is that the closure of the FCC would have profound and far-reaching impacts on Alaska's Interior region. From disrupting judicial operations and increasing costs to weakening community ties and reducing public safety, the impacts would be significant. The FCC's strategic location, comprehensive services, and community partnerships make it an indispensable component of Alaska's Unified Corrections System. The DOC recommends maintaining the FCC's operations to ensure continued support for regional justice, rehabilitation, and public safety.

Goose Creek Correctional Center (GCCC)

Purpose: Largest medium-security facility in the State

As Alaska's newest and largest correctional facility, the GCCC was designed to set a high standard for safety, security, and rehabilitation. Its location in the Matanuska–Susitna Valley allows many individuals to remain closer to their families and support systems.

The GCCC, located in Point MacKenzie, officially opened in July 2012. The 435,000-square-foot, medium-security facility was built at a cost of \$240 million and was constructed to address overcrowding in Alaska's prison system allowing more than 1,030 inmates who were previously housed in out-of-state private prisons to return to Alaska.

The GCCC is also a significant resource to the surrounding community. Located in Point MacKenzie, the facility houses more than one-quarter of Alaska's incarcerated population and contributes to the health, economy, and stability of the region. The on-site medical department includes a dialysis unit, allowing individuals to receive in-custody essential care without impacting local healthcare systems or jeopardizing public safety.

Population

The GCCC is a Level II facility that houses medium-security sentenced male prisoners, but due to the need for pretrial beds in the correctional system, the facility also houses pretrial inmates from around the State, ensuring supervision aligns with each individual's custody classification.

Capacity: 1,408 (General) | 1,472 (Max)

As of October 2, 2025, the GCCC was operating at 88 percent of its general capacity with more than 38 percent being unsentenced.

Admissions & Releases Per Year ~ 2,250

Key Implications of Closing This Facility:

Systemic Disruption:

- Closure would require redistributing a large inmate population across multiple facilities, many of which lack the capacity or infrastructure to absorb the influx.
- Increased reliance on out-of-state contracts for inmate housing could result in higher costs and loss of local control over rehabilitation and oversight.

Financial and Operational Impact:

- Significant capital investment would be needed to expand other facilities or build new ones to replace GCCC's capacity.
- Transportation costs would rise sharply due to the need for long-distance transfers and increased staff overtime.

Loss of Rehabilitation Services:

- The GCCC's closure would eliminate access to critical programs that reduce recidivism and prepare inmates for successful reintegration.
- Disruption of educational and vocational training would negatively affect inmate outcomes and long-term public safety.

Community and Economic Impact:

- The GCCC employs more than 354 staff and contractors across corrections, healthcare, food service, and maintenance, making it one of the largest employers in the Knik area.
- Closure would impact local vendors, contractors, and housing markets, resulting in economic instability in the Mat-Su Borough.

Public Safety Risks:

- The GCCC's strategic location near Anchorage and its role in housing unsentenced individuals make it essential for efficient law enforcement and judicial operations.
- Displacement of inmates would disrupt family and tribal support networks, increasing recidivism and complicating reentry efforts.

Conclusion: The DOC's assessment is that the closure of the GCCC would have profound and far-reaching impacts for Alaska's correctional system, public safety, and regional economy. As the State's largest and most modern facility, the GCCC is uniquely equipped to provide secure housing, comprehensive rehabilitation, and medical services at scale. Its closure would necessitate costly infrastructure investments, disrupt critical services, and diminish community partnerships. The DOC strongly recommends maintaining the GCCC's operations to ensure continued system stability, fiscal responsibility, and public safety.

Hiland Mountain Correctional Center (HMCC)

Purpose: State's only dedicated women's facility

The HMCC provides a safe, secure, and humane environment for incarcerated women, offering access to rehabilitative, educational, and work programs that support long-term reformation.

The HMCC is the State's only all-female correctional facility, giving it a unique and critical role within the DOC.

As the primary location for housing nearly all women incarcerated in Alaska, the HMCC provides a comprehensive range of services and specialized units. The facility houses the women's Acute and Sub-Acute Mental Health Units, as well as the women's Infirmary.

Population

The HMCC is a Level II facility, housing minimum, medium, and close custody female prisoners—both sentenced and unsentenced—that ensures supervision aligns with each individual's custody classification.

Capacity: 395 (General) | 404 (Max)

As of October 2, 2025, the HMCC was operating at 79 percent of its general capacity with more than 57 percent being unsentenced.

Admissions & Releases Per Year ~ 3,650

Key Implications of Closing This Facility:

Loss of Specialized Female Services:

- The HMCC is the sole facility equipped to meet the comprehensive needs of incarcerated women in Alaska. Closure would fragment services such as prenatal care, trauma recovery, and mental health treatment.
- No other facility currently has the infrastructure or programming capacity to absorb and adequately serve the female population.

Increased Recidivism and Family Disruption:

- Displacement of female inmates would likely result in greater family separation, especially for mothers, increasing child welfare costs and negatively impacting rehabilitation outcomes.
- Loss of community and tribal support networks would further hinder successful reintegration and elevate recidivism risks.

Operational and Financial Strain:

- Significant capital investment would be required to retrofit or expand other facilities to accommodate the displaced population.
- Transporting female inmates to distant facilities would increase costs and complicate compliance with statutory requirements to return individuals to their point of arrest.

Economic and Community Impact:

- The HMCC employs more than 114 staff and contractors across corrections, healthcare, food service, and maintenance.
- Closure would disrupt local partnerships and community programs, including charitable initiatives and vocational training that benefit both inmates and the broader community.

Conclusion: The DOC's assessment is that the closure of the HMCC would have severe and disproportionate impacts on Alaska's ability to provide safe, humane, and rehabilitative care for incarcerated women. As the only dedicated women's facility in the State, the HMCC is uniquely positioned to deliver gender-responsive services that support public safety, reduce recidivism, and promote successful reintegration. The DOC strongly recommends maintaining the HMCC's operations to preserve critical infrastructure, protect vulnerable populations, and uphold the State's commitment to equitable and effective corrections.

Ketchikan Correctional Center (KCC)

Purpose: Southeast Alaska detention and intake

The KCC supports community safety by maintaining secure operations and introducing offenders to rehabilitative programming that prepares them for successful reintegration. The facility provides pre-trial detention and short-term sentenced incarceration for Ketchikan and the broader Southern Southeast Alaska region, including Wrangell, Petersburg, Prince of Wales Island, and Metlakatla.

The KCC is a multi-level booking facility that offers a range of religious, educational, mental health, and substance abuse programming to individuals in custody. The facility also partners with community organizations—including the Wellness Coalition and the Reentry Coalition—to support successful transition back into the community. In addition to rehabilitative services, the KCC provides life skills and reentry programs designed to promote accountability and reduce recidivism.

Population

The KCC is a Level II facility, housing minimum and medium male and female prisoners—both sentenced and unsentenced—that ensures supervision aligns with each individual's custody classification.

Capacity: 52 (General) | 58 (Max)

As of October 2, 2025, the KCC was operating at 79 percent of its general capacity with more than 75 percent being unsentenced.

Admissions & Releases Per Year ~ 600

Key Implications of Closing This Facility:

Disruption to Regional Justice Operations:

- Closure would eliminate the only local detention option for law enforcement in Southern Southeast Alaska.
- Detainees would require air or ferry transport to distant facilities, delaying court proceedings and increasing costs and logistical complexity.

Increased Operational Costs:

- Long-distance transport of inmates would significantly raise expenses related to flights, fuel, and staff overtime.
- Statutory requirements to return individuals to their point of arrest would further strain resources and complicate scheduling.

Community and Family Impact:

- Displacement of inmates would sever ties to family, tribal, and community support networks, increasing the risk of recidivism.

- Reduced access to local rehabilitative services and community-based programming would hinder successful reentry.

Community and Economic Impact:

- The KCC employs more than 37 local staff and contractors, contributing to the regional economy and providing stable employment in a remote area.
- Closure would result in job losses and diminish economic activity in Ketchikan and surrounding communities.

Public Safety Risks:

- Without the KCC, law enforcement agencies would lack a local facility for temporary holding, potentially delaying arrests and reducing responsiveness.
- The absence of a regional correctional center would compromise the safety and efficiency of the justice system in Southeast Alaska.

Conclusion: The DOC's assessment is that the closure of the KCC would have significant negative impacts on public safety, operational efficiency, and community wellbeing in Southern Southeast Alaska. As the only correctional facility in the region, the KCC is essential for maintaining timely judicial processes, supporting rehabilitation, and ensuring access to justice for remote and island communities. The DOC strongly recommends continued operation of the KCC to preserve regional justice infrastructure, minimize costs, and uphold public safety.

Lemon Creek Correctional Center (LCCC)

Purpose: Southeast regional facility (Juneau)

The LCCC serves and protects the citizens of Alaska by maintaining secure operations, providing care to inmates, and delivering robust rehabilitation programming.

The LCCC plays a significant role within the DOC as one of two maximum-security institutions in the State. This provides the DOC with critical flexibility to move and separate the highest-security inmates when necessary. The LCCC houses the primary sex offender management programs, tailored to high-risk sex offenders. It is also the only facility, aside from Hiland Mountain, capable of housing high-risk female offenders.

Population

The LCCC is a Level III facility, housing minimum, medium, and close custody male and female prisoners—both sentenced and unsentenced—that ensures supervision aligns with each individual's custody classification.

Capacity: 124 (General) | 130 (Max)

As of October 2, 2025, the LCCC was operating at 124 percent of its general capacity with more than 52 percent being unsentenced.

**NOTE: The LCCC is currently under repair with 102 beds off-line. These beds are expected to come back on line in January 2026 increasing the bed capacity.*

Admissions & Releases Per Year ~ 1,200

Key Implications of Closing This Facility:

Disruption to Southeast Alaska's Justice System:

- Closure would eliminate the only regional facility capable of housing pretrial detainees and high-risk inmates, forcing long-distance transfers to other parts of the State.
- Increased transportation requirements would delay court proceedings, raise costs, and strain law enforcement resources.

Operational and Financial Impact:

- Transporting inmates from Southeast Alaska to distant facilities would significantly increase flight and escort costs, staff overtime, and logistical complexity.
- Other facilities would need to absorb the LCCC's population, requiring infrastructure expansion and additional staffing.

Community and Cultural Impact:

- Displacement of inmates would sever connections to family, tribal, and community support networks, increasing recidivism risks.
- Loss of local programming and community engagement would hinder rehabilitation and reintegration efforts.

Public Safety and Specialized Housing Risks:

- The LCCC's maximum-security designation provides critical flexibility for managing Alaska's most dangerous offenders.
- Closure would reduce the department's ability to safely separate and manage high-risk populations, including violent and predatory offenders.

Economic and Workforce Impact:

- The LCCC employs more than 78 staff and contractors across corrections, healthcare, food service, and maintenance.
- Closure would result in job losses and diminish regional public safety infrastructure.

Conclusion: The DOC's assessment is that the closure of the LCCC would have serious and far-reaching impacts for Southeast Alaska. As the only maximum-security facility in the Northern Southeast Region, the LCCC is essential for maintaining public safety, supporting judicial operations, and delivering specialized rehabilitation services. Its strategic location, professional leadership, and community partnerships make it irreplaceable without significant financial and operational disruption. The DOC strongly recommends maintaining the LCCC's operations to ensure continued regional stability, safety, and service delivery.

Matanuska-Susitna Correctional Center (Mat-Su Pretrial (MSPT))

Purpose: Pretrial holding in the Mat-Su Borough

The MSPT protects public safety by securely incarcerating and supervising male and female adult felons and misdemeanants—both sentenced and unsentenced—while they await trial or transfer to a long-term correctional institution. As the sole remand facility for the Mat-Su Borough and its surrounding areas, the MSPT provides a continuum of custody levels from minimum to maximum security and offers a range of educational, life skills, and rehabilitative programs.

Population

The MSPT is a Level II facility housing minimum, medium and close custody, male and female felons and misdemeanants in pre-trial, unsentenced, and sentenced status in a secure setting with supervision consistent with their custody and security level.

Capacity: 98 (General) | 102 (Max)

As of October 2, 2025, the MSPT was operating at 73 percent of its general capacity with more than 92 percent being unsentenced.

Admissions & Releases Per Year ~ 2,500

Key Implications of Closing This Facility:

Disruption to Regional Justice and Law Enforcement:

- Closure would eliminate the only local facility for pretrial detention, requiring transport of detainees to Anchorage or other distant institutions.
- Increased travel for court appearances would raise costs, staff overtime, and logistical complexity, while delaying judicial proceedings.

Operational and Financial Strain:

- Long-distance inmate transport would significantly increase fuel, flight, and escort expenses.
- Other facilities would need to absorb the MSPT's population, potentially exceeding capacity and requiring infrastructure expansion.

Community and Family Impact:

- Displacement of inmates would sever ties to family, tribal, and community support networks, increasing recidivism risks.
- Loss of local programming would hinder rehabilitation and reduce opportunities for successful reintegration.

Economic and Employment Impact:

- The MSPT employs more than 50 staff and contractors in the Mat-Su Valley across corrections, healthcare, food service and maintenance, contributing to the local economy and providing stable employment.
- Closure would result in job losses and diminish regional economic activity.

Public Safety Risks:

- The MSPT is the primary holding facility for local and regional law enforcement, including Title 47 non-criminal holds.
- The Mat-Su Borough is experiencing rapid population growth—over 26 percent since 2010—which has coincided with a rise in criminal activity.
- Closure would force law enforcement to seek alternative holding solutions, potentially delaying arrests and reducing responsiveness.

Conclusion: The DOC's assessment is that the closure of the MSPT would have significant negative impacts on public safety, judicial efficiency, and community wellbeing in the Mat-Su Borough. As the only local pretrial facility, the MSPT is essential for maintaining timely court operations, supporting rehabilitation, and ensuring access to justice. The DOC strongly recommends continued operation of the MSPT to preserve regional justice infrastructure, minimize costs, and uphold public safety.

Palmer Correctional Center (PCC)

Purpose: Minimum- and medium-security sentenced male housing

The PCC, is a Level I and Level II campus located approximately 45 miles north of Anchorage in Sutton, integrates security and programming to support offender rehabilitation and promote attitudes and conduct consistent with established community values.

The PCC operates separate medium- and minimum-security facilities and is distinguished as the only fully sentenced facility in the State of Alaska housing sentenced male offenders, with a primary focus on preparing inmates for successful reintegration into society.

Population

The PCC is a Level I and Level II campus housing minimum and medium sentenced male felons and misdemeanants in unsentenced and sentenced status in a secure setting with supervision consistent with their custody and security level.

Capacity: 326 (General) | 336 (Max)

PCC Medium General capacity 326, maximum capacity 336
PCC Minimum General capacity 176, maximum capacity 176

As of October 2, 2025, the PCC (minimum) was operating at 98 percent of its general capacity and PCC (medium) was operating at 97 percent of its general capacity with the population being sentenced.

Admissions & Releases Per Year ~ 200

Key Implications of Closing This Facility:

Loss of Dedicated Sentenced Facility:

- The PCC's closure would eliminate the only facility focused exclusively on sentenced inmates, disrupting continuity of care and programming.
- Sentenced inmates would be dispersed across facilities that also manage pretrial populations, reducing program effectiveness and increasing operational complexity.

Impact on Rehabilitation and Reentry:

- The PCC's structured environment is ideal for delivering long-term rehabilitative services. Closure would hinder access to consistent programming, vocational training, and reentry planning.
- Displacement could lead to increased recidivism due to reduced preparation for community reintegration.

Operational and Financial Strain:

- Other facilities would require expansion or retrofitting to accommodate the PCC's population, incurring significant capital and staffing costs.

- Increased transportation and logistical coordination would elevate operational expenses and reduce efficiency.

Community and Economic Impact:

- The PCC employs more than 105 staff and contractors across corrections, healthcare, food service, and maintenance.
- Closure would result in job losses and diminish community partnerships that benefit both inmates and local residents.

Public Safety and System Stability:

- The PCC's role in housing sentenced inmates allows other facilities to focus on intake and pretrial operations. Its closure would destabilize the balance of functions across the correctional system.
- The loss of a centralized sentenced facility would complicate classification, housing assignments, and resource allocation statewide.

Conclusion: The DOC's assessment is that the closure of the PCC would have significant and lasting impacts on Alaska's correctional system, particularly in the areas of rehabilitation, reentry, and operational efficiency. As the only fully sentenced facility, the PCC provides a stable environment for long-term programming and community reintegration efforts. Its closure would disrupt this model, increase costs, and reduce the effectiveness of the department's mission. The DOC strongly recommends maintaining the PCC's operations to preserve system balance, support public safety, and ensure successful outcomes for incarcerated individuals.

Point MacKenzie Correctional Farm (Pt Mac)

Purpose: Minimum- and medium-security sentenced male housing

The Point MacKenzie Correctional Farm (PMCF) serves as a transitional link between secure correctional facilities and the community, supporting the DOC's mission to prepare offenders for successful reintegration. Established in 1993 as Project Hope, the PMCF provides low-custody offenders with opportunities to develop work ethic, occupational skills, and self-confidence through productive farm labor.

The facility operates on 640-acres as a fully functional agricultural operation, including livestock, crop cultivation, and greenhouse management. Inmates gain hands-on experience tending to cattle, hogs, laying hens, and growing vegetables in the fields and greenhouses, as well as operating farm equipment such as tractors and forklifts. Much of the farm's output directly supports the nutritional needs of the DOC institutions and contributes to community food programs.

Population

The PMCF is a Level I facility housing minimum custody sentenced male felons and misdemeanants in a secure setting with supervision consistent with their custody and security level.

Capacity: 145 (General) | 145 (Max)

As of October 2, 2025, the PMCF was operating at 59 percent of its general capacity with the population being sentenced.

Admissions & Releases Per Year ~ 95

Key Implications of Closing This Facility:

Loss of Unique Rehabilitative Programming:

- The PMCF offers one-of-a-kind agricultural and vocational training not replicated elsewhere in Alaska's correctional system.
- Closure would eliminate opportunities for inmates to develop transferable skills, reducing their readiness for employment and increasing recidivism risks.

Increased Operational Costs:

- The PMCF produces over 47,000 pounds of food annually for the DOC institutions, significantly offsetting food procurement costs. Closure would require purchasing this food commercially, increasing expenses.
- The 640-acre farm would still require ongoing maintenance, including care for livestock and infrastructure, even if inmate labor is no longer available.

Community and Economic Impact:

- The PMCF employs more than 30 staff and contractors across corrections, healthcare, food service, and maintenance.
- The PMCF supports local nonprofits and community programs through inmate labor and donations. Closure would disrupt these partnerships and reduce community engagement.

Systemic Strain and Displacement:

- Inmates would need to be relocated to other facilities, many of which lack the capacity or programming to support minimum-security populations.
- Displacement would disrupt continuity of care and programming, requiring additional resources to replicate the PMCF's rehabilitative model elsewhere.

Conclusion: The DOC's assessment is that the closure of the PMCF would result in the loss of Alaska's only correctional agricultural program, increased operational costs, and diminished rehabilitative opportunities for minimum-security inmates. The PMCF's unique model supports public safety by reducing recidivism through meaningful work and community engagement. The DOC strongly recommends maintaining the PMCF's operations to preserve its cost-saving contributions, support inmate rehabilitation, and sustain vital community partnerships.

Spring Creek Correctional Center (SCCC)

Purpose: Maximum- and medium-security sentenced male housing

The SCCC, located in Seward, is Alaska's primary maximum-security facility for adult male offenders. Built in 1988, the SCCC houses minimum, medium, and close-custody sentenced felons, including the state's most violent and predatory offenders, and allows freedom of movement for high-risk individuals under secure supervision.

Following the closure of the City Jail in October 2023, the SCCC assumed responsibility for booking male detainees for the City of Seward.

Population

The SCCC is a Level III facility housing medium and max-custody, male felons and misdemeanants in unsentenced and sentenced status in a secure setting with supervision consistent with their custody and security level.

Capacity: 262 (General) | 309 (Max)

As of October 2, 2025, the SCCC was operating at 118 percent of its general capacity with more than 94 percent being sentenced.

**Note: Capacity was reduced July 14, 2025, with the closure of House 2.*

Admissions & Releases Per Year ~ 370

Key Implications of Closing This Facility:

Loss of Maximum-Security Capacity:

- The SCCC is the only facility in Alaska designed to house the most dangerous and high-risk offenders. Closure would require redistributing these inmates to less secure facilities, increasing safety risks and operational challenges.
- Other institutions lack the infrastructure and staffing to safely manage close-custody populations, necessitating costly upgrades or new construction.

Disruption to Rehabilitation and Specialized Programs:

- Closure would eliminate access to unique programs such as vocational training, GED (General Educational Development) education, and the S.P.O.T. (Saving Pets One at a Time) canine initiative, which have proven benefits in reducing recidivism.
- Fragmentation of high-risk populations would hinder continuity of care and reduce the effectiveness of rehabilitative efforts.

Operational and Financial Strain:

- Long-distance transport of inmates would increase costs for fuel, flights, and staff overtime.
- Statutory requirements to return individuals to their point of arrest would further complicate logistics and elevate expenses.

Community and Economic Impact:

- The SCCC employs more than 167 staff and contractors across corrections, healthcare, food service, and maintenance and is a major employer in Seward contributing to the local economy.
- Closure would result in job losses and disrupt community partnerships, including volunteer programs and local support initiatives.

Public Safety Risks:

- Displacement of high-risk inmates to facilities not designed for maximum security could compromise staff and inmate safety.
- The loss of a centralized high-security facility would reduce the department's ability to manage violent offenders effectively.

Conclusion: The DOC's assessment is that the closure of the SCCC would have serious impacts for Alaska's correctional system, public safety, and the Seward community. As the State's only maximum-security facility for adult males on the road system, the SCCC is essential for securely housing high-risk offenders and delivering specialized rehabilitation programs. Its closure would require significant investment in infrastructure, disrupt critical services, and increase operational costs. The DOC strongly recommends maintaining the SCCC's operations to ensure the safety, stability, and integrity of the State's correctional system.

Wildwood Correctional Complex (WCC)

Purpose: Multi-level correctional services

The WCC provides a safe and productive environment for incarcerated Alaskans while offering a wide range of reformative and transformational programs that address criminogenic factors and prepare individuals for successful reintegration into the community.

The complex is located on a renovated military base originally constructed in the 1950s. The main facility opened in October 1983, followed by the pre-trial facility in 1985, and the Wildwood Transitional Program (WTP) in 2010. The WCC encompasses three distinct facilities, each with a separate core mission and function:

- **Long-term institutional housing of sentenced male felons and misdemeanants** – WCC (Building 10)
- **Pre-trial booking and housing both male and female felons and misdemeanants** – Wildwood Pretrial Facility (WPT) (Building 5)
- **WTP housing male felons and misdemeanants** – WTP (Building 15), which provides work release opportunities for eligible inmates

This structure allows the WCC to deliver comprehensive correctional services, including secure confinement, pre-trial detention, and transitional programming, all within a single complex that serves multiple purposes across the DOC.

Population

The WCC is a Level II facility housing minimum, medium and close custody, male and female felons and misdemeanants in pre-trial, unsentenced, and sentenced status in a secure setting with supervision consistent with their custody and security level.

Capacity: 465 (General) | 476 (Max)

As of October 2, 2025, the WCC was operating at 93 percent of its general capacity with more than 27 percent being sentenced.

Admissions & Releases Per Year ~ 1,650

Key Implications of Closing This Facility:

Disruption to Regional Justice System:

- Closure would eliminate the primary correctional facility for the Kenai Peninsula, requiring long-distance transport of pretrial and sentenced inmates to other regions.
- Increased transportation needs would delay court proceedings, raise costs, and strain law enforcement and judicial resources.

Loss of Specialized and Transitional Programming:

- The WCC's robust vocational and rehabilitative programs are not easily replicated elsewhere. Closure would hinder inmate access to education, job training, and treatment services.
- The loss of transitional housing and work-release programs would reduce reentry support, increasing recidivism risks.

Operational and Financial Strain:

- Other facilities would need to absorb the WCC's population, requiring infrastructure expansion and additional staffing.
- Transporting inmates to distant facilities would increase fuel, flight, and escort costs, as well as staff overtime.

Community and Economic Impact:

- The WCC employs 119 staff members and supports local vendors and contractors, contributing significantly to the Kenai Peninsula economy.
- Closure would result in job losses and diminish community partnerships that benefit both inmates and local residents.

Public Safety Risks:

- The WCC's closure would disrupt the ability to house unsentenced inmates locally, complicating law enforcement operations and increasing risks associated with delayed detention.
- The facility's role in housing both male and female inmates is critical; closure would require relocating inmates to distant facilities, severing family and community ties.

Conclusion: The DOC's assessment is that the closure of the WCC would have far-reaching impacts for public safety, rehabilitation, and community stability on the Kenai Peninsula. As a multi-functional facility offering comprehensive services and regional support, the WCC is essential to the DOC's mission. Its closure would result in increased costs, reduced program access, and diminished public safety. The department strongly recommends maintaining the WCC's operations to preserve critical infrastructure, support successful reentry, and ensure continued service to the region.

Yukon-Kuskokwim Correctional Center (YKCC)

Purpose: Regional facility serving Southwest Alaska

The YKCC, located in the Yukon Delta region, provides secure confinement and a wide range of reformatory programs to support offender rehabilitation and enhance public safety.

Serving as both a regional intake facility and sentenced housing, the YKCC accommodates male and female prisoners of all custody levels, including those in pre-trial status.

Opened in 1986, the facility is a close-security institution that provides detention services for 56 villages in Western Alaska. The YKCC's location is vital to both the DOC and the communities it serves. The facility provides secure housing for regional offenders while allowing family and community connections through accessible visitation, which would be significantly limited without a local facility.

Population

The YKCC is a Level II facility housing minimum, medium and close custody, male and female felons and misdemeanants in pre-trial, unsentenced, and sentenced status in a secure setting with supervision consistent with their custody and security level.

Capacity: 153 (General) | 163 (Max)

As of October 2, 2025, the YKCC was operating at 85 percent of its general capacity with more than 83 percent being unsentenced.

Estimated Releases/Year: ~ 1,700

Key Implications of Closing This Facility:

Disruption to Regional Justice and Law Enforcement:

- Closure would eliminate the only local detention option for Southwest Alaska, requiring long-distance transport of detainees to facilities hundreds of miles away.
- Increased travel would delay court proceedings, raise costs, and strain law enforcement resources, especially given statutory requirements to return individuals to their point of arrest.

Loss of Culturally Responsive Services:

- The YKCC's staff and programming are uniquely equipped to serve a population with distinct cultural and linguistic needs. Closure would result in loss of culturally competent care, undermining rehabilitation and increasing recidivism risks.

Operational and Financial Strain:

- Transporting inmates from remote villages to distant facilities would significantly increase costs for flights, fuel, and staff time.
- Other facilities would need to absorb the YKCC's population, requiring infrastructure expansion and additional staffing.

Community and Economic Impact:

- The YKCC employs more than 52 staff and contractors across corrections, healthcare, food service, and maintenance and is a major employer in Bethel, contributing to the local economy.
- Closure would result in job losses and reduce economic stability in a region with limited employment opportunities.

Public Safety Risks:

- Without the YKCC, law enforcement agencies in 56 villages would lack a local facility for temporary holding, potentially delaying arrests and reducing responsiveness.
- Displacement of inmates would sever ties to family, tribal, and community support networks, increasing the likelihood of recidivism.

Conclusion: The DOC's assessment is that the closure of the YKCC would have devastating impacts for public safety, justice system operations, and community wellbeing in Southwest Alaska. As the only correctional facility in the region, the YKCC is essential for maintaining timely judicial processes, providing culturally responsive rehabilitation, and supporting local economies. The DOC strongly recommends continued operation of the YKCC to preserve regional justice infrastructure, minimize costs, and uphold public safety and cultural integrity.

Summary

In short, every indication from this analysis points to the importance and services provided by each facility within their respective community as well as to the overall criminal justice system. The closure of any correctional facility in Alaska—due to geography, population distribution, law enforcement utilization, and security-level specialization—would increase burdens to the criminal justice system as well as costs to more than just the DOC.

A comprehensive impact study that includes stakeholder engagement from the DOC, law enforcement, legal advocates, local community leaders, union leaders, the Alaska Legislature, and other community organizations is recommended if a facility needs to be identified for closure.

The department remains committed to working with the Legislature and welcomes further dialogue regarding public safety and criminal justice support, including any future direction involving the resources required to undertake a formal, multidisciplinary closure study.

Sincerely,



Jen Winkelman
Commissioner

cc: Alexei Painter, Director, Legislative Finance Division
Jordan Shilling, Director, Governor's Legislative Office
Lacey Sanders, Director, Office of Management and Budget



THE STATE
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December 19, 2025

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Sent via email: Senate.Finance.Committee@akleg.gov, House.Finance@akleg.gov

Re: FY2026 Legislative Intent Language

Dear Finance Committee Co-Chairs,

Please find below the Department of Corrections and Department of Law's response to legislative intent language from House Bill (HB) 53. The dollar figures presented in this document are in whole dollars.

**Department of Corrections / Population Management / Anchorage Correctional Complex
Operating Budget (CCS HB 53(brf sup maj fld H))**

It is the intent of the legislature the State of Alaska, through the Department of Corrections (DOC), no longer covers the full cost of unsentenced federal inmates housed in State facilities. The legislature urges the Department to coordinate with the Department of Law to either receive adequate daily funding for federal inmates housed in State facilities or to determine a method for them to be housed at a federal or private facility until court hearings. DOC and Department of Law shall then submit a joint response to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025, outlining the determined terms, number of federal inmates housed in State facilities by day in 2025 and the final cost associated to the State, if any.

Department of Law / Criminal Division

Operating Budget (CCS HB 53(brf sup maj fld H))

It is the intent of the legislature the State of Alaska no longer cover the full cost of housing unsentenced federal inmates in State facilities. Therefore, the legislature urges the Department of Law to work with the Department of Corrections and federal agencies to either receive adequate daily funding for federal inmates housed in State facilities or to determine a method for them to be housed at a federal or private facility until court hearings. Law and DOC shall submit a joint response to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025, outlining the determined terms, number of federal inmates housed in State facilities by month in 2025 and the final cost associated to the State, if any.

The State of Alaska and the federal government remain at an impasse concerning the appropriate compensation for individuals concurrently held on both State and federal charges—commonly referred to as “dual holds.” The State of Alaska continues to engage with federal authorities in pursuit of an equitable resolution to this ongoing dispute.

Historically, the Alaska Department of Corrections (DOC) has classified individuals subject to both State and federal charges as “dual holds”. This classification enabled the DOC to manage transportation, medical care, housing assignments, and release procedures in accordance with State law. This operational approach originated in 2015, following discussions initiated by the United States Marshals Service (USMS), during which the USMS requested that all dual-hold individuals with a federal writ be treated as federal detainees. In conjunction with this request, the USMS agreed to reimburse the State for the associated costs, citing the increased oversight requirements for such detainees.

This understanding culminated in the execution of the 2016 Intergovernmental Agreement (IGA), which established a per diem reimbursement rate and a separate rate for guard and transportation services for “federal detainees.” The agreement defined federal detainees as:

“[...] individuals charged with federal offenses and detained while awaiting trial, individuals who have been sentenced and are awaiting designation and transport to a Bureau of Prisons facility, and individuals who are awaiting a hearing on their immigration status or deportation.”

Crucially, the IGA permitted reimbursement of federal detainees regardless of whether a federal or state writ had been issued. Under this framework, the DOC received compensation for dual-hold detainees through the established per diem and transportation rates.

However, in 2024, the USMS notified the DOC of a significant policy shift. The USMS stated it would no longer provide reimbursement for detainees subject to a federal writ, nor for those with a state writ, asserting that such individuals are to be treated as state detainees. This position reflects a new interpretation of federal regulations.

According to the USMS, once the State asserts jurisdiction over a detainee by filing a state writ of habeas corpus, the individual is deemed a state detainee. Consequently, the State is obligated to “provide for the safekeeping, secure custody, and care of the individual at no cost to the USMS.” Since this change, representatives from the Department of Law and the DOC have made efforts to engage with federal officials to negotiate a fair and equitable resolution. To date, no agreement has been reached.

This also resulted in a change in the way these holds are recorded within the offender management system. Due to the change in reporting, below is a summary of the estimated number of federal detainees housed in State facilities by month in 2025, along with the estimated costs incurred by the State:

	Estimated Number Held	Total Man Days	Estimated Costs Incurred
24-Jul	156	4,841	\$978,860.05
24-Aug	158	4,894	\$989,696.38
24-Sep	139	4,297	\$868,822.82
24-Oct	157	4,859	\$982,592.79
24-Nov	160	4,969	\$1,004,772.12
24-Dec	149	4,626	\$935,414.23
25-Jan	167	5,165	\$1,044,443.55
25-Feb	166	5,140	\$1,039,385.46
25-Mar	140	4,327	\$874,946.80
25-Apr	138	4,287	\$866,867.98
25-May	84	2,604	\$582,547.06
25-Jun	55	1,695	\$379,110.25
FY2025 Totals :	1,669	51,704	\$10,547,459.50

Please let us know if you have any questions or would like to discuss further.

Sincerely,



Jen Winkelman
Commissioner

Sincerely,



Stephen Cox
Attorney General

cc: Alexei Painter, Director, Legislative Finance Division
Jordan Shilling, Director, Governor's Legislative Office
Lacey Sanders, Director, Office of Management and Budget



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December 19, 2025

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Juneau, AK 99801

Sent via email: Senate.Finance.Committee@akleg.gov, House.Finance@akleg.gov

Re: FY2026 Legislative Intent Language

Dear Finance Committee Co-Chairs,

Please find below the Department of Corrections' (DOC) response to legislative intent language from House Bill (HB) 53.

Population Management / Spring Creek Correctional Center (CCS HB 53 (brf sup maj fld H), Sec. 1)

It is the intent of the legislature that the Department of Corrections permanently close one housing unit at Spring Creek Correctional Facility. Closing one unit will allow the Department to direct personnel resources to other areas of the facility, reduce overtime, and find efficiencies. The Department shall provide a report to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025, detailing the efforts taken towards closing a housing unit, and resulting cost savings and efficiencies.

As directed through legislative intent language, the Department of Corrections (DOC) achieved partial compliance with the legislative intent by closing Spring Creek Correctional Center (SCCC) House 2 on July 14, 2025, thus removing 247 close custody beds from the department's current capacity greatly

reducing housing options at the SCCC. It is important to note that due to staffing vacancies and maintenance issues during fiscal year (FY) 2025, the SCCC was already operating at a reduced capacity.

For purposes of this response, a module refers to a discrete housing unit within the correctional facility, consisting of a defined number of inmate cells and associated common areas, designed to operate as a single security and staffing unit.

Actions Taken

- On July 14, 2025, the DOC closed House 2 at the SCCC, removing 247 close custody beds reducing the overall bed capacity to 262.
- With the closure, close custody inmates were able to be moved to House 1 and House 3 or transferred to other DOC institutions.
- Vulnerable inmates remaining at the SCCC were placed in protective custody or in the mental health module.

Impact Analysis

- The SCCC is now operating at 116 percent of its general bed capacity.
- House 3 now accommodates all close custody general population prisoners.
- The closure caused operational disruptions, and increased segregation demands at Anchorage Correctional Complex (ACC), Fairbanks Correctional Center, Goose Creek Correctional Center (GCC), and Wildwood Correctional Complex.
- Due to the SCCCs limited bed availability, more than 40 sentenced close custody prisoners in other areas of the State are awaiting transfer to the SCCC.
- Classification and behavioral challenges have increased, which leads to an increase in segregation placements.

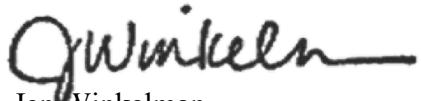
Staffing and Cost Analysis

- No personnel cost savings were realized at the SCCC; total labor hours remained stable post-closure.
- Staff from House 2 were reallocated to other posts that were previously unmanned, maintaining operational coverage.
- Receiving institutions recorded a 1 percent increase in labor hours, with notable overtime increases at the GCC and ACC.
- Transportation and logistical costs increased due to cross-facility inmate movement.
- No net savings on food service, medical care, or general cost of care; costs were redistributed across facilities.

Conclusion

While the closure of House 2 at the SCCC was executed as directed, the anticipated cost savings and operational efficiencies have not been achieved. The action has led to increased strain on other facilities, higher segregation rates, and greater personnel demands. The DOC continues to monitor the situation and manage population pressures, but the closure has not yielded the intended outcomes.

Sincerely,



Jen Winkelman
Commissioner

cc: Alexei Painter, Director, Legislative Finance Division
Jordan Shilling, Director, Governor's Legislative Office
Lacey Sanders, Director, Office of Management and Budget



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Sent via email: Senate.Finance.Committee@akleg.gov, House.Finance@akleg.gov

Re: FY2026 Legislative Intent Language

Dear Finance Committee Co-Chairs,

Please find below the Department of Corrections' (DOC) response to legislative intent language from House Bill (HB) 53.

Department of Corrections
Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)

It is the intent of the legislature that the Department of Corrections continue the reform of the Regional and Community Jails program. Since the program's inception, public safety has changed in the state and jails are not utilized to the same extent. Therefore, the Department should renegotiate FY27 contracts by reducing the bed count by two-thirds if the individual community's unused bed rate was over sixty percent, when FY24 and FY25 are averaged, and any other corresponding costs. This realignment prevents closures and allows communities to maintain a jail with a more appropriate bed count and cost to the State. The Department shall issue a status report to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025.

As directed through legislative intent language, the DOC reviewed utilization of the jails for FY2024 and FY2025 and found that all but one regional operated under the identified sixty percent margin (see attached historical budget and utilization report).

The cumulative budget requests received from each community to maintain jail operations exceed the current appropriated funds within the program. This ultimately reflects that the DOC is not funding full jail operations through the current contracts and further reductions in funding could result in the closure of a community jail, impacting public safety in the rural areas. It is important to note that the City of Seward closed its jail operations in FY2024 due to lack of funding to safely operate jail functions.

The Regional and Community Jail Program was implemented as a community-based resource establishing partnerships between the DOC and local communities. This allowed local communities to respond to local public safety needs, retaining justice involved persons to remain close or within their community and reduced the burden on the State prison system. These jails serve as holding facilities for short-term offenders who have violated State laws.

Each Regional and Community Jail provides a critical public safety infrastructure within locations where there is no State facility.

Utilization Trends:

The following table presents a comparative overview of utilization trends across the DOC's 14 contracted community jails, based on a three-year average of manday data (FY2023–FY2025). This analysis is central to understanding how jail operations vary regionally and how those variations inform funding decisions and operations.

The table highlights key operational metrics for each facility, including the current number of beds under contract, the maximum number of days individuals may be held, total budgeted mandays, and actual utilization rates. These figures reveal significant disparities in how facilities are used, with some jails consistently operating at higher capacity despite having fewer beds or shorter hold durations.

Utilization is not solely a function of bed count—it reflects local decisions about contract terms, public safety needs, and community infrastructure. By incorporating utilization into the funding formula, the DOC aims to promote transparency and equity, ensuring that resources are distributed in proportion to actual service demand while respecting the unique operational constraints of each community.

Facility	Number of beds in contract	Maximum Hold Days in Contract	Total Budgeted Mandays	3-Year Avg Mandays	3-Year Avg Utilization %
Bristol Bay	4	15	1,460	438.5	30%

Finance Committee Co-Chairs

December 20, 2025

Page 3 of 4

Facility	Number of beds in contract	Maximum Hold Days in Contract	Total Budgeted Mandays	3-Year Avg Mandays	3-Year Avg Utilization %
Cordova	6	7	2,190	204.8	9.4%
Craig	7	15	2,555	956.3	38.1%
Dillingham	8	20	2,920	777.7	26.6%
Haines	6	14	2,190	82.7	3.8%
Homer	7	10	2,555	901.5	35.3%
Kodiak	22	30	8,030	2,367.3	29.5%
Kotzebue	10	30	3,650	2,473.0	67.8%
NSB	9	30	3,285	1,865.2	56.8%
Petersburg	12	15	4,380	249.5	5.7%
Sitka	15	10	5,475	621.7	10.4%
Unalaska	10	30	3,650	319.7	11.3%
Valdez	13	10	4,745	546.3	10.5%
Wrangell	12	30	4,380	268	9.3%

Summary

Each jail provides a critical public safety infrastructure within locations where there is no State facility. Based on past experience, the DOC believes that any change to current funding levels will further impact safe operational abilities within each jail and lead to additional closures within those communities' as well as increasing costs to both the Department of Public Safety and the DOC as these persons are moved to a State facility.

The department remains committed to working with the Legislature and welcomes further dialogue regarding public safety and criminal justice support, including any future direction involving the resources required to oversee and maintain the Regional and Community Jails Program.

Sincerely,



Jen Winkelman
Commissioner

Attachments:

Community and Regional Jail Analysis
Alaska Municipal League summary

cc: Alexei Painter, Director, Legislative Finance Division
Jordan Shilling, Director, Governor's Legislative Office
Lacey Sanders, Director, Office of Management and Budget



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Attachment 7
Department of Education
& Early Development

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Juneau, AK 99801

The Honorable Calvin Schrage
Co-Chair, House Finance Committee
Alaska State Capitol Room 410
Juneau, AK 99801

The Honorable Neal Foster
Co-Chair, House Finance Committee
Alaska State Capitol Room 511
Juneau, AK 99801

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
Alaska State Capitol Room 518
Juneau, AK 99801

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
Alaska State Capitol Room 516
Juneau, AK 99801

The Honorable Donald Olson
Co-Chair, Senate Finance Committee
Alaska State Capitol Room 508
Juneau, AK 99801

Re: Legislative Intent Language – House Bill 53

Dear Finance Committee Co-Chairs:

Enclosed, please find the Department of Education and Early Development's response to the legislative intent language from House Bill 53 (Chapter 10, SLA 2025, Section 1, Page 11, Lines 25-33) on school district balances for each of the following funds: 1) school operating fund, 2) special revenue funds, 3) capital project funds, and 4) other governmental funds.

Please feel free to contact me if you need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Deena M. Bishop".

Deena M. Bishop, Ed.D.
Commissioner

Enclosure (1) FY2026 Intent Language Fund Balance Report Final

cc: Alexei Painter, Director, Legislative Finance Division Lacey
Sanders, Director, Office of Management and Budget
Jordan Shilling, Director, Governor's Legislative Office



Report to the Legislature

School District Fund Balances

as required by HB53 (Chapter 10, SLA 2025)

December 19, 2025

Introduction

During the 2025 legislative session the 34th Legislature included the following legislative intent language in the operating budget (Chapter 10, SLA 2025, Section 1, Page 11, Lines 25-33 (HB 53)):

It is the intent of the legislature that a school district report to the Department twice annually, once by the end of the count period set out in AS 14.17.500, and on February 1, 2026, the balance of each of the following funds: 1) school operating fund, 2) special revenue funds, 3) capital project funds, 4) other governmental funds. Additionally, each fund shall be reported based on the following classifications: 1) nonspendable fund balance, 2) restricted fund balance, 3) committed fund balance, 4) assigned fund balance, 5) unassigned balance. The Department shall provide these reports and associated data in electronic format to the Co-Chairs of Finance and the Legislative Finance Division by December 20, 2025 and by February 15, 2026.

This language tasked the Department of Education and Early Development with collecting data from the 52 school districts regarding fund balances.

Report Sections

This report consists of:

1. District-provided data by each identified fund type, by the five classifications.
2. District-provided comments regarding the reported data.
3. Definitions of the Fund Types and Fund Balance Classifications.

Unreserved Fund Reporting

This data collection is separate from the “unreserved” school district operating fund balance collections and reports. Audited fiscal year end fund balance data is submitted to the department under AS 14.17.505 and is defined by 4 AAC 09.160; this monitors the requirement for a district to not exceed a year-end unreserved operating fund balance of 10 percent of annual expenditures. The 10 percent fund balance limit was waived through the end of fiscal year 2025 (June 30, 2025), during which time a report on the forecasted unreserved operating fund balance was due to the legislature annually (Chapter 2, SLA 2021, Section 10, Page 10, Lines 16-21 (HB 76)). FY2026 unreserved fund balances will be subject to review under AS 14.17.505.

Data Variations

Due to the mid-fiscal year dates identified, the data can fluctuate between and within districts due to many reasons, including:

- Districts that receive Impact Aid have the balance of their current application receipts transfer from committed to unassigned at the beginning of the fiscal year.
- Municipal districts receive local contributions at different times, based on local processes. Some districts may receive a lump sum at the beginning of the fiscal year, some may receive monthly payments, some may receive all or a portion of funds at different times of the year.
- Bulk purchases of fuel, food, etc. may occur at the beginning of the school year.
- The fund balance reporting will be impacted by budget true-ups that occur as a result of the student count data reconciliation, projection to actuals.

Alaska Department of Education & Early Development

FY2026 School District **OPERATING FUND**: Current Fund Balance as of October 31, 2025

School District	Nonspendable Fund Balance	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance	Unassigned Fund Balance	Total
Alaska Gateway	-	-	1,058,294	-	338,936	1,397,230
Aleutian Region	102,783	-	-	-	246,026	348,809
Aleutians East	199,850	-	-	19,444	1,068,013	1,287,307
Anchorage	3,424,067	31,023,998	2,408,069	78,563,445	13,273,403	128,692,982
Annette Island	106,527	-	6,107,907	-	77,884	6,292,318
Bering Strait	2,022,234	-	194,376	-	-	2,216,610
Bristol Bay	57,254	-	291,687	-	194,347	543,288
Chatham	29,438	-	-	-	64,056	93,494
Chugach	100,132	-	1,089,884	1,375,525	921,572	3,487,113
Copper River	201,363	204,355	-	-	734,614	1,140,332
Cordova	207,371	-	-	-	1,789,810	1,997,181
Craig	27,853	228,934	-	-	326,086	582,873
Delta/Greely	349,694	-	215,566	1,850,015	2,179,892	4,595,167
Denali	-	-	2,158,555	-	2,182,770	4,341,325
Dillingham	3,341	-	-	381,991	3,465,263	3,850,595
Fairbanks	556,040	1,677,133	-	13,679,143	(22,516,383)	(6,604,067)
Galena	1,025,695	2,095,681	18,456,895	-	3,112,390	24,690,661
Haines	52,629	-	-	-	583,336	635,965
Hoonah	6,641	-	-	-	823,097	829,738
Hydaburg	8,883	-	-	-	334,212	343,095
Iditarod	353,441	-	-	-	1,922,918	2,276,359
Juneau	260,791	557,313	17,890	1,046,983	5,065,506	6,948,483
Kake	8,056	-	-	643,461	308,572	960,089
Kashunamiut	373,935	-	-	4,361,595	-	4,735,530
Kenai Peninsula	341,292	4,594,374	2,931,414	-	(44,976)	7,822,104
Ketchikan	-	-	6,834,345	-	-	6,834,345
Klawock	900,994	-	-	-	(6,879)	894,115
Kodiak	1,630,707	43,805	-	3,314,770	5,803,170	10,792,452
Kuspuk	575,510	-	-	260,000	2,719,274	3,554,784
Lake and Peninsula	139,594	258,769	-	560,441	553,920	1,512,724
Lower Kuskokwim	4,444,581	-	9,500,000	390,000	2,566,905	16,901,486
Lower Yukon	-	-	-	-	15,267,738	15,267,738
Mat-Su	7,764,957	4,026,909	-	750,000	(21,652,496)	(9,110,630)
Nenana	78,191	1,604,998	-	-	2,293,834	3,977,023
Nome	841,286	-	-	-	1,627,861	2,469,147
North Slope	50,617	2,314,775	12,369,656	-	(1,588,497)	13,146,551
Northwest Arctic	1,961,983	-	-	4,121,701	4,550,874	10,634,558
Pelican	4,090	-	-	-	71,293	75,383
Petersburg	470,891	-	-	-	2,536,274	3,007,165
Pribilof	15,451	-	-	-	1,272,949	1,288,400
Saint Mary's	810,770	-	-	-	81,306	892,076
Sitka	-	-	-	-	1,800,000	1,800,000
Skagway	9,709	-	-	-	1,563,769	1,573,478
Southeast Island	17,358	-	-	-	11,088	28,446
Southwest Region	852,768	-	-	6,826,008	1,856,638	9,535,414
Tanana (1)	-	-	-	-	-	-
Unalaska	19,152	1,186,115	-	-	1,465,645	2,670,912
Valdez	-	-	-	-	-	-
Wrangell	27,154	-	-	-	1,566,248	1,593,402
Yakutat	20,363	-	-	-	168,102	188,465
Yukon Flats	155,609	-	-	-	1,946,186	2,101,795
Yukon Koyukuk	543,914	5,645,455	-	-	2,487,831	8,677,200
Yupiit	471,777	-	-	-	5,828,206	6,299,983
Total	31,626,736	55,462,614	63,634,538	118,144,522	51,242,583	320,110,993

(1) Tanana City School District merged with Yukon Koyukuk School District in FY2025.

Alaska Department of Education & Early Development

FY2026 School District **SPECIAL REVENUE FUNDS:** Current Fund Balance as of October 31, 2025

School District	Nonspendable Fund Balance	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance	Unassigned Fund Balance	Totals
Alaska Gateway	-	-	420,881	-	55,837	476,718
Aleutian Region	-	-	67,991	-	-	67,991
Aleutians East	-	-	-	2,514,361	-	2,514,361
Anchorage	2,486,955	-	322,277	2,309,992	-	5,119,224
Annette Island	8,277	-	2,234,761	28,808	(757,067)	1,514,779
Bering Strait	-	1,815,875	-	-	-	1,815,875
Bristol Bay	-	255,075	106,132	197,764	(63,545)	495,426
Chatham	21,592	-	157,341	-	(70,116)	108,817
Chugach	-	-	659,678	-	-	659,678
Copper River	-	82,922	278,179	-	(89,187)	271,914
Cordova	23,725	206,789	-	401,467	(4,000)	627,981
Craig	12,380	-	81,812	22,191	(52,292)	64,091
Delta/Greely	-	846,733	-	2,469,175	-	3,315,908
Denali	-	540,739	-	-	-	540,739
Dillingham	10,570	662,792	205,549	-	(62,253)	816,658
Fairbanks	1,973,262	-	-	2,441,710	615,770	5,030,742
Galena	48,658	5,038,735	-	-	-	5,087,393
Haines	8,983	-	204,796	22,370	(224,029)	12,120
Hoonah	28,009	-	209,824	14,894	(340,388)	(87,661)
Hydaburg	-	-	-	80,402	(169,932)	(89,530)
Iditarod	-	-	-	-	-	-
Juneau	36,882	1,305,309	3,609,562	-	-	4,951,753
Kake	13,935	-	-	11,281	(33,890)	(8,674)
Kashunamiut	-	27,348	-	1,012,909	-	1,040,257
Kenai Peninsula	341,292	406,571	2,931,414	-	(44,976)	3,634,301
Ketchikan	-	(176,885)	-	-	-	(176,885)
Klawock	-	101,600	800,443	1,000	(195,620)	707,423
Kodiak	211,379	831,836	451,380	218,149	(359,620)	1,353,124
Kuspuk	60,068	-	-	1,184,402	(1,248,614)	(4,144)
Lake and Peninsula	5,286	-	290,279	-	(81,874)	213,691
Lower Kuskokwim	-	-	8,349,352	-	-	8,349,352
Lower Yukon	-	(3,543,440)	-	-	-	(3,543,440)
Mat-Su	1,345,610	-	12,638,336	2,028,467	-	16,012,413
Nenana	-	-	-	-	(21,129)	(21,129)
Nome	121	523,829	2,499,833	306,564	(10,822)	3,319,525
North Slope	683,501	988,043	9,601,841	18,535	(80,686)	11,211,234
Northwest Arctic	79,172	1,138,301	-	57,748	(11,971)	1,263,250
Pelican	-	-	27,262	-	-	27,262
Petersburg	2,842	-	-	710,218	-	713,060
Pribilof	-	-	707,911	-	-	707,911
Saint Mary's	-	-	-	-	-	-
Sitka	-	-	-	-	-	-
Skagway	-	-	54,275	479,986	-	534,261
Southeast Island	9,788	-	512,884	-	-	522,672
Southwest Region	-	-	1,716,074	-	-	1,716,074
Tanana (1)	-	-	-	-	-	-
Unalaska	-	-	189,328	146,644	(248,015)	87,957
Valdez	35,860	-	648,718	-	6,913	691,491
Wrangell	-	-	249,681	-	-	249,681
Yakutat	-	-	135,517	168,918	(10,272)	294,163
Yukon Flats	16,834	-	456,353	104,812	(16,834)	561,165
Yukon Koyukuk	50,085	-	43,975	2,231,013	(407,929)	1,917,144
Yupiit	43,613	51,530	8,271	-	-	103,414
Total	7,558,679	11,103,702	50,871,910	19,183,780	(3,926,541)	84,791,530

(1) Tanana City School District merged with Yukon Koyukuk School District in FY2025.

Alaska Department of Education & Early Development

FY2026 School District **CAPITAL PROJECT FUNDS**: Current Fund Balance as of October 31, 2025

School District	Nonspendable Fund Balance	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance	Unassigned Fund Balance	Totals
Alaska Gateway	-	-	-	-	-	-
Aleutian Region	-	-	1,591,200	-	-	1,591,200
Aleutians East	-	-	-	1,653,824	-	1,653,824
Anchorage	-	-	41,838,282	36,717,017	-	78,555,299
Annette Island	-	-	4,916,636	24,809	(124,090)	4,817,355
Bering Strait	-	25,184,459	9,395,423	-	-	34,579,882
Bristol Bay	-	-	-	-	-	-
Chatham	-	-	-	152,399	-	152,399
Chugach	-	-	-	-	-	-
Copper River	-	-	703,525	-	-	703,525
Cordova	3,020	-	-	423,504	-	426,524
Craig	-	-	2,153,676	-	(1,520,030)	633,646
Delta/Greely	-	-	-	2,124,952	-	2,124,952
Denali	-	2,154,067	-	-	-	2,154,067
Dillingham	-	-	254,456	-	-	254,456
Fairbanks	-	1,043,371	-	-	-	1,043,371
Galena	-	-	4,860,893	-	-	4,860,893
Haines	-	-	225,244	-	(21,686)	203,558
Hoonah	-	-	631,402	-	(8,830)	622,572
Hydaburg	-	-	-	81,196	-	81,196
Iditarod	4,699	208,208	2,398,262	-	(771,389)	1,839,780
Juneau	-	-	-	-	-	-
Kake	-	-	-	680,666	-	680,666
Kashunamiut	-	-	-	1,129,384	-	1,129,384
Kenai Peninsula	-	-	-	-	-	-
Ketchikan	-	-	(1,040,636)	-	-	(1,040,636)
Klawock	-	-	4,883,416	-	(9,490)	4,873,926
Kodiak	-	-	1,112,325	-	-	1,112,325
Kuspuk	-	-	-	836,845	(32,641)	804,204
Lake and Peninsula	-	-	188,546	-	-	188,546
Lower Kuskokwim	-	-	26,131,690	-	-	26,131,690
Lower Yukon	-	-	(12,000)	-	-	(12,000)
Mat-Su	-	-	2,959,682	-	-	2,959,682
Nenana	-	-	-	-	-	-
Nome	-	-	-	1,303,971	(361,499)	942,472
North Slope	-	-	-	-	-	-
Northwest Arctic	-	53,386	-	6,449,545	(99,133)	6,403,798
Pelican	-	-	548,693	-	-	548,693
Petersburg	-	350,511	-	1,094,980	(15,758)	1,429,733
Pribilof	10,702	167,605	1,304,464	-	(1,031)	1,481,740
Saint Mary's	-	-	57,658	-	154,865	212,523
Sitka	-	-	-	-	-	-
Skagway	-	-	-	-	-	-
Southeast Island	-	-	492,810	-	-	492,810
Southwest Region	-	-	6,745,131	-	-	6,745,131
Tanana (1)	-	-	-	-	-	-
Unalaska	-	-	1,759,541	-	(596)	1,758,945
Valdez	-	-	3,370,578	-	-	3,370,578
Wrangell	-	-	-	1,172,341	-	1,172,341
Yakutat	-	-	1,782,276	-	(14,930)	1,767,346
Yukon Flats	-	-	-	2,514,764	-	2,514,764
Yukon Koyukuk	-	-	1,589,598	-	(4,935,149)	(3,345,551)
Yupiit	-	-	-	276,731	(49,783)	226,948
Total	18,421	29,161,607	120,842,771	56,636,928	(7,811,170)	198,848,557

(1) Tanana City School District merged with Yukon Koyukuk School District in FY2025.

Alaska Department of Education & Early Development

FY2026 School District **OTHER GOVERNMENTAL FUNDS**: Current Fund Balance as of October 31, 2025

School District	Nonspendable Fund Balance	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance	Unassigned Fund Balance	Totals
Alaska Gateway	-	-	-	-	-	-
Aleutian Region	-	-	-	-	-	-
Aleutians East	-	-	-	-	-	-
Anchorage	-	-	-	-	(19,283,762)	(19,283,762)
Annette Island	-	-	-	-	-	-
Bering Strait	-	-	-	-	-	-
Bristol Bay	-	-	-	-	-	-
Chatham	-	-	-	-	-	-
Chugach	-	-	-	-	-	-
Copper River	-	-	-	-	-	-
Cordova	-	-	-	-	-	-
Craig	-	-	-	-	-	-
Delta/Greely	-	-	-	-	-	-
Denali	-	-	-	-	-	-
Dillingham	-	-	-	-	-	-
Fairbanks	-	-	-	-	-	-
Galena	-	-	-	-	-	-
Haines	-	-	-	-	-	-
Hoonah	-	-	-	-	-	-
Hydaburg	-	-	-	-	-	-
Iditarod	-	-	-	-	-	-
Juneau	-	-	-	-	-	-
Kake	-	-	-	-	-	-
Kashunamiut	-	-	-	-	-	-
Kenai Peninsula	-	-	-	-	-	-
Ketchikan	-	-	-	-	-	-
Klawock	-	-	-	-	-	-
Kodiak	-	-	-	-	-	-
Kuspuk	-	-	-	-	-	-
Lake and Peninsula	-	-	-	-	-	-
Lower Kuskokwim	-	-	-	-	-	-
Lower Yukon	-	-	-	-	-	-
Mat-Su	-	-	1,048,004	-	-	1,048,004
Nenana	-	-	-	-	-	-
Nome	-	-	-	-	-	-
North Slope	-	-	-	-	-	-
Northwest Arctic	-	-	-	-	-	-
Pelican	-	-	-	-	-	-
Petersburg	-	62,528	-	-	-	62,528
Pribilof	-	-	-	-	-	-
Saint Mary's	-	-	-	-	-	-
Sitka	-	-	-	-	-	-
Skagway	-	-	-	-	-	-
Southeast Island	-	-	-	-	-	-
Southwest Region	-	-	-	-	-	-
Tanana (1)	-	-	-	-	-	-
Unalaska	-	175,110	-	-	(75,050)	100,060
Valdez	-	-	-	-	-	-
Wrangell	-	-	-	-	-	-
Yakutat	-	-	-	-	-	-
Yukon Flats	-	-	-	-	-	-
Yukon Koyukuk	-	-	-	-	-	-
Yupiit	-	-	-	-	-	-
Total	-	237,638	1,048,004	-	(19,358,812)	(18,073,170)

(1) Tanana City School District merged with Yukon Koyukuk School District in FY2025.

FY2026 HB53 Fund Balance Report (12/20/25) Comments

The following districts provided supplemental comments during this fund balance data collection. The Department of Education and Early Development (DEED) has edited some of these comments for grammar, consistency, and clarity. The substantive content of the comments has not been changed.

Anchorage

Operating: The district would caution users of this report against extrapolating the data for the entire year as there are a number of timing issues that significantly change the amount of fund balance available. A few examples are: 1.) The district does not receive any tax payments from the municipality until December. Not receiving payments in 12 equal installments will lend itself to underreporting of fund balance. 2.) The teachers payroll is paid from September through June with two additional payments being made in May which would lend itself to overreporting fund balance. 3.) The district will not receive any one time funds until February or March and any adjustment to State revenue based on the OASIS count won't begin to be adjusted until April.

Special: Includes Student Transportation, Food Service, and Student Activities Funds. Grants have been excluded as revenues are equal to expenditures and no net fund balance is reported.

Capital: The district received approximately \$72.2 million in bond sale proceeds in July 2024 that are being spent down.

Other: Debt Service Fund reduction is due the timing of bond payments and not receiving any tax payments from the municipality until December. The Anchorage School District expects this fund to be positive by fiscal year end.

Annette Island

Operating: The committed fund balance is Impact Aid designated for FY26.

Special: The majority of the committed fund balance is designated for grades K-1.

Capital: \$3.3 million is the major maintenance account.

Ketchikan

Operating: The Operating Fund cash surplus between revenues and expenditures + beginning negative fund balance is listed as committed due to current encumbrances.

Special: Special Revenue Funds are Food Service/Pupil Transportation and the Holland Scholarship Fund.

Capital: Capital Projects are expenditures to date plus beginning fund balance. The district has not received any reimbursements from the Borough to date, so that is why that balance is negative.

Lake and Peninsula

Operating: Certified payroll for only two months.

Lower Yukon

Operating: Assigned not identified in October report; remaining General Fund shown as Unassigned.

Special: Encumbrances exceed current loaded budgets; pending drawdowns or carryover entry.

Capital: Board-committed capital improvement project/teacher housing. \$12,000 encumbrance pending budget entry.

Mat-Su

Operating: \$5,489,558 currently budgeted for use of unassigned fund balance.

Petersburg

Operating: The Petersburg School District intentionally carried forward a large fund balance into FY26 because of state funding uncertainties. As FY25 is the last year districts can carry more than 10 percent forward, Petersburg felt it necessary to carry a fund balance that could help the district through FY26. The School Board Facilities committee is working on prioritizing Capital Projects that need to be taken care of in the next 1-10 years. After the Board has approved a prioritized Capital Improvement Plan, the district will be transferring some of this General Fund fund balance to Capital fund(s) in FY26.

Special: The Petersburg School District received a one-time contribution to the pupil transportation fund from the Petersburg Borough for \$250,000 in early FY25. This has been done to prepare for the possibility of the State Board of Education limiting contributions to funds other than the operating fund in the future. The district's pupil transportation expenditures have been higher than the revenues for a long time now, due to insufficient state funding. The district felt it necessary to safeguard their ability to contract adequate and essential bussing services for students.

Saint Mary's

Operating: Inventory.

Capital: Built Teacher Housing Duplex.

Skagway

Special: Local revenue is one payment at the beginning of the year for the entire fiscal year.

Tanana

Tanana City School District merged with Yukon-Koyukuk School District in FY2025.

Wrangell

Operating: The district has very little payroll in July/August, while more than three months' worth of payroll occurs in May (spring). The district also receives 50 percent of its total Local Contribution in the fall, with the other 50 percent expected in the spring.

Current Fund Balance Report - Fund Definitions

Fund Type	Definition
School Operating Fund	General Fund (School Operating Fund) is the fund used to account for all operations of the school district not required by law or administrative action to be accounted for in another fund. Fund code 100.
Special Revenue Funds	Special Revenue Funds are funds used to account for the proceeds of specific revenue sources (other than trusts or major capital projects) that are legally restricted or committed to expenditure for specified purposes other than debt service or capital projects. More than one special revenue fund may need to be established. Fund codes 200 - 399.
Capital Project Funds	Capital Projects Fund is a fund used to account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those or proprietary funds or trust funds). To account for resources used for acquiring capital facilities including real property, initial equipment, additions and major repairs or improvements to facilities. All projects funded by state construction grants, bonded indebtedness, and district designated capital projects. Fund codes 500 - 579.
Other Governmental Funds	Other Governmental Funds includes (1) Debt Service and (2) Permanent Funds. DEBT SERVICE FUND - A fund used to account for financial resources that are restricted, committed, or assigned to expenditures for principal and interest. Debt service funds should be used if legally mandated, as well as for the accumulation of resources for, and the payment of, general long-term debt obligations maturing in future years. Fund Code 400. PERMANENT FUND - A fund used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the school district's programs. Fund codes 580 - 599.
Excluded Funds	<i>Please EXCLUDE the following funds from this report.</i> ENTERPRISE FUND - A fund used to account for any activity for which a fee is charged to external users for goods or services. These funds are used to account for activities, that are self-supporting either on a short term or long term basis such as a swimming pool or a resale house construction project. More than one enterprise fund may need to be established. Fund codes 600 - 649. INTERNAL SERVICE FUND - A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. Fund codes 650 - 699. AGENCY FUND - A fund used to account for assets held by the district acting as an agent for others. Fund codes 700 - 759. TRUST FUND - These funds account for assets held by a school district in a trustee capacity for others - e.g., members and beneficiaries of pension plans and other post employment benefit (OPEB) plans, external investment pools, or private-purpose trust arrangements - and that therefore cannot be used to support the school district's own programs. Trust funds include pension trust funds, investment trust funds, and private-purpose trust funds. More than one trust fund may need to be established. Fund codes 760 - 769.

Taken from: *Alaska Department of Education & Early Development, Uniform Chart of Accounts, 2018 Edition*

https://education.alaska.gov/publications/chart_of_accounts.pdf

Section: Fund Classifications

Current Fund Balance Report - Fund Balance Definitions

Category	Definition
Nonspendable Fund Balance	Nonspendable fund balance represents the amount of fund balance that cannot be spent because either (a) it is not in spendable form (most commonly evidenced by inventory, prepaid assets, and long-term portions of receivables); or (b) it is legally or contractually required to remain intact (most commonly evidenced by the nonexpendable principal in a permanent fund). There is an enforceable requirement that the money be maintained intact and thus cannot be used. This would include items that are not in cash or not expected to be converted to cash such as inventory, supplies, and prepaid amounts. It may also include the long-term amount of loans and receivables, as well as property acquired for resale and the corpus (principal) of a permanent fund. For example, a donation to the district that stipulates only the interest earnings on that donation can be spent would be considered as a part of "nonspendable" fund balance. Object code 810.
Restricted Fund Balance	Restricted fund balance should be reported to reflect legally enforceable constraints placed on the use of resources that are either (a) externally imposed by creditors (e.g., debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. This would include an unexpended student allotment provided through a correspondence study program. Object code 819.
Committed Fund Balance	Committed fund balance represents formal constraints imposed through formal action at the district's highest level of decision making authority (generally the school district's governing board). Object code 820.
Assigned Fund Balance	Assigned fund balance represents intentional constraints placed on resources by the governing board or its appointees' intent to be used for specific purposes, but meet neither the restricted nor the committed forms of constraint. The creation of these constraints does not require formal action, although formal action to enact is not prohibited and formal action is not required to reverse that classification. Also, the assigned fund balance classification is the residual classification for the special revenue, debt service, capital projects, and/or permanent funds after nonspendable, restricted, and committed balances have been identified (unless the residual amount is negative, which would require presentation as unassigned fund balance). This would include encumbrances, Impact Aid advances, and self-insurance. Object code 830.
Unassigned Fund Balance	The unassigned fund balance classification is the residual classification, for the general fund only, after nonspendable, restricted, committed, and assigned balances have been identified. For the general fund, unassigned fund balance may represent either a positive or negative balance. In funds other than the General Fund, an Unassigned Fund Balance may be used only if their respective residual balances are negative. The unassigned fund balance classification is used for special revenue, debt service, capital projects, or permanent funds only if the residual amount of fund balance is negative. It is also used to report the residual amount for all other governmental funds after nonspendable, restricted, and committed balances have been identified, if the residual amount is negative. Object code 845.
Unreserved Fund Balance	Per Alaska Statute 14.17.505 (https://www.akleg.gov/basis/statutes.asp#14.17.505) and 4 AAC 09.160 (https://www.akleg.gov/basis/aac.asp#4.09.160)

Taken from: *Alaska Department of Education & Early Development, Uniform Chart of Accounts, 2018 Edition*

https://education.alaska.gov/publications/chart_of_accounts.pdf

Section: Object Codes - Balance Sheet/Statement of Net Position



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Office of the Governor

OFFICE OF MANAGEMENT AND BUDGET
Lacey Sanders, Director

Court Plaza Building
240 Main Street, Suite 801
Juneau, Alaska 99811-0020
Main: 907.465.4660
Fax: 907.465.2090

December 19, 2025

The Honorable Andy Josephson
Co-Chair, House Finance Committee
Alaska State Capitol, Room 505
Juneau, AK 99801

The Honorable Calvin Schrage
Co-Chair, House Finance Committee
Alaska State Capitol, Room 410
Juneau, AK 99801

The Honorable Neal Foster
Co-Chair, House Finance Committee
Alaska State Capitol, Room 511
Juneau, AK 99801

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
Alaska State Capitol, Room 518
Juneau, AK 99801

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
Alaska State Capitol, Room 516
Juneau, AK 99801

The Honorable Donny Olson
Co-Chair, Senate Finance Committee
Alaska State Capitol, Room 508
Juneau, AK 99801

Re: FY2026 Legislative Intent Language

Dear Finance Committee Co-Chairs,

Below, please find the Office of the Governor, Office of Management and Budget's response to legislative intent language from House Bill (HB) 53.

**Office of Management and Budget / Office of Management and Budget
Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)**

It is the intent of the legislature that, in preparing the fiscal year 2027 budget, the Office of Management and Budget use zero-based budgeting principles to prepare the budget of one agency. The director of the Office of Management and Budget shall submit a report not later than December 20, 2025, to the Co-chairs of the Finance committee of each house of the legislature and to the Legislative Finance Division that provides a detailed explanation of each agency that was selected for zero-based budgeting and an analysis and justification for each expense of the agency.

The Office of Management and Budget (OMB) did not use zero-based budgeting (ZBB) principles when preparing the fiscal year (FY) 2027 budget.

The OMB researched ZBB principles for implementation in Alaska. A zero-based budget is designed to ensure that every dollar is allocated a purpose and that all expenses are justified on an annual basis

and not automatically included in the budget. Implementing ZBB, even in one agency, is a multi-step process and would require a much longer timeframe to implement effectively. Sufficient resources both within the OMB and within an agency, as well as having a better understanding of the depth of analysis required and framework for implementation are necessary before ZBB can be undertaken as there are no states are currently utilizing ZBB.

Producing hundreds of detailed program-level justifications would slow operations and divert staff time away from delivering daily public services. The OMB will continue an open dialogue with the Finance Co-Chair's offices on implementing ZBB, as well as the constraints Alaska is facing due to the budget deficit.

**Office of Management and Budget / Office of Management and Budget
Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)**

It is the intent of the legislature that the Office of Management and Budget submit a report by December 20, 2025, to the Co-chairs of the Finance committees and to the Legislative Finance Division that shows overtime, bonus, standby, and any other specialty pay that are included in the Fiscal Year 2026 Management Plan for each agency. It is the further intent of the legislature that the Office of Management and Budget submit a report by September 30, 2026, to the Co-chairs of the Finance committees and to the Legislative Finance Division that provides actual amounts of overtime, bonus, standby, and any other specialty pay that were paid out in Fiscal Year 2026 for each agency.

The attached report shows overtime, bonus, standby, and any other specialty pay that were included in the FY2026 Management Plan for each agency. The OMB will provide actual amounts of overtime, bonus, standby, and any other specialty pay that are paid out in FY2026 for each agency by September 30, 2026.

Please let me know if you have any questions or would like to discuss further.

Sincerely,

Lacey Sanders

Lacey Sanders

Director

Enclosure

cc: Alexei Painter, Director, Legislative Finance Division
Jordan Shilling, Director, Governor's Legislative Office

Office of Management and Budget
FY2026 Legislative Intent Language
 FY2026 Management Plan - Budgeted Premium Pay by Department

Department	Graveyard Pay	Swing Shift Pay	Overtime Pay	Hazardous Pay	Higher Pay	Sea Duty Pay	Subsistence Pay	Standby Pay	Additional Pay	Total Premium Pay
Administration	6,494	6,926	890,188	-	-	-	-	324,221	38,555	1,266,384
Commerce	-	-	683,120	-	-	-	-	-	432	683,552
Corrections	-	1,777,278	7,784,110	-	-	-	-	1,690,000	-	11,251,388
Education & Early Development	-	-	12,763	-	-	-	-	-	11,274	24,037
Environmental Conservation	-	-	17,008	-	-	-	-	1,400	1,296	19,704
Family & Community Services	6,715	3,357	684,513	-	-	-	-	164,085	3,461,806	4,320,476
Fish and Game	2,485	2,620	988,711	130,266	-	1,074,938	-	75,319	1,172,781	3,447,120
Governor	-	-	27,979	-	-	-	-	-	-	27,979
Health	9,819	2,239	67,853	-	912	-	-	212,969	932	294,724
Labor & Workforce	20,808	11,386	79,573	-	5,000	-	-	23,080	-	139,847
Law	-	-	37,529	-	-	-	-	-	-	37,529
Military & Veterans' Affairs	52,702	20,238	633,864	-	-	-	-	15,000	-	721,804
Natural Resources	-	3,672	79,075	-	-	-	-	2,200	69,741	154,688
Public Safety	381,062	276,592	11,622,467	7,638	170,315	235,000	756	1,621,248	679,028	14,994,106
Revenue	-	-	-	-	-	-	-	-	-	-
Transportation	686,812	305,297	16,951,041	8,175	-	-	-	102,637	5,301,781	23,355,743
Total	1,166,897	2,409,605	40,559,794	146,079	176,227	1,309,938	756	4,232,159	10,737,626	60,739,081



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Health

FINANCIAL & MANAGEMENT SERVICES

Anchorage

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December 15, 2025

The Honorable Bert Stedman
Senate Finance Co-Chair
Alaska State Legislature
State Capitol Room 516
Juneau, AK 99801

The Honorable Lyman Hoffman
Senate Finance Co-Chair
Alaska State Legislature
State Capitol Room 518
Juneau, AK 99801

The Honorable Donald Olson
Senate Finance Co-Chair
Alaska State Legislature
State Capitol Room 508
Juneau, AK 99801

The Honorable Andy Josephson
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Juneau, AK 99801

The Honorable Calvin Schrage
House Finance Co-Chair
Alaska State Legislature
State Capitol Room 410
Juneau, AK 99801

RE: Department of Health Medicaid Services Projection Model and Summary Overview of Unrestricted General Fund (UGF) Medicaid Increments

Dear Finance Committee Co-Chairs:

Per the intent language of House Bill 53, the Department of Health is required to provide the Medicaid Services Projection Model and Summary Overview of Unrestricted General Fund (UGF) Medicaid Increments (Medicaid Projections) by December 15, 2025, with a subsequent updated report by February 17, 2026.

The Medicaid Projections look at prior year, current year, and future year to proactively monitor and manage the Medicaid Services budget. It does not take into account long-range forecasting or trends for anticipated utilization or enrollment associated with Medicaid spending as provided annually through the Long-Term Forecast of Medicaid Enrollment and Spending in Alaska (MESA).

The fiscal year (FY) 2025-FY2027 Budget Comparison for Medicaid Projections includes:

- FY2025 actuals for reference
- FY2026 straight-line projected expenditures
- FY2027 projected expenditures based on FY2026 straight-line projections as of December 4, 2025

The FY2026 (current year) straight-line projection is utilized when sufficient expenditure data is available, approximately half-way through the current fiscal year (i.e., December). This projection is a combination of:

- A point-in-time download from the state's accounting system, Integrated Resource Information System (IRIS), of current budget, encumbrances, actual expenditures, and unobligated amounts.
- Weekly check writes and amounts processed to date.
- Straight-line projection utilizing total weekly actual expenditures and projecting it forward for the remainder of the fiscal year.
- Adjustments including, but not limited to, federal and/or regulatory rate changes, audit findings, annual administrative expenditures, Indian Health Services reclaiming, drug rebates, and new/changing programs costs.

The FY2027 (future year) projection follows the FY2026 straight-line projection and incorporates known adjustments including, but not limited to, federal and/or regulatory rate changes and one-time changes (i.e., increased or reduced Federal Medical Assistance Percentage (FMAP)). This projection comprises all cost activities and analysis as of December 4, 2025.

The estimated unobligated UGF budget is \$36,436,790 in FY2026 and \$47,366,683 in FY2027. Contributing factors include, but are not limited to the FMAP adjustments, high weekly check writes, annual rate adjustments, and rising utilization. The FY2026 projections reflect a 53rd check write, which occurs every five to six years.

Sincerely,



Pam Halloran
Assistant Commissioner, Department of Health

Enclosures: Summary Overview of UGF Medicaid Increments
Medicaid Services Projection Model
Medicaid Check Write Comparison

cc: Alexei Painter, Legislative Fiscal Analyst, Legislative Finance Division
Valerie Rose, Fiscal Analyst, Legislative Finance Division
Heidi Hedberg, Commissioner, Department of Health
Emily Ricci, Deputy Commissioner, Department of Health
Lacey Sanders, Director, Office of Management and Budget
Jordan Shilling, Legislative Director, Office of the Governor
Courtney Enright, Legislative Liaison, Department of Health
Terra Serpette, Division Operations Manager, Department of Health
Dustin Scown, Budget Manager, Department of Health
Tim Hess, Budget Analyst, Office of Management and Budget

Summary Overview FY27 INC

FY27 Medicaid Services Summary UGF Overview AKDOH FY27 Medicaid Services RDU Summary UGF

FY26 UGF Current Budget (Basis for FY27) **\$ 756,628,600**

Medicaid Projection Increments FY27 Internal / Clarifying Notes	
RBRVS (for Physician Svcs) Rate Increase	\$ 1,900,000 Resource-Based Relative Value Scale (Physician Services Rates)
Facility and Hospital Regulatory Annual Rate Adjustment	\$ 5,520,000 State and Federal Required Provider-Specific Annual Rate Increases
Home and Community Waiver Regulatory Annual Rate Adjustment	\$ 6,000,000
Behavioral Health Regulatory Annual Rate Adjustment	\$ 1,390,000
FFY2027 FMAP Rate Decrease 1.05%	\$ 10,800,000
FY2027 UGF Anticipated Spend	\$ 25,610,000 FY27 Preliminary Projected Request
FY2027 UGF Anticipated Spend	\$ 803,995,283 as of 12/04/25

Other Contributing Factors for FY26

Incorporating FY26 Projected Shortfall (Includes 53rd Weekly Payment)	\$ 36,436,790
Removing 53rd Weekly Payment (Doesn't Carry Into FY27)	-\$ 14,680,107

FY2027 UGF Current Budget (Shortfall)/Surplus **(\$47,366,683)**

FY2027 UGF Current Budget + Projected Request **\$ 803,995,283**

FY2027 UGF Current+Projected Budget (Shortfall)/Surplus **\$0**

Footnote 1: Projections based on current enrollment figures.

DEPARTMENT OF CORRECTIONS
REGIONAL AND COMMUNITY JAIL CONTRACT ANALYSIS

Budgeted vs Actual Utilization

Community		FY13 Through FY25												Totals			
		Bristol Bay	Cordova	Craig	Dillingham	Haines	Homre	Kodiak	Kotzebue	NSB	Petersburg	Seward	Sitka	Unalaska	Wrangell	Valdez	
FY 25	Maximum Hold Days	15	7	15	20	14	10	30	30	15	0	10	30	10	30	266	
Jail Contract amount	\$472,688	\$228,743	\$702,341	\$801,375	\$323,739	\$624,159	\$1,381,274	\$1,005,213	\$4,162,179	\$439,187	\$0	\$578,106	\$679,305	\$593,025	\$343,066	\$9,334,400	
Number of beds in contract	4	6	7	8	6	7	22	10	9	12	0	15	10	13	12	141	
1) Budgeted Daily Rate Per Bed	\$323.76	\$104.45	\$274.89	\$274.44	\$147.83	\$244.29	\$172.01	\$275.40	\$353.78	\$100.27	\$0.00	\$105.59	\$186.11	\$124.98	\$78.33		
2) Actual Daily Rate Paid Per Bed	\$1,588.87	\$1,822.65	\$955.57	\$892.16	\$4,559.70	\$702.49	\$679.43	\$395.75	\$739.06	\$1,965.04	\$0.00	\$1,151.61	\$2,096.62	\$879.86	\$1,049.13		
Actual daily rate over contract rate	\$1,265.11	\$1,718.21	\$680.68	\$587.71	\$4,411.88	\$458.20	\$507.41	\$120.35	\$385.28	\$1,864.77	\$0.00	\$1,046.02	\$1,910.51	\$75.88	\$970.81		
3) Budgeted Man Days (Inmate Days)	1,460	2,190	2,555	2,920	2,190	2,555	8,030	3,650	3,285	4,380	0	5,475	3,650	4,745	4,380	51,465	
4) Actual Man Days	298	126	735	930	71	889	2,033	2,540	1,573	224	0	502	324	674	327	11,243	
Difference	1,163	2,065	1,820	1,991	2,119	1,667	5,997	1,110	1,713	4,157	0	4,973	3,326	4,071	4,053	40,222	
Guaranteed Jail Contract amount	\$472,688	\$228,743	\$702,341	\$801,375	\$323,739	\$624,159	\$1,381,274	\$1,005,213	\$1,162,179	\$439,187	\$0	\$578,106	\$679,305	\$593,025	\$343,066	\$9,334,400	
Utilized Services (based on beds used)	\$96,338	\$13,108	\$202,043	\$255,095	\$10,496	\$217,051	\$349,705	\$699,518	\$556,325	\$22,411	\$0	\$53,006	\$60,300	\$84,236	\$25,612	\$2,645,224	
Unutilized Services (based on beds unused)	\$376,370	\$215,635	\$500,297	\$546,280	\$313,243	\$407,108	\$1,031,569	\$305,695	\$605,854	\$416,777	\$0	\$525,100	\$619,005	\$508,789	\$317,454	\$6,689,176	
Number of beds in contract	4	6	7	8	6	7	22	10	9	12	0	0	15	10	13	141	
Estimated number of beds used	1	0	2	3	0	2	6	6	7	4	1	0	1	2	1	31	
Estimated number of beds unused	3	6	5	6	5	5	16	3	5	11	0	14	9	11	11	110	
Unused bed %	75.0%	100.0%	71.4%	62.5%	100.0%	71.4%	72.7%	30.0%	55.6%	91.7%	0.0%	93.3%	90.0%	84.6%	91.7%	78.0%	
FY 24	Maximum Hold Days	15	7	15	20	14	10	30	30	15	0	10	30	10	30	296	
Jail Contract amount	\$481,597	\$331,161	\$518,582	\$231,664	\$411,812	\$619,938	\$1,187,410	\$10,228,728	\$1,177,908	\$1,177,908	\$141,203	\$587,052	\$627,065	\$550,507	\$521,132	\$8,995,346	
Number of beds in contract	4	6	7	8	6	7	22	10	9	12	14	15	10	13	12	155	
1) Budgeted Daily Rate Per Bed	\$329.86	\$151.22	\$202.97	\$79.34	\$188.04	\$242.64	\$147.87	\$322.71	\$374.04	\$84.36	\$1,412,94	\$1,138,73	\$276.20	\$171.80	\$116,04	\$118.98	
2) Actual Daily Rate Paid Per Bed	\$829.62	\$1,368.44	\$532.43	\$282.86	\$8,856.17	\$626.83	\$475.53	\$472.58	\$726.20	\$1,412,94	\$943.06	\$1,710.96	\$806.75	\$2,347.44			
Actual daily rate over contract rate	\$499.76	\$1,217.22	\$329.46	\$203.52	\$8,668.13	\$384.20	\$327.66	\$149.87	\$352.16	\$1,328.58	\$1,111.10	\$835.83	\$1,539.16	\$690.71	\$2,228.46		
3) Budgeted Man Days (Inmate Days)	1,460	2,190	2,555	2,920	2,190	2,555	8,030	3,650	3,285	4,380	5,110	5,475	3,650	4,745	4,380	56,575	
4) Actual Man Days	581	242	974	819	47	989	2,497	2,493	1,692	262	124	623	367	683	222	12,612	
Difference	880	1,948	1,581	2,101	2,144	1,566	1,566	1,158	1,593	4,119	4,986	4,853	3,284	4,063	4,158	43,964	
Guaranteed Jail Contract amount	\$481,597	\$331,161	\$518,582	\$231,664	\$411,812	\$619,938	\$1,187,410	\$1,177,908	\$1,228,728	\$369,484	\$141,203	\$587,052	\$627,065	\$550,507	\$521,132	\$8,995,346	
Utilized Services (based on beds used)	\$191,484	\$36,594	\$197,690	\$64,977	\$8,744	\$239,968	\$369,366	\$804,366	\$632,879	\$22,059	\$34,426	\$66,747	\$62,964	\$79,197	\$26,414	\$2,806,747	
Unutilized Services (based on beds unused)	\$290,113	\$294,567	\$320,892	\$166,687	\$403,068	\$379,970	\$818,174	\$373,542	\$595,849	\$347,425	\$137,776	\$520,305	\$564,101	\$471,410	\$496,719	\$6,178,599	
Number of beds in contract	4	6	7	8	6	7	22	10	9	12	14	15	10	13	12	155	
Estimated number of beds used	2	1	3	2	0	3	7	7	5	4	1	0	2	1	2	35	
Estimated number of beds unused	50.0%	83.3%	57.1%	75.0%	100.0%	57.1%	68.2%	30.0%	44.4%	91.7%	100.0%	86.7%	90.0%	84.6%	91.7%	120	
Unused bed %	7	7	7	7	7	7	7	7	7	7	1	0	2	1	1	35	
FY 23	Maximum Hold Days	15	7	15	20	14	10	30	30	15	0	10	30	10	30	296	
Jail Contract amount	\$481,597	\$331,161	\$518,582	\$361,355	\$411,812	\$619,938	\$1,187,410	\$1,177,908	\$1,228,728	\$369,484	\$564,810	\$584,052	\$627,065	\$550,507	\$521,132	\$9,555,645	
Number of beds in contract	4	6	7	8	6	7	22	10	9	12	14	15	10	13	12	155	
1) Budgeted Daily Rate Per Bed	\$329.86	\$151.22	\$202.97	\$123.75	\$188.04	\$242.64	\$147.87	\$322.71	\$374.04	\$84.36	\$110.53	\$106.68	\$171.80	\$116,04	\$118.98		
2) Actual Daily Rate Paid Per Bed	\$1,100.79	\$1,340.73	\$447.05	\$481.81	\$3,167.79	\$749.17	\$461.67	\$493.67	\$527.12	\$1,404.88	\$563.36	\$789.26	\$2,326.77	\$1,942.18	\$1,826.14	\$1,924.68	
Actual daily rate over contract rate	\$70,93	\$1,189.52	\$244.09	\$358.05	\$2,979.74	\$506.53	\$313.80	\$170.96	\$153.08	\$1,320.53	\$453.43	\$682.58	\$2,154.97	\$1,826.14	\$1,924.68		
3) Budgeted Man Days (Inmate Days)	1,460	2,190	2,555	2,920	2,190	2,555	8,030	3,650	3,285	4,380	5,110	5,475	3,650	4,745	4,380	56,575	
4) Actual Man Days	438	247	1,160	750	130	828	2,572	2,386	2,331	1,264	954	4,117	4,109	4,735	4,462	4,125	42,922
Difference	1,023	1,943	1,395	2,170	2,060	1,728	5,458	1,264	954	4,117	3,381	4,109	4,735	4,462	4,125		

DEPARTMENT OF CORRECTIONS
REGIONAL AND COMMUNITY JAIL CONTRACT ANALYSIS

Budgeted vs Actual Utilization

Community		FY13 Through FY25										Totals					
		Bristol Bay	Cordova	Craig	Dillingham	Haines	Homert	Kodiak	Kotzebue	NSB	Petersburg	Seward	Sitka	Unalaska	Wrangell		
5) Utilized Services (based on beds used)		\$481,597	\$331,161	\$518,582	\$361,355	\$411,812	\$619,938	\$1,187,410	\$1,177,908	\$1,228,728	\$369,484	\$584,052	\$627,065	\$521,132	\$9,552,645		
5) Utilized Services (based on beds unused)		\$144,314	\$37,550	\$235,442	\$92,314	\$24,445	\$200,782	\$380,326	\$769,997	\$871,892	\$22,186	\$110,656	\$78,940	\$46,300	\$30,340	\$3,038,723	
6) Number of beds in contract		4	6	7	8	6	7	22	10	9	12	14	15	10	12	155	
6) Estimated number of beds used		1	1	3	2	0	2	7	7	6	1	3	2	1	1	37	
7) Estimated number of beds unused		3	5	4	6	5	6	15	3	3	11	13	9	12	11	118	
7) Unused bed %		75.0%	83.3%	57.1%	75.0%	100.0%	71.4%	68.2%	30.0%	33.3%	91.7%	78.6%	90.0%	92.3%	91.7%	76.1%	
FY 22		Maximum Hold Days	15	7	15	20	14	10	30	30	15	30	10	30	30	296	
Jail Contract amount		\$285,739	\$135,303	\$322,724	\$526,851	\$215,954	\$424,080	\$991,552	\$982,050	\$1,032,870	\$173,626	\$368,952	\$391,194	\$431,207	\$325,274	\$6,962,125	
Number of beds in contract		4	6	7	8	6	7	22	10	9	12	14	15	10	12	155	
1) Budgeted Daily Rate Per Bed		\$195,71	\$61,78	\$126,31	\$180,43	\$98,61	\$165,98	\$123,48	\$314,42	\$39,64	\$72,20	\$71,45	\$118,14	\$74,76	\$74,26		
2) Actual Daily Rate Paid Per Bed		\$1,074,21	\$88,29	\$248,06	\$410,00	\$2,999,36	\$479,19	\$409,56	\$561,97	\$488,47	\$456,91	\$473,02	\$505,75	\$1,484,36	\$719,57	\$1,344,11	
Actual daily rate over contract rate		\$878,50	\$786,51	\$121,75	\$229,57	\$2,900,75	\$313,21	\$286,08	\$337,76	\$174,05	\$417,27	\$400,81	\$434,29	\$1,366,22	\$644,81	\$1,269,84	
3) Budgeted Man Days (Inmate Days)		1,460	2,190	2,555	2,920	2,190	2,555	8,030	3,650	3,285	4,380	5,110	5,475	3,650	4,745	\$6,575	
4) Actual Man Days		266	160	1,301	1,285	72	885	2,421	2,115	3,748	380	780	774	291	493	242	13,211
Difference		1,194	2,031	1,254	1,635	2,118	1,670	5,609	1,903	1,171	4,000	4,330	4,702	3,360	4,252	4,138	43,365
5) Utilized Services (based on beds used)		\$285,739	\$135,303	\$322,724	\$526,851	\$215,954	\$424,080	\$991,552	\$982,050	\$1,032,870	\$173,626	\$368,952	\$391,194	\$431,207	\$325,274	\$6,962,125	
5) Utilized Services (based on beds unused)		\$52,059	\$9,954	\$164,390	\$231,851	\$7,100	\$146,933	\$288,947	\$391,811	\$664,841	\$15,063	\$56,318	\$55,267	\$34,319	\$36,598	\$17,972	\$2,193,225
6) Number of beds in contract		4	6	7	8	6	7	22	10	9	12	14	15	10	13	155	
6) Estimated number of beds used		1	0	0	4	4	0	2	5	6	1	2	2	1	1	36	
7) Estimated number of beds unused		3	6	3	4	6	4	15	5	3	11	12	13	9	11	119	
7) Unused bed %		75.0%	100.0%	42.9%	50.0%	100.0%	71.4%	68.2%	50.0%	33.3%	91.7%	85.7%	86.7%	90.0%	92.3%	91.7%	76.8%
FY 21		Maximum Hold Days	15	7	15	20	14	10	30	30	15	30	10	30	30	296	
Jail Contract amount		\$285,739	\$135,303	\$322,724	\$526,851	\$215,954	\$424,080	\$991,552	\$982,050	\$1,032,870	\$173,626	\$368,952	\$391,194	\$431,207	\$325,274	\$6,962,125	
Number of beds in contract		4	6	7	8	6	7	22	10	9	12	14	15	10	12	155	
1) Budgeted Daily Rate Per Bed		\$195,71	\$61,78	\$126,31	\$180,43	\$98,61	\$165,98	\$123,48	\$314,42	\$39,64	\$72,20	\$71,45	\$118,14	\$74,76	\$74,26		
2) Actual Daily Rate Paid Per Bed		\$876,50	\$650,50	\$190,85	\$335,57	\$3,723,34	\$692,94	\$577,15	\$764,24	\$507,80	\$554,34	\$560,72	\$493,93	\$876,44	\$1,058,95	\$851,50	
Actual daily rate over contract rate		\$680,79	\$588,71	\$64,54	\$155,15	\$3,624,74	\$526,96	\$453,67	\$540,03	\$193,38	\$314,70	\$488,52	\$422,48	\$758,30	\$984,19	\$777,24	
3) Budgeted Man Days (Inmate Days)		1,460	2,190	2,555	2,920	2,190	2,555	8,030	3,650	3,285	4,380	5,110	5,475	3,650	4,745	\$6,575	
4) Actual Man Days		326	208	1,691	1,570	58	612	1,718	1,285	2,034	490	658	792	492	335	382	12,651
Difference		1,134	1,982	864	1,350	2,132	1,943	6,312	2,365	1,251	3,890	4,452	4,683	3,158	4,410	3,998	43,924
5) Utilized Services (based on beds used)		\$285,739	\$135,303	\$322,724	\$526,851	\$215,954	\$424,080	\$991,552	\$982,050	\$1,032,870	\$173,626	\$368,952	\$391,194	\$431,207	\$325,274	\$6,962,125	
5) Utilized Services (based on beds unused)		\$63,802	\$12,851	\$213,592	\$283,273	\$5,719	\$101,580	\$212,140	\$288,113	\$639,530	\$19,424	\$47,509	\$56,289	\$58,124	\$25,946	\$28,369	\$2,035,660
6) Number of beds in contract		4	6	7	8	6	7	22	10	9	12	14	15	10	13	155	
6) Estimated number of beds used		1	1	5	4	0	2	5	6	4	6	1	2	2	1	35	
7) Estimated number of beds unused		3	5	2	4	6	5	17	6	3	11	12	13	9	11	120	
7) Unused bed %		75.0%	83.3%	28.6%	50.0%	100.0%	71.4%	77.3%	60.0%	33.3%	91.7%	85.7%	86.7%	90.0%	92.3%	91.7%	77.4%
FY 20		Maximum Hold Days	15	7	15	20	14	10	30	30	15	30	10	30	30	296	
Jail Contract amount		\$285,739	\$135,303	\$322,724	\$526,851	\$215,954	\$424,080	\$991,552	\$982,050	\$1,032,870	\$173,626	\$368,952	\$391,194	\$431,207	\$325,274	\$6,962,125	
Number of beds in contract		4	6	7	8	6	7	22	10	9	12	14	15	10	13	157	
1) Budgeted Daily Rate Per Bed		\$195,71	\$61,78	\$126,31	\$180,43	\$98,61	\$165,98	\$123,48	\$224,21	\$314,42	\$39,64	\$72,20	\$71,45	\$118,14	\$74,76	\$74,26	
2) Actual Daily Rate Paid Per Bed		\$1,142,36	\$1,650,04	\$166,01	\$324,02	\$4,908,05	\$649,43	\$240,67	\$613,01	\$348,82	\$245,18	\$729,15	\$281,23	\$1,171,76	\$532,66	\$414,89	
Actual daily rate over contract rate		\$947,24	\$1,588,25	\$39,70	\$143,59	\$4,809,44	\$483,45	\$117,19	\$588,80	\$34,40	\$305,54	\$656,95	\$209,78	\$1,053,62	\$457,89	\$30,63	

DEPARTMENT OF CORRECTIONS
REGIONAL AND COMMUNITY JAIL CONTRACT ANALYSIS

Budgeted vs Actual Utilization

FY13 Through FY25

Community		Bristol Bay	Cordova	Craig	Dillingham	Haines	Homre	Kodiak	Kotzebue	NSB	Petersburg	Seward	Sitka	Unalaska	Wrangell	Totals
3) Budgeted Man Days (Inmate Days)	1,460	2,190	2,555	2,920	2,190	2,555	8,030	4,380	3,285	4,380	5,110	5,475	3,650	4,745	4,380	57,305
4) Actual Man Days	250	82	1,944	1,626	44	553	4,120	1,602	2,961	503	506	1,391	368	666	784	17,500
Difference		1,210	2,108	611	1,294	2,146	1,902	3,910	2,778	324	3,877	4,604	4,084	3,282	4,079	35,805
Guaranteed Jail Contract amount	\$285,739	\$135,303	\$322,724	\$526,851	\$215,954	\$424,080	\$991,552	\$982,050	\$1,032,870	\$173,626	\$368,952	\$391,194	\$431,207	\$354,749	\$325,274	\$6,962,125
Utilized Services (based on beds used)	\$48,928	\$5,066	\$245,548	\$293,377	\$4,339	\$108,385	\$58,741	\$339,188	\$930,998	\$19,939	\$36,534	\$99,388	\$43,475	\$49,792	\$58,223	\$2,811,922
Unutilized Services (based on beds unused)	\$236,811	\$130,237	\$77,176	\$233,474	\$211,615	\$315,595	\$482,811	\$622,862	\$101,872	\$153,687	\$332,418	\$291,806	\$387,732	\$304,957	\$267,051	\$4,150,203
Number of beds in contract	4	6	7	8	6	7	22	12	9	12	14	15	10	13	12	157
Estimated number of beds unused	1	0	5	4	0	2	11	4	8	1	1	4	1	2	2	48
Unused bed %	75.0%	100.0%	28.6%	50.0%	100.0%	6	66.7%	50.0%	11	11.1%	91.7%	92.9%	73.3%	90.0%	84.6%	69.4%
FY 19 Maximum Hold Days		15	7	15	20	14	10	30	30	15	30	10	10	30	30	296
Jail Contract amount	\$285,739	\$135,303	\$322,724	\$526,851	\$215,954	\$424,080	\$991,552	\$982,050	\$1,032,870	9	12	14	15	13	12	157
Number of beds in contract	4	6	7	8	6	7	22	12	9	12	14	15	10	13	12	6,962,125
1) Budgeted Daily Rate Per Bed	\$195,71	\$61,78	\$126,31	\$180,43	\$98,61	\$165,98	\$123,48	\$224,21	\$314,42	\$39,64	\$72,20	\$71,45	\$118,14	\$74,76	\$74,26	
2) Actual Daily Rate Paid Per Bed	\$1,605,28	\$815,08	\$216,45	\$329,90	\$5,683,00	\$779,56	\$259,98	\$322,30	\$305,94	\$519,84	\$767,05	\$227,25	\$816,68	\$610,58	\$721,23	
Actual daily rate over contract rate	\$1,409,56	\$753,30	\$90,14	\$149,47	\$5,584,39	\$613,58	\$136,50	\$98,00	\$58,48	\$480,20	\$694,85	\$156,25	\$698,54	\$535,82	\$646,96	
3) Budgeted Man Days (Inmate Days)	1,460	2,190	2,555	2,920	2,190	2,555	8,030	4,380	3,285	4,380	5,110	5,475	3,650	4,745	4,380	\$7,305
4) Actual Man Days	178	166	1,491	1,597	38	544	3,814	3,047	3,376	334	481	1,718	528	581	451	38,961
Difference	1,282	2,024	1,064	1,323	2,152	2,011	4,216	1,333	91	4,046	4,629	3,757	3,122	4,164	3,929	
Guaranteed Jail Contract amount	\$285,739	\$135,303	\$322,724	\$526,851	\$215,954	\$424,080	\$991,552	\$982,050	\$1,032,870	\$173,626	\$368,952	\$391,194	\$431,207	\$354,749	\$325,274	\$6,962,125
Utilized Services (based on beds used)	\$34,837	\$10,256	\$188,329	\$288,144	\$3,747	\$90,293	\$470,956	\$683,175	\$1,061,482	\$13,240	\$34,729	\$122,753	\$62,377	\$43,437	\$33,493	\$3,141,249
Unutilized Services (based on beds unused)	\$250,902	\$125,047	\$134,395	\$238,707	\$212,207	\$333,787	\$520,596	\$298,875	\$228,612	\$160,386	\$334,223	\$268,441	\$368,830	\$311,312	\$291,781	\$3,80,876
Number of beds in contract	4	6	7	8	6	7	22	12	10	9	12	14	15	10	13	157
Estimated number of beds unused	0	0	4	4	4	0	1	10	8	9	1	1	1	2	1	50
Unused bed %	100.0%	100.0%	42.9%	50.0%	6	6	85.7%	6	12	9	11	13	10	9	11	107
FY 18 Maximum Hold Days		15	7	15	20	14	10	30	30	15	30	10	10	30	30	296
Jail Contract amount	\$285,739	\$135,303	\$322,724	\$526,851	\$215,954	\$424,080	\$991,552	\$982,050	\$1,032,870	9	12	14	15	13	12	157
Number of beds in contract	4	6	7	8	6	7	22	12	9	12	14	15	10	13	12	6,962,125
1) Budgeted Daily Rate Per Bed	\$195,71	\$61,78	\$126,31	\$180,43	\$98,61	\$165,98	\$123,48	\$224,21	\$314,42	\$39,64	\$72,20	\$71,45	\$118,14	\$74,76	\$74,26	
2) Actual Daily Rate Paid Per Bed	\$1,360,66	\$1,670,41	\$194,41	\$329,49	\$5,398,85	\$659,53	\$260,11	\$306,89	\$257,12	\$700,10	\$745,36	\$159,41	\$1,413,79	\$43,74	\$767,16	
Actual daily rate over contract rate	\$1,164,95	\$1,608,63	\$68,10	\$149,06	\$5,300,24	\$493,55	\$136,63	\$82,68	\$57,30	\$660,46	\$673,16	\$87,96	\$1,295,65	\$359,98	\$692,89	
3) Budgeted Man Days (Inmate Days)	1,460	2,190	2,555	2,920	2,190	2,555	8,030	4,380	3,285	4,380	5,110	5,475	3,650	4,745	4,380	\$7,305
4) Actual Man Days	210	81	1,660	1,599	40	643	3,812	3,200	4,017	248	495	2,454	305	816	424	20,004
Difference	1,250	2,109	895	1,321	2,150	1,912	4,218	1,180	732	4,132	4,615	3,021	3,345	3,929	3,956	37,301
Guaranteed Jail Contract amount	\$285,739	\$135,303	\$322,724	\$526,851	\$215,954	\$424,080	\$991,552	\$982,050	\$1,032,870	\$173,626	\$368,952	\$391,194	\$431,207	\$354,749	\$325,274	\$6,962,125
Utilized Services (based on beds used)	\$41,099	\$5,004	\$209,676	\$288,505	\$3,944	\$106,725	\$470,709	\$717,479	\$1,263,026	\$9,831	\$35,740	\$175,341	\$61,006	\$61,006	\$31,488	\$3,455,607
Unutilized Services (based on beds unused)	\$244,640	\$130,299	\$113,048	\$238,346	\$212,010	\$317,355	\$520,843	\$264,571	\$230,156	\$163,795	\$333,212	\$215,353	\$395,175	\$293,743	\$293,786	\$3,506,518
Number of beds in contract	4	6	7	8	6	7	22	12	9	11	12	14	15	10	13	157
Estimated number of beds unused	1	0	5	4	0	2	10	9	11	1	1	1	7	1	1	55
Unused bed %	75.0%	100.0%	28.6%	50.0%	100.0%	6	74.4%	54.5%	25.0%	22.2%	91.7%	92.9%	53.3%	90.0%	84.6%	65.0%

DEPARTMENT OF CORRECTIONS
REGIONAL AND COMMUNITY JAIL CONTRACT ANALYSIS

Budgeted vs Actual Utilization

Community		FY13 Through FY25										Wrangell		Totals						
		Bristol Bay	Cordova	Craig	Dillingham	Haines	Homert	Kodiak	Kotzebue	NSB	Petersburg	Seward								
1)	Budgeted Daily Rate Per Bed	\$195.71	\$61.78	\$126.31	\$180.43	\$98.61	\$165.98	\$224.21	\$314.42	\$39.64	\$72.20	\$71.45	\$118.14	\$74.76	\$74.26					
2)	Actual Daily Rate Paid Per Bed	\$1,930.67	\$820.02	\$268.49	\$267.03	\$1,384.32	\$551.47	\$152.95	\$298.59	\$375.32	\$360.97	\$510.31	\$217.69	\$448.71	\$533.46	\$98.08				
3)	Budgeted Man Days (Inmate Days)	\$1,734.96	\$758.24	\$142.18	\$86.60	\$1,285.71	\$385.49	\$29.47	\$74.37	\$60.90	\$321.33	\$438.11	\$146.24	\$330.57	\$458.69	\$893.81				
4)	Actual Man Days	1,460	2,190	2,555	2,920	2,190	2,555	8,030	4,380	3,285	4,380	5,110	5,475	3,650	4,745	4,380	57,305			
5)	Difference	148	165	1,202	1,973	156	769	6,483	3,289	2,752	481	723	1,797	961	665	336	21,900			
6)	Guaranteed Jail Contract amount	\$285,739	\$135,303	\$322,724	\$526,851	\$215,954	\$424,080	\$991,552	\$982,050	\$1,032,870	\$173,626	\$368,952	\$391,194	\$431,207	\$354,749	\$325,274	\$6,962,125			
7)	Utilized Services (based on beds used)	\$28,955	\$10,194	\$151,826	\$355,985	\$15,383	\$127,539	\$800,527	\$737,434	\$865,284	\$19,067	\$52,202	\$128,397	\$133,531	\$49,717	\$24,953	\$3,481,105			
8)	Unutilized Services (based on beds unused)	\$256,774	\$125,109	\$170,898	\$200,571	\$296,441	\$191,025	\$244,616	\$167,586	\$154,559	\$316,750	\$262,797	\$317,676	\$305,932	\$300,321	\$3,481,020				
9)	Number of beds in contract	4	6	6	7	8	6	0	2	18	22	12	9	12	14	15	10	13	12	157
10)	Estimated number of beds used	0	0	3	5	0	6	5	0	2	18	9	8	1	2	5	3	2	1	60
11)	Estimated number of beds unused	4	6	4	3	3	6	6	5	4	3	3	11	11	12	10	7	11	97	97
12)	Unused bed %	100.0%	100.0%	57.1%	37.5%	100.0%	71.4%	18.2%	25.0%	18.2%	25.0%	11.1%	91.7%	85.7%	66.7%	70.0%	84.6%	91.7%	61.8%	
FY 16 Maximum Hold Days		15	7	15	20	14	10	30	30	30	15	30	30	10	30	30	30	30	30	
13)	Jail Contract amount	\$285,739	\$135,303	\$322,724	\$526,851	\$215,954	\$424,080	\$991,552	\$982,050	\$1,032,870	\$173,626	\$368,952	\$391,194	\$431,207	\$354,749	\$325,274	\$6,962,125			
14)	Number of beds in contract	4	6	7	8	6	7	22	12	9	12	14	15	10	13	12	157			
15)	Budgeted Daily Rate Per Bed	\$195.71	\$61.78	\$126.31	\$180.43	\$98.61	\$165.98	\$224.21	\$314.42	\$39.64	\$72.20	\$71.45	\$118.14	\$74.76	\$74.26					
16)	Actual Daily Rate Paid Per Bed	\$809.46	\$511.21	\$200.33	\$220.53	\$1,262.49	\$491.12	\$115.06	\$84.43	\$321.14	\$320.95	\$312.12	\$140.64	\$310.11	\$363.02	\$361.76				
17)	Actual daily rate over contract rate	\$613.75	\$479.43	\$74.01	\$40.10	\$1,263.88	\$325.14	\$56.25	\$56.25	\$23.14	\$320.95	\$312.12	\$69.19	\$191.97	\$288.52	\$361.76				
18)	Guaranteed Man Days (Inmate Days)	1,460	2,190	2,555	2,920	2,190	2,555	8,030	4,380	3,285	4,380	4,910	5,475	3,650	4,745	4,380	55,105			
19)	Actual Man Days	353	250	1,611	2,389	159	864	8,618	3,502	3,060	482	960	2,782	1,391	977	746	28,140			
20)	Difference	1,107	1,940	944	531	2,032	1,692	(588)	879	225	3,899	41,950	2,694	2,260	3,769	3,634	66,965			
21)	Utilized Services (based on beds used)	\$285,739	\$135,303	\$322,724	\$526,851	\$215,954	\$424,080	\$991,552	\$982,050	\$1,032,870	\$173,626	\$368,952	\$391,194	\$431,207	\$354,749	\$325,274	\$6,962,125			
22)	Unutilized Services (based on beds unused)	\$69,086	\$15,446	\$203,487	\$431,044	\$15,630	\$143,324	\$991,552	\$785,079	\$51,032,870	\$19,087	\$69,314	\$198,741	\$164,272	\$73,006	\$55,401	\$4,267,337			
23)	Number of beds in contract	4	6	7	8	6	7	0	2	24	12	9	12	14	15	10	13	12	157	
24)	Estimated number of beds used	1	1	4	7	4	7	0	2	24	10	8	1	3	8	4	3	2	77	
25)	Estimated number of beds unused	3	5	3	1	6	5	100.0%	71.4%	(2)	2	1	11	11	7	6	10	10	80	
26)	Unused bed %	75.0%	83.3%	42.9%	12.5%	100.0%	71.4%	-9.1%	16.7%	16.7%	11.1%	91.7%	78.6%	60.0%	76.5%	83.3%	51.0%			
FY 15 Maximum Hold Days		15	7	15	20	14	10	30	30	30	15	30	10	30	30	30	30	30	30	
27)	Jail Contract amount	\$519,526	\$246,005	\$403,405	\$658,564	\$392,643	\$771,055	\$1,239,440	\$1,227,562	\$1,291,087	\$315,684	\$670,821	\$711,262	\$784,012	\$644,998	\$591,408	\$10,467,472			
28)	Number of beds in contract	4	6	7	8	6	7	22	12	9	14	15	10	13	12	157				
29)	Budgeted Daily Rate Per Bed	\$355.84	\$112.33	\$157.88	\$223.54	\$261.65	\$2,050.36	\$825.98	\$154.35	\$280.27	\$393.02	\$72.07	\$131.28	\$129.91	\$273.40	\$661.33	\$135.93	\$135.02	\$66,600	
30)	Actual Daily Rate Paid Per Bed	\$1,208.20	\$615.78	\$233.45	\$75.56	\$36.11	\$1,871.07	\$524.20	(535.23)	\$71.57	(525.14)	\$559.93	\$430.55	\$143.49	\$446.54	\$540.52	\$530.98			
31)	Guaranteed Man Days (Inmate Days)	1,460	2,190	2,555	2,920	2,190	2,555	8,030	4,380	3,285	4,380	5,110	5,475	3,650	4,745	4,380	57,305			
32)	Actual Man Days	430	400	1,728	2,517	192	934	10,405	1,999	1,622	(2,375)	891	(225)	3,916	2,874	2,465	3,792	3,492	26,380	
33)	Difference	1,030	1,791	827	403	2,517	1,999	1,622	(2,375)	891	(225)	3,916	3,881	3,510	500	1,194	2,874	3,492	26,380	
34)	Utilized Services (based on beds used)	\$519,526	\$246,005	\$403,405	\$658,564	\$392,643	\$771,055	\$1,239,440	\$1,227,562	\$1,291,087	\$315,684	\$670,821	\$711,262	\$784,012	\$644,998	\$591,408	\$10,467,472			
35)	Unutilized Services (based on beds unused)	\$153,011	\$44,876	\$272,831	\$567,673	\$343,334	\$281,714	\$1,239,440	\$977,846	\$1,291,087	\$36,001	\$156,744	\$337,963	\$254,643	\$129,611	\$119,902	\$5,887,676			
36)	Number of beds in contract	4	6	7	8	6	7	0	2	22	12	9	12	14	15	10	13	12	157	
37)	Estimated number of beds used	1	1	5	7	1	3	0	1	10	1	1	3	7	3	2	2	85		
38)	Estimated number of beds unused	3	5	2	1	5	4	4	(1)	11	11	11	11	11	8	7	10	10	72	
39)	Unused bed %	75.0%	83.3%	28.6%	12.5%	83.3%	57.1%	-31.8%	16.7%	-11.1%	91.7%	78.6%	53.3%	70.0%	76.9%	83.3%	45.9%			

DEPARTMENT OF CORRECTIONS
REGIONAL AND COMMUNITY JAIL CONTRACT ANALYSIS

Budgeted vs Actual Utilization
FY13 Through FY25

Community		Bristol Bay	Cordova	Craig	Dillingham	Haines	Homer	Kodiak	Kotzebue	NSB	Petersburg	Seward	Sitka	Unalaska	Wrangell	Totals	
FY 14	Maximum Hold Days	15	7	15	20	14	10	30	30	15	30	10	30	10	30		
Jail Contract amount	\$504,610	\$240,080	\$393,904	\$641,300	\$383,440	\$753,410	\$1,208,290	\$1,184,380	\$1,246,440	\$308,020	\$655,470	\$694,660	\$762,050	\$630,250	\$10,184,314		
Number of beds in contract	4	6	7	8	6	7	22	12	9	12	14	15	10	13	12	157	
1) Budgeted Daily Rate Per Bed	\$345,62	\$109,63	\$154,17	\$219,62	\$175,09	\$294,88	\$150,47	\$270,41	\$379,43	\$70,32	\$128,27	\$126,88	\$208,78	\$132,82	\$131,97		
2) Actual Daily Rate Paid Per Bed	\$1,032,98	\$1,533,92	\$236,01	\$283,13	\$2,700,28	\$688,36	\$149,36	\$323,29	\$300,56	\$530,15	\$585,76	\$313,47	\$574,27	\$522,16	\$572,85		
Actual daily rate over contract rate	\$687,36	\$1,444,29	\$81,84	\$63,51	\$2,525,19	\$393,48	(\$1,12)	\$52,89	(\$78,87)	\$459,83	\$457,49	\$186,60	\$365,48	\$389,34	\$440,89		
3) Budgeted Man Days (Inmate Days)	1,460	2,190	2,555	2,920	2,190	2,555	8,030	4,380	3,285	4,380	5,110	5,475	3,650	4,745	4,380		
4) Actual Man Days	489	155	1,669	2,265	142	1,095	8,090	3,664	4,147	581	1,119	2,216	1,327	1,207	1,009		
Difference	972	2,036	886	655	2,048	1,461	(60)	717	(852)	3,799	3,991	2,359	2,323	3,538	3,371		
Guaranteed Jail Contract amount	\$504,610	\$240,080	\$393,904	\$641,300	\$383,440	\$753,410	\$1,208,290	\$1,184,380	\$1,246,440	\$308,020	\$655,470	\$694,660	\$762,050	\$630,250	\$10,184,314		
Utilized Services (based on beds used)	\$168,837	\$257,310	\$497,447	\$24,862	\$322,743	\$1,208,290	\$980,634	\$1,246,440	\$40,858	\$143,536	\$281,163	\$277,052	\$160,319	\$133,153	\$5,769,581		
Unutilized Services (based on beds unused)	\$335,773	\$223,143	\$136,594	\$143,853	\$358,578	\$430,567	\$0	\$193,746	\$0	\$267,162	\$511,934	\$413,497	\$484,998	\$469,991	\$444,857	\$4,414,733	
Number of beds in contract	4	6	7	8	6	7	22	12	9	12	14	15	10	13	12	157	
Estimated number of beds used	1	0	5	6	0	3	22	10	11	2	3	6	4	3	3	80	
Estimated number of beds unused	3	6	2	2	6	4	(0)	2	(2)	10	11	9	6	10	9	77	
Unused bed %	75.0%	100.0%	28.6%	25.0%	100.0%	57.1%	0.0%	16.7%	22.2%	83.3%	78.6%	60.0%	60.0%	76.9%	75.0%	49.0%	
FY 13																	
Jail Contract amount	\$172,701	\$193,725	\$393,904	\$480,417	\$349,513	\$637,218	\$1,133,993	\$1,014,527	\$1,019,728	\$258,297	\$556,000	\$419,450	\$628,132	\$445,524	\$495,205	\$8,198,334	
Number of beds in contract	4	6	7	8	6	7	22	12	9	14	15	10	13	12	12	157	
1) Budgeted Daily Rate Per Bed	\$118,29	\$88,46	\$154,17	\$164,53	\$159,59	\$249,40	\$141,22	\$231,63	\$310,42	\$58,97	\$108,81	\$76,61	\$172,09	\$93,89	\$113,06		
2) Actual Daily Rate Paid Per Bed	\$301,14	\$961,41	\$298,75	\$216,79	\$1,468,54	\$602,29	\$74,86	\$349,11	\$231,73	\$1,024,99	\$454,62	\$174,63	\$643,25	\$351,91	\$348,74		
Actual daily rate over contract rate	\$182,85	\$872,96	\$144,58	\$52,27	\$1,308,95	\$355,89	\$33,64	\$117,49	(\$78,69)	\$96,02	\$345,81	\$98,01	\$71,16	\$25,02	\$235,68		
3) Budgeted Man Days (Inmate Days)	1,460	2,190	2,555	2,920	2,190	2,555	8,030	4,380	3,285	4,380	5,110	5,475	3,650	4,745	4,380		
4) Actual Man Days	574	202	1,319	2,216	238	1,058	6,485	2,906	4,401	252	1,223	2,402	977	1,266	1,420		
Difference	887	1,989	1,237	704	1,952	1,497	1,545	1,474	(1,116)	4,128	3,887	3,073	2,674	3,479	2,960		
Guaranteed Jail Contract amount	\$172,701	\$193,725	\$393,904	\$480,417	\$349,513	\$637,218	\$1,133,993	\$1,014,527	\$1,019,728	\$258,297	\$556,000	\$419,450	\$628,132	\$445,524	\$495,205	\$8,198,334	
Utilized Services (based on beds used)	\$67,838	\$17,324	\$203,273	\$364,590	\$37,984	\$95,809	\$673,109	\$1,019,728	\$14,861	\$133,070	\$184,022	\$168,047	\$118,869	\$160,546	\$4,343,435		
Unutilized Services (based on beds unused)	\$104,863	\$175,901	\$190,631	\$115,827	\$311,529	\$373,352	\$218,184	\$0	\$341,418	\$0	\$243,436	\$422,930	\$235,428	\$460,085	\$326,655	\$334,659	\$3,854,899
Number of beds in contract	4	6	7	8	6	7	6	3	8	12	9	12	14	15	10	13	
Estimated number of beds used	2	1	4	6	1	5	4	4	4	12	1	3	7	3	4	74	
Estimated number of beds unused	2	5	3	2	5	5	5	4	4	8	11	11	8	10	8	83	
Unused bed %	50.0%	83.3%	42.9%	25.0%	83.3%	53.3%	57.1%	18.2%	33.3%	-33.3%	91.7%	78.6%	53.3%	70.0%	66.7%	52.9%	



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Attachment 13
Department of Natural Resources

OFFICE OF THE COMMISSIONER

550 West 7th Avenue, Suite 1400
Anchorage, AK 99501-3561
Main: 907.269-8431
Fax: 907-269-8918

December 19, 2025

The Honorable Andy Josephson
Co-Chair, House Finance Committee
Alaska State Capitol Room 505
Juneau, AK 99801

The Honorable Calvin Schrage
Co-Chair, House Finance Committee
Alaska State Capitol Room 410
Juneau, AK 99801

The Honorable Neal Foster
Co-Chair, House Finance Committee
Alaska State Capitol Room 511
Juneau, AK 99801

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
Alaska State Capitol Room 518
Juneau, AK 99801

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
Alaska State Capitol Room 516
Juneau, AK 99801

The Honorable Donny Olson
Co-Chair, Senate Finance Committee
Alaska State Capitol Room 508
Juneau, AK 99801

Re: FY2026 Legislative Intent Language

Dear Finance Committee Co-Chairs,

Please find below the Department of Natural Resources' response to legislative intent language from House Bill (HB) 53. The dollar figures presented in this document are in whole dollars.

**Fire Suppression, Land & Water Resources / Forest Management & Development
Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)**

It is the intent of the legislature that the Department prepare a report of infrastructure projects related to expanding or improving access to timber. The report should include a list of all projects detailing what activities were performed and the costs incurred for each project in the past year. The report should also provide the available balance of Timber Sales Receipts with total annual expenditures and revenues. The report should be submitted to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025.

The Division of Forestry & Fire Protection's (DOF) infrastructure work in fiscal year (FY) 2025 focused on road reconstruction and repair to ensure long-term access to timber. The bulk of this work was on the Tanana Valley State Forest, the largest of the state forests, where road reconstruction is a continual task due to permafrost and seasonal soil movement. The DOF's heavy equipment shop is located in Fairbanks to efficiently accomplish this work in-house. In FY2025, the DOF's heavy equipment also mobilized to the Houston/Willow area to reconstruct roads to

reliably access the two most active timber sale areas there. In Southeast, the FY2025 repair and replacement of water crossing structures ensured continued access to timber sales on the Haines State Forest.

The DOF's FY2025 infrastructure work, including 86 miles of road reconstruction, was completed for a total of \$244,000. Costs in FY2026 and FY2027 are anticipated to be higher because of planned road construction and bridge replacement projects. The bridge replacements will largely utilize federal funds which have already been secured, but State funds are required for engineering design and bridge approach work.

Tanana Valley State Forest FY2025 infrastructure projects (\$158,000):

- Road reconstruction and grading (62 miles): Cache Creek Road, Standard Creek Road, Two Rivers Road, Quartz Lake Road, Upper Grouse Trail, Bonanza Creek Road, and Nenana Ridge Road.
- Water bar construction (6 miles): Improved longevity of recently constructed Maisch Logging Road.
- Gravel source development (3,500 cubic yards): The Cache Creek Road site was developed as initial material for the FY2026 construction of a connector between Cache Creek Road and Standard East Road, which will open up 32 miles of currently inaccessible logging roads.
- Winter access maintenance (50 miles): Purpose is commercial timber sales and personal use wood cutting.
- Road brushing (28 miles): Bonanza Creek Road and Nenana Ridge Road.

Haines State Forest FY2025 infrastructure projects (\$53,000):

- Water crossing and drainage repairs and replacement (three sites): Clear Creek Bridge approach repair, Sunshine Mountain culvert replacement, Kelsall 100 Road ditch repair.
- Engineering design phase of the Riverview Road Access project was completed.

Susitna Valley FY2025 infrastructure projects (\$33,000):

- Road reconstruction (24 miles): Zero Lake Road and Willer-Kash Road.
- Road brushing (24 miles): Zero Lake Road and Willer-Kash Road.
- Gate maintenance to sustain road conditions for timber/fuels access: Sunset Gate.

As of November 12, 2025, the available balance of Timber Sale Receipts was \$7,296,714. The FY2025 total revenue was \$2,613,161 and the FY2025 total expenditures were \$922,725.

Please let me know if you have any questions or would like to discuss further.

Sincerely,



John Crowther
Commissioner-designee

Finance Committee Co-Chairs

December 19, 2025

Page 3 of 3

cc: Alexei Painter, Director, Legislative Finance Division
Jordan Shilling, Director, Governor's Legislative Office
Lacey Sanders, Director, Office of Management and Budget
Brent Goodrum, Deputy Commissioner, Department of Natural Resources
Shannon Miller, Administrative Services Director, Department of Natural Resources



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Public Safety

OFFICE OF THE COMMISSIONER
James E. Cockrell

5700 East Tudor Road
Anchorage, Alaska 99507-1225
Main: 907.269.4542

December 19, 2025

The Honorable Andy Josephson
Co-Chair, House Finance Committee
Alaska State Capitol Room 505
Juneau, AK 99801

The Honorable Calvin Schrage
Co-Chair, House Finance Committee
Alaska State Capitol Room 410
Juneau, AK 99801

The Honorable Neal Foster
Co-Chair, House Finance Committee
Alaska State Capitol Room 511
Juneau, AK 99801

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
Alaska State Capitol Room 518
Juneau, AK 99801

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
Alaska State Capitol Room 516
Juneau, AK 99801

The Honorable Donny Olson
Co-Chair, Senate Finance Committee
Alaska State Capitol Room 508
Juneau, AK 99801

Subject: HB 53 (Chapter 10, SLA 25) Department of Public Safety (DPS) Intent Language Response

Dear Finance Committee Co-Chairs,

In the Fiscal Year (FY) 2026 operating budget, the Legislature requested that the DPS meet with leadership from the Matanuska-Susitna Borough, Kenai Peninsula Borough, and Fairbanks North Star Borough. Specifically, the Legislature stated:

“It is the intent of the legislature to direct public safety funds to areas of the state that do not have the tax base to provide needed policing services to their communities. The Department of Public Safety executives are urged to meet with officials from three organized, non-unified boroughs in the state—Kenai Peninsula, Fairbanks North Star, and Matanuska-Susitna—who do not currently offer adequate local public safety services and encourage them to take the steps necessary to police their respective boroughs rather than relying on the State to provide those services. The Department shall submit a full response to the Co-chairs of the Finance Committees and to the Legislative Finance Division by December 20, 2025, outlining the communication, feedback, or actions taken by each borough.”

In response, the DPS engaged with the leadership of each borough and allowed them to identify the appropriate participants. Key outcomes from each meeting are summarized below.

Matanuska-Susitna Borough

On August 2, 2025, the DPS’ Deputy Commissioner Leon Morgan, B Detachment Commander Andrew Gorn, and Communications Director Austin McDaniel met with the Borough Assembly,

Mayor, and Borough Manager during a public Assembly work session focused on public safety. Representatives from the Cities of Wasilla and Palmer were also present. The DPS provided Alaska State Trooper (AST) staffing data and five years of crime data mapped to borough boundaries. The data showed that a significant share of AST activity occurs just outside Wasilla and Palmer. Deputy Commissioner Morgan addressed questions related to staffing, response times, and operations. The group also discussed the potential for contract policing and future partnerships for office space in the Matanuska-Susitna Borough.

Kenai Peninsula Borough

On November 17, 2025, Commissioner James Cockrell, A Detachment Commander Michael Zweifel, and Communications Director Austin McDaniel met with Kenai Peninsula Borough Mayor Peter Micciche.

The DPS shared AST staffing data for the borough and five years of mapped crime data. The data showed that a significant amount of AST activity occurs in areas adjacent to the City of Soldotna and City of Kenai. The DPS leadership explained that there are no current plans to increase AST staffing within the metropolitan areas of the borough. Any future growth in public safety coverage in these areas would need to be initiated and supported locally.

Fairbanks North Star Borough

On December 3, 2025, Deputy Commissioner Morgan, D Detachment Deputy Commander Jess Carson, and Communications Director Austin McDaniel met with Borough Mayor Grier Hopkins and Assembly Chair Scot Crass.

The DPS provided staffing and crime data showing high levels of activity outside the Cities of Fairbanks and North Pole. As in the other meetings, the DPS noted that there are no current plans to expand AST staffing in these urban areas unless the borough takes the lead in pursuing additional coverage.

The DPS did not meet with other organized, non-unified boroughs, as the Legislature's request was specific to the three noted above. The department believes these discussions and the summary provided fulfill the intent language included in the FY2026 operating budget.

Please let us know if you have additional questions.

Sincerely,



James Cockrell

Commissioner

Department of Public Safety

cc: Alexei Painter, Director, Legislative Finance Division

Lacey Sanders, Director, Office of the Governor, Office of Management and Budget

Jordan Shilling, Director, Office of the Governor, Governor's Legislative Office

Attachment 15

December 19, 2025

The Honorable Andy Josephson
Co-Chair, House Finance Committee
Alaska State Capitol Room 505
Juneau, AK 99801

The Honorable Calvin Schrage
Co-Chair, House Finance Committee
Alaska State Capitol Room 410
Juneau, AK 99801

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Alaska State Capitol Room 516
Juneau, AK 99801

The Honorable Donny Olson
Co-Chair, Senate Finance Committee
Alaska State Capitol Room 508
Juneau, AK 99801

RE: FY2026 Operating Budget Intent Language

The Alaska Permanent Fund Corporation (APFC) respectfully provides this information based on the legislative intent stated in House Bill (HB) 53, Chapter 10, SLA 2025:

"It is the intent of the legislature that the Alaska Permanent Fund Corporation decommission the Anchorage office and not establish or maintain any new office locations without corresponding budget increments for that purpose. It is the further intent of the legislature that the Alaska Permanent Fund Corporation shall provide a report to the Co-chairs of the Finance committee and the Legislative Finance Division by December 20, 2025, that details any actual expenditures to date related to the Anchorage office."

In compliance with this intent language, the APFC is providing the detailed information below.

The \$100 appropriation to decommission the Anchorage office was vetoed by the Governor. This action aligns with the Board of Trustees' support for Alaska-based offices in Juneau and Anchorage to ensure staffing continuity and sustain recruitment and retention success.

The Anchorage satellite office:

- **Strategic:** A practical, Alaska-based solution to supporting workforce challenges. The Anchorage location strengthens the Alaska Permanent Fund Corporation's (APFC) ability to attract and retain professional talent who are rooted in Southcentral Alaska or who prefer the professional opportunities and connectivity that a larger urban center provides. Currently, there are six APFC Anchorage Office-based staff, five working in investments and one in trade operations, all supporting the APFC's core mission.
- **Value:** The Anchorage office is a modest investment that strengthens the APFC's presence in the State and aligns with the Board of Trustees' long-term strategy for supporting top talent through workplace flexibility.

The APFC values its partnership with the Legislature and is committed to transparency and accountability. Below is the required Anchorage office expenditure detail (in thousands):

ANCHORAGE OFFICE OPERATIONS	FY2024	FY2025	FY2026 Thru 10/31/2025
Travel	\$33.7	\$19.3	\$ 6.8
Contractual Services	\$27.8	\$31.3	\$ 34.1
Commodities	\$ 1.6	\$ 9.7	\$ 0.7
Equipment	\$18.6	\$10.8	\$ 0.0
Totals per FY	\$81.7	\$71.1	\$ 41.6
Total to Date			\$194.4

Cost Overview (in thousands): The total expenditures to date is \$194.4. The FY2026 Contractual Services amount includes an estimate for the office lease of \$32.5. The FY2025 expense totaled \$71.1 equal to 0.0002% (0.02 basis points) of the APFC's FY2025 ending assets under management (AUM). No FY2025 or FY2026 relocation costs have been incurred.

Please let me know if you have any questions or would like to discuss further.

Sincerely,



Deven Mitchell

Chief Executive Officer

cc: Alexei Painter, Director, Legislative Finance Division
Jordan Shilling, Director, Governor's Legislative Office
Lacey Sanders, Director, Office of Management and Budget



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Transportation and Public Facilities

OFFICE OF THE COMMISSIONER
Ryan Anderson, P.E., Commissioner

PO Box 112500
Juneau, Alaska 99811-2500
Main: 907.465.3900
dot.alaska.gov

December 20, 2025

The Honorable Andy Josephson
Co-Chair, House Finance Committee
Alaska State Capitol Room 505
Juneau, AK 99801

The Honorable Calvin Schrage
Co-Chair, House Finance Committee
Alaska State Capitol Room 410
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Juneau, AK 99801

The Honorable Donny Olson
Co-Chair, Senate Finance Committee
Alaska State Capitol Room 508
Juneau, AK 99801

Re: FY 2026 Legislative Intent Language

Dear Finance Committee Co-Chairs,

Please find below the Department of Transportation and Public Facilities' response to legislative intent language from House Bill (HB) 53.

**Highways, Aviation and Facilities / Northern Region Highways and Aviation
Operating Budget (CCS HB 53(brf sup maj fld H))**

It is the intent of the legislature that the agency shall provide a report detailing the feasibility of designating the Dalton Highway an Industrial Use Highway in order to collect fees to address the road's maintenance. This report shall be provided to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025.

The attached report details the feasibility of designating the Dalton Highway an Industrial Use Highway in order to collect fees to address the road's maintenance.

Thank you for your ongoing support of the Alaska DOT&PF. I look forward to continued collaboration as we work together to serve the people of Alaska. Should you have any questions or require further details, please do not hesitate to contact me.

Finance Committee Co-Chairs

December 19, 2025

Page 2 of 2

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Anderson".

Ryan Anderson, P.E.
Commissioner

Enclosure

cc: Alexei Painter, Director, Legislative Finance Division
Jordan Shilling, Director, Governor's Legislative Office
Lacey Sanders, Director, Office of Management and Budget

Department of Transportation and Public Facilities (DOT&PF) Feasibility

Review of Designating the Dalton Highway as an Industrial Use Highway

(IUH) per FY2026 Operating Budget Intent Language

"It is the intent of the legislature that the agency shall provide a report detailing the feasibility of designating the Dalton Highway an Industrial Use Highway in order to collect fees to address the road's maintenance. This report shall be provided to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025."

Executive Summary

The Legislature requested an evaluation of whether the Dalton Highway should be designated as an Industrial Use Highway (IUH) to generate revenue for maintenance. An IUH designation is designed to allow oversized and overweight vehicles to operate beyond standard limits, with fees collected from those vehicles to offset the additional damage they cause. After review, the DOT&PF concludes that an IUH designation would not generate meaningful revenue for the Dalton Highway under current federal law and traffic conditions. The corridor already accommodates most industrial traffic within existing size and weight limits, and the number of loads that would qualify for IUH permits is limited. Administrative and enforcement costs would likely exceed revenue. An IUH designation is therefore not a practical mechanism for funding Dalton Highway maintenance.

Purpose of Industrial Use Highways

Industrial Use Highways are not general toll roads. They are intended to collect fees from oversized and overweight vehicles that exceed standard legal limits, with revenue dedicated to maintaining the specific corridor that bears the additional wear. An IUH designation does not authorize new fees on legal-size vehicles and is not intended as a broad revenue tool.

Dalton Highway Overview

The Dalton Highway is a 414-mile corridor connecting Livengood to Deadhorse and the North Slope oil fields. Built to support the Trans-Alaska Pipeline, it remains critical to Alaska's economy. The highway traverses remote terrain, permafrost, and mountain passes, and is maintained by seven DOT&PF camps. Although open to the public, the corridor is dominated by heavy industrial truck traffic and comes with significant capital improvement and maintenance obligations.

Legal Constraints

Federal law, under the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991, freezes vehicle size and weight limits on federally funded highways at levels in effect in 1991. Alaska's annual certification confirms compliance with these limits. An IUH designation cannot override these federal constraints without changes to federal law. The Dalton Highway already has special allowances, including increased height limits and seasonal weight shifting, reducing the pool of vehicles that would benefit from IUH permits and limited revenue potential for designation.

Revenue Experience from Existing IUH

The Klondike Highway is Alaska's only IUH, designated in 1986. It allows higher weights under permit and collects fees based on axle loading. Annual revenues have been modest and are considered de minimis relative to maintenance needs. Even with higher traffic, a Dalton IUH would likely generate only limited revenue while requiring substantially higher administrative effort.

Klondike Highway IUH Axle Fees Collected by Year

2016	\$45,530.19	2021	\$33,747.61
2017	\$33,761.99	2022	\$13,803.30
2018	\$68,850.01	2023	\$60,668.35
2019	\$68,231.53	2024	\$25,492.04
2020	\$83,313.72	2025	\$8,791.20

Traffic Volumes and Tolling Considerations

The Dalton Highway traffic volumes (figure 1) average a few hundred vehicles per day, far below levels that would support toll infrastructure and maintenance revenue. A full toll facility feasibility study would be needed to provide a detailed analysis of costs, placement, and potential revenues. By contrast, the Whittier Tunnel benefits from clear single access points and significantly higher traffic. Implementing tolls on the Dalton may require one or more collection points, power, communications, and enforcement across a remote corridor, resulting in costs that would likely exceed revenue.

Year	Yukon Bridge (MP 55) Monthly Average Daily Volume												AADT
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2010	192	228	252	222	214	318	386	399	350	207	168	194	317
2011	187	224	277	217	208	346	460	441	273	177	199	207	306
2012	214	249	265	247	278	382	406	444	360	203	169	177	302
2013	204	243	295	269	215	303	378	393	321	233	218	227	302
2014	246	256	327	313	241	328	334	395	325	223	227	238	288
2015	270	267	372	307	280	356	384	383	297	197	186	209	294
2016	214	245	275	196	228	309	406	362	284	216	201	271	267
2017	154	172	205	164	194	289	319	361	319	162	155	162	221

Figure 1 - Table of Dalton Highway traffic volumes (2010-2017) at the Yukon River Bridge.

By contrast, the monthly comparison of traffic volumes during the same timeframe from the nearest continuous counting station to the Whittier Tunnel (figure 2) shows higher traffic volumes during winter months and significantly higher in the summer months.

Year	Portage Glacier Rd (MP 3) Monthly Average Daily Volume												AADT
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2010	307	350	469	624	1445	2040	2424	2301	1366	529	303	276	1036
2011	288	345	499	653	1494	2120	2556	2074	1255	560	274	236	1030
2012	251	284	425	618	1232	2158	2364	2026	1125	522	351	265	968
2013	255	282	479	682	1350	2257	2660	2238	1163	437	284	250	1028
2014	289	336	540	701	1454	2119	2499	2091	1175	563	437	259	1039
2015	344	386	583	693	1588	2221	2551	2279	1178	534	331	275	1083
2016	291	367	594	727	1743	2224	2647	2232	1223	545	350	316	1105
2017	295	384	627	806	1594	2281	2802	2214	1228	607	354	308	1123

Figure 2 -Table of the Portage Road traffic volumes near the Whittier Tunnel (2010-2017).

Given the Whittier Tunnel revenue only covers between 20 percent and 25 percent of the overall operational costs on average, not including capital improvement project costs covered with federal-aid programs, it is very likely a toll facility on the Dalton Corridor would cost more to operate than it would collect in fees, failing to support supplemental maintenance to support the haul road.

Maintenance Needs and Costs

The Dalton Highway is a mixed gravel and asphalt corridor maintained by seven DOT&PF stations, each with a small crew responsible for roughly 65 miles of roadway. Challenges with personnel, equipment, and materials make it difficult to undertake more than routine maintenance; large projects often require “borrowing” operators from neighboring camps, which can leave other sections short-staffed. Additionally, equipment failures and delays in obtaining parts or mechanical support frequently sideline essential machinery for months at these remote camps, further straining resources. Harsh environmental conditions compound these logistical challenges. Much of the highway rests on thaw-unstable permafrost, leading to settlement, cracking, and culvert failures. Record summer rains saturate gravel surfaces, creating muddy, rutted conditions and soft spots that maintenance crews cannot fully remedy until weather conditions change, such as during freeze-up. Winter brings heavy snowdrifts on the summits and coastal plain, avalanches at Atigun Pass, and recurring aufeis (ice buildup) at multiple mile points, each demanding constant attention. Challenging geographic features such as steep grades, sharp corners, and narrow sections further complicate efforts to keep the road safe for industrial traffic.

Annual maintenance costs for the Dalton Highway corridor are approximately \$20 million when all personnel, equipment, and material costs are included, excluding facilities and capital improvements.

Capital Improvements

The DOT&PF has met regularly with various trucking community stakeholders for coordination and information sessions focused on identifying where improvements should be targeted along the Dalton Corridor to maximize investment effectiveness, evaluate maintenance strategies, and discuss potential funding approaches. As part of this effort, the DOT&PF reviewed past, current, and planned capital improvement projects—largely funded through federal programs—to improve corridor conditions and remain responsive to the needs of its primary users. Figure 3 at the end of this report presents a map developed for these discussions that details recent and planned projects on the Dalton Highway, illustrating the significant level of ongoing investment in the corridor.

Conclusion and Recommendation

An IUH designation is intended to recover costs from oversized and overweight vehicles, not to serve as a general funding mechanism. Given federal legal constraints, limited qualifying traffic, low revenue potential, and high administrative costs, an IUH designation for the Dalton Highway is not recommended at this time.





THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of Education
& Early Development**

OFFICE OF THE COMMISSIONER

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February 14, 2025

The Honorable Andy Josephson
Co-Chair, House Finance Committee
Alaska State Capitol Room 505
Juneau, AK 99801

The Honorable Calvin Schrage
Co-Chair, House Finance Committee
Alaska State Capitol Room 410
Juneau, AK 99801

The Honorable Neal Foster
Co-Chair, House Finance Committee
Alaska State Capitol Room 511
Juneau, AK 99801

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
Alaska State Capitol Room 518
Juneau, AK 99801

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
Alaska State Capitol Room 516
Juneau, AK 99801

The Honorable Donald Olson
Co-Chair, Senate Finance Committee
Alaska State Capitol Room 508
Juneau, AK 99801

Re: Legislative Intent Language – House Bill 268

Dear Finance Committee Co-Chairs:

Enclosed, please find the Department of Education and Early Development's response to the legislative intent language from House Bill 268 (Chapter 7, SLA 2024, Section 1, Page 12, Lines 14-22) on school district balances for each of the following funds: 1) school operating fund, 2) special revenue funds, 3) capital project funds, and 4) other governmental funds.

Please feel free to contact me if you need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Deena M. Bishop".

Deena M. Bishop, Ed.D.
Commissioner

Enclosure (1) FY2025 Intent Language Fund Balance Report Final

cc: Alexei Painter, Director, Legislative Finance Division
Lacey Sanders, Director, Office of Management and Budget



Report to the Legislature

School District Fund Balances

as required by HB268 (Chapter 7, SLA 2024)

February 14, 2025

Introduction

During the 2024 legislative session the 33rd Legislature included the following legislative intent language in the operating budget (Chapter 7, SLA 2024, Section 1, Page 12, Lines 14-22 (HB 268)):

It is the intent of the legislature that a school district report to the Department twice annually, once by the end of the count period set out in AS 14.17.500, and on February 1, 2025, the balance of each of the following funds: 1) school operating fund, 2) special revenue funds, 3) capital project funds, 4) other governmental funds. Additionally, each fund shall be reported based on the following classifications: 1) nonspendable fund balance, 2) restricted fund balance, 3) committed fund balance, 4) assigned fund balance, 5) unassigned balance. The Department shall provide these reports and associated data in electronic format to the Co-Chairs of Finance and the Legislative Finance Division by December 20, 2024 and by February 15, 2025.

This language tasked the Department of Education and Early Development with collecting data from the 52 school districts regarding fund balances.

Report Sections

This report consists of:

1. District-provided data by each identified fund type, by the five classifications.
2. District-provided comments regarding the reported data.
3. Definitions of the Fund Types and Fund Balance Classifications.

Unreserved Fund Reporting

This data collection is separate from the “unreserved” school district operating fund balance collections and reports. Audited fiscal year end fund balance data is submitted to the department under AS 14.17.505 and is defined by 4 AAC 09.160; this monitors the requirement for a district to not exceed a year-end unreserved operating fund balance of 10 percent of annual expenditures. The 10 percent fund balance limit was waived through the end of fiscal year 2025 (June 30, 2025), during which time a report on the forecasted unreserved operating fund balance is due to the legislature by February 15 (Chapter 2, SLA 2021, Section 10, Page 10, Lines 16-21 (HB 76)).

Data Variations

Due to the mid-fiscal year dates identified, the data can fluctuate between and within districts due to many reasons, including:

- Districts that receive Impact Aid have the balance of their current application receipts transfer from committed to unassigned at the beginning of the fiscal year.
- Municipal districts receive local contributions at different times, based on local processes. Some districts may receive a lump sum at the beginning of the fiscal year, some may receive monthly payments, some may receive all or a portion of funds at different times of the year.
- Bulk purchases of fuel, food, etc. may occur at the beginning of the school year.
- The fund balance reporting will be impacted by budget true-ups that occur as a result of the student count data reconciliation, projection to actuals.

Alaska Department of Education & Early Development

FY2025 School District **OPERATING FUND**: Current Fund Balance as of December 31, 2024

School District	Nonspendable Fund Balance	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance	Unassigned Fund Balance	Total
Alaska Gateway	125,786	-	960,313	-	803,589	1,889,688
Aleutian Region	64,308	-	-	-	99,179	163,487
Aleutians East	198,343	-	283,171	71,165	834,557	1,387,236
Anchorage	2,828,159	30,308,147	3,035,852	63,314,559	69,543,429	169,030,146
Annette Island	15,649	-	4,587,228	2,017,108	1,329,417	7,949,402
Bering Strait	1,229,689	-	-	-	3,164,210	4,393,899
Bristol Bay	48,696	-	239,138	19,788	84,072	391,694
Chatham	263,183	-	-	-	-	263,183
Chugach	103,677	-	-	2,024,463	244,649	2,372,789
Copper River	178,837	206,907	-	-	1,378,164	1,763,908
Cordova	38,984	-	-	-	1,307,244	1,346,228
Craig	27,933	-	189,377	-	(75,601)	141,709
Delta/Greely	1,450,361	-	318,299	-	2,047,283	3,815,943
Denali	-	-	1,819,165	627,123	2,012,193	4,458,481
Dillingham	4,124	-	-	-	-	4,124
Fairbanks	779,398	1,524,224	-	8,092,083	(35,853,711)	(25,458,006)
Galena	1,012,609	1,898,648	18,569,422	-	5,824,850	27,305,529
Haines	-	-	147,273	-	337,911	485,184
Hoonah	21,111	-	-	617,971	1,787,587	2,426,669
Hydaburg	8,883	-	-	-	58,175	67,058
Iditarod	311,989	-	-	-	-	311,989
Juneau	213,805	456,853	17,890	1,878,024	-	2,566,572
Kake	14,877	-	-	-	471,868	486,745
Kashunamit	309,226	-	1,268,118	3,694,764	498,747	5,770,855
Kenai Peninsula	1,892,866	3,779,620	4,434,649	6,674,727	12,458,068	29,239,930
Ketchikan	918,444	-	-	890,056	(592,851)	1,215,649
Klawock	918,444	-	-	890,056	(592,851)	1,215,649
Kodiak	314,106	-	191,194	2,309,073	6,781,172	9,595,546
Kuspuk	869,027	-	-	250,000	3,789,944	4,908,971
Lake and Peninsula	102,319	251,089	-	1,246,072	(90,662)	1,508,818
Lower Kuskokwim	4,270,645	-	6,400,000	-	13,888,264	24,558,909
Lower Yukon	1,456,447	-	-	-	17,993,866	19,450,313
Mat-Su	7,918,814	3,389,851	-	-	-	11,308,665
Nenana	281,860	1,273,962	-	-	2,251,426	3,807,248
Nome	909,714	-	-	723,583	-	1,633,297
North Slope	8,000	-	10,000,681	13,821,622	178,941	24,009,244
Northwest Arctic	4,374,745	-	-	-	7,402,918	11,777,663
Pelican	-	-	-	-	36,214	36,214
Petersburg	432,814	-	-	3,894,995	(1,301,257)	3,026,552
Pribilof	13,739	714,756	-	-	1,712,433	2,440,928
Saint Mary's	596,465	-	-	-	289,650	886,115
Sitka	-	-	-	-	-	-
Skagway	16,045	-	-	-	2,198,068	2,214,113
Southeast Island	164,282	-	-	-	142,529	306,811
Southwest Region	782,985	-	537,288	9,098,368	2,767,114	13,185,755
Tanana (1)	-	-	-	-	-	-
Unalaska	1,352,495	-	38,097	-	1,449,997	2,840,589
Valdez	-	-	-	-	-	-
Wrangell	35,853	-	-	-	1,688,026	1,723,879
Yakutat	20,492	-	-	-	586,099	606,591
Yukon Flats	152,602	-	-	-	748,075	900,677
Yukon Koyukuk	351,611	4,590,529	-	-	-	4,942,140
Yupiit	1,148,275	51,530	3,880	-	4,212,254	5,415,939
Total	38,552,716	48,446,116	53,041,035	122,155,600	133,895,249	396,090,717

(1) Tanana City School District merged with Yukon Koyukuk School District in FY2025.

Alaska Department of Education & Early Development

FY2025 School District **SPECIAL REVENUE FUNDS**: Current Fund Balance as of December 31, 2024

School District	Nonspendable Fund Balance	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance	Unassigned Fund Balance	Totals
Alaska Gateway	-	-	-	78,208	-	78,208
Aleutian Region	-	-	51,459	-	-	51,459
Aleutians East	-	-	516,521	1,701,660	769,493	2,987,674
Anchorage	3,410,456	-	-	9,234,747	-	12,645,203
Annette Island	5,706	-	1,490,076	15,237	(338,107)	1,172,912
Bering Strait	731,312	-	7,612,615	-	(370,001)	7,973,926
Bristol Bay	-	-	-	-	-	-
Chatham	-	-	-	-	-	-
Chugach	17,734	98,955	598,790	-	1,378,164	2,093,643
Copper River	17,734	98,955	598,790	-	(267,721)	447,758
Cordova	26,104	193,146	-	255,615	-	474,865
Craig	12,384	-	79,082	70,842	(215,928)	(53,620)
Delta/Greely	-	780,932	-	-	-	780,932
Denali	-	493,273	-	-	-	493,273
Dillingham	-	1,037,909	-	-	-	1,037,909
Fairbanks	1,200,487	-	-	5,538,313	(1,759,166)	4,979,634
Galena	38,718	4,354,956	-	-	-	4,393,674
Haines	-	-	76,192	-	174,563	250,755
Hoonah	-	-	-	95,969	(140,531)	(44,562)
Hydaburg	-	-	-	-	(84,199)	(84,199)
Iditarod	-	-	-	-	-	-
Juneau	-	-	-	-	-	-
Kake	13,544	-	-	-	(107,210)	(93,666)
Kashunamut	-	156,601	-	402,862	(64,496)	494,967
Kenai Peninsula	368,197	316,727	3,512,637	2,282,255	(1,337,479)	5,142,337
Ketchikan	-	(1,004,742)	-	-	-	(1,004,742)
Klawock	36,095	143,940	735,413	58,848	(90,259)	884,037
Kodiak	-	-	746,989	-	-	746,989
Kuspuk	29,554	-	-	438,278	-	467,832
Lake and Peninsula	28,470	-	101,766	68,454	(29,339)	169,351
Lower Kuskokwim	-	-	13,821,211	16,331	(2,432,244)	11,405,298
Lower Yukon	-	-	-	-	(2,289,907)	(2,289,907)
Mat-Su	-	680,404	17,959,878	3,845,879	-	22,486,160
Nenana	-	-	9,844	-	-	9,844
Nome	120	483,707	2,397,917	194,042	(72,381)	3,003,405
North Slope	458,155	1,029,724	2,327,364	5,517,618	(178,941)	9,153,920
Northwest Arctic	118,952	966,837	-	184,216	(1,372,066)	(102,061)
Pelican	-	-	-	-	-	-
Petersburg	4,076	-	-	857,554	-	861,630
Pribilof	9,094	154,883	438,960	-	-	602,937
Saint Mary's	-	-	14,890	-	-	14,890
Sitka	-	-	-	-	-	-
Skagway	-	470,551	91,816	-	-	562,367
Southeast Island	11,558	-	904,490	-	(198,375)	717,673
Southwest Region	-	-	1,686,802	-	-	1,686,802
Tanana (1)	-	-	-	-	-	-
Unalaska	25,232	-	108,693	105,148	(576,127)	(337,054)
Valdez	41,525	-	769,558	-	10,791	821,874
Wrangell	-	-	248,355	-	-	248,355
Yakutat	-	-	137,751	149,938	(3,067)	284,622
Yukon Flats	11,914	-	417,927	104,812	(11,914)	522,739
Yukon Koyukuk	50,085	-	48,475	3,471,701	(1,483,881)	2,086,380
Yupiit	-	-	-	-	-	-
Total	6,667,206	10,456,758	57,504,261	34,688,527	(11,090,328)	98,226,423

(1) Tanana City School District merged with Yukon Koyukuk School District in FY2025.

Alaska Department of Education & Early Development

FY2025 School District **CAPITAL PROJECT FUNDS:** Current Fund Balance as of December 31, 2024

School District	Nonspendable Fund Balance	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance	Unassigned Fund Balance	Totals
Alaska Gateway	-	-	-	-	-	-
Aleutian Region	-	-	1,466,200	-	-	1,466,200
Aleutians East	-	-	-	851,518	-	851,518
Anchorage	-	-	56,371,811	54,874,010	-	111,245,821
Annette Island	-	-	7,866,064	-	(1,981,752)	5,884,312
Bering Strait	-	-	4,948,398	-	-	4,948,398
Bristol Bay	-	-	-	-	-	-
Chatham	-	-	-	-	-	-
Chugach	-	-	-	-	-	-
Copper River	-	-	768,427	-	(475,365)	293,062
Cordova	3,021	-	-	446,668	-	449,689
Craig	-	-	2,312,489	-	(654,127)	1,658,362
Delta/Greely	-	-	-	1,544,952	-	1,544,952
Denali	-	260,970	-	-	-	260,970
Dillingham	-	-	-	-	-	-
Fairbanks	-	1,043,371	-	-	-	1,043,371
Galena	-	-	5,824,075	-	-	5,824,075
Haines	-	-	146,181	-	32,767	178,948
Hoonah	-	-	631,402	-	-	631,402
Hydaburg	-	-	-	81,196	61,362	142,558
Iditarod	-	-	2,294,097	-	-	2,294,097
Juneau	-	-	-	-	-	-
Kake	-	-	-	455,699	-	455,699
Kashunamuit	-	-	-	802,076	-	802,076
Kenai Peninsula	-	-	-	-	-	-
Ketchikan	-	(92,607)	-	-	-	(92,607)
Klawock	-	-	5,000,101	-	(101,275)	4,898,826
Kodiak	-	-	1,050,733	-	-	1,050,733
Kuspuk	-	-	-	326,369	(21,590)	304,779
Lake and Peninsula	-	-	-	-	-	-
Lower Kuskokwim	-	-	26,026,004	-	(23,608,642)	2,417,362
Lower Yukon	-	-	-	2,772,902	-	2,772,902
Mat-Su	-	-	4,261,182	-	-	4,261,182
Nenana	-	-	-	-	-	-
Nome	-	-	3,210,073	2,600	(444,895)	2,767,778
North Slope	-	-	-	-	-	-
Northwest Arctic	-	53,386	-	2,078,887	(814,847)	1,317,426
Pelican	-	-	-	-	-	-
Petersburg	-	-	-	623,219	-	623,219
Pribilof	-	-	162,450	-	-	162,450
Saint Mary's	-	-	212,761	1,824,161	-	2,036,922
Sitka	-	-	-	-	-	-
Skagway	-	-	-	-	(13,788)	(13,788)
Southeast Island	-	-	492,810	-	(103,171)	389,639
Southwest Region	-	-	4,013,122	-	-	4,013,122
Tanana (1)	-	-	-	-	-	-
Unalaska	-	-	1,760,057	-	(60)	1,759,997
Valdez	-	-	962,602	-	-	962,602
Wrangell	-	-	-	1,172,341	-	1,172,341
Yakutat	-	-	1,252,909	-	(3,423)	1,249,486
Yukon Flats	-	-	-	2,045,315	-	2,045,315
Yukon Koyukuk	-	-	1,492,870	-	(1,967,882)	(475,012)
Yupiit	-	-	-	312,305	-	312,305
Total	3,021	1,265,120	132,526,818	70,214,218	(30,096,688)	173,912,489

(1) Tanana City School District merged with Yukon Koyukuk School District in FY2025.

Alaska Department of Education & Early Development

FY2025 School District **OTHER GOVERNMENTAL FUNDS**: Current Fund Balance as of December 31, 2024

School District	Nonspendable Fund Balance	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance	Unassigned Fund Balance	Totals
Alaska Gateway	-	-	-	-	-	-
Aleutian Region	-	-	-	-	-	-
Aleutians East	-	-	-	-	-	-
Anchorage	-	-	-	-	(12,250,900)	(12,250,900)
Annette Island	-	-	-	-	-	-
Bering Strait	-	-	293,000	-	-	293,000
Bristol Bay	-	-	-	-	-	-
Chatham	-	-	-	-	-	-
Chugach	-	-	639,894	-	-	639,894
Copper River	-	-	-	-	-	-
Cordova	-	-	-	-	-	-
Craig	-	-	-	-	-	-
Delta/Greely	(27,905)	-	353,101	575,578	-	900,774
Denali	-	-	-	-	-	-
Dillingham	-	-	-	-	-	-
Fairbanks	-	-	-	-	-	-
Galena	-	-	-	-	-	-
Haines	-	-	-	-	-	-
Hoonah	29,491	2,441	192,566	-	(2,936)	221,562
Hydaburg	-	-	-	-	-	-
Iditarod	24,525	192,829	84,270	-	-	301,624
Juneau	69,326	3,037	448,208	1,370,731	-	1,891,302
Kake	-	-	-	-	-	-
Kashunamuti	-	26,770	-	335	-	27,105
Kenai Peninsula	-	3,940,370	-	425,096	-	4,365,466
Ketchikan	-	-	-	-	-	-
Klawock	-	-	-	-	-	-
Kodiak	264,936	880,008	-	-	-	1,144,944
Kuspuk	-	-	-	51,277	-	51,277
Lake and Peninsula	-	-	-	-	-	-
Lower Kuskokwim	-	-	-	-	-	-
Lower Yukon	-	-	-	925,025	-	925,025
Mat-Su	-	-	1,240,644	547,378	-	1,788,022
Nenana	-	-	-	-	-	-
Nome	-	-	-	-	-	-
North Slope	-	-	-	-	-	-
Northwest Arctic	-	-	-	-	-	-
Pelican	-	-	-	-	-	-
Petersburg	-	68,748	-	-	-	68,748
Pribilof	-	-	533,667	-	-	533,667
Saint Mary's	-	-	-	-	-	-
Sitka	-	-	-	-	-	-
Skagway	-	-	-	-	-	-
Southeast Island	-	-	-	-	-	-
Southwest Region	-	-	-	-	-	-
Tanana (1)	-	-	-	-	-	-
Unalaska	-	197,085	123,269	-	-	320,354
Valdez	-	-	-	-	-	-
Wrangell	-	-	-	-	-	-
Yakutat	-	-	-	-	-	-
Yukon Flats	-	-	-	-	-	-
Yukon Koyukuk	-	-	-	-	-	-
Yupiit	-	-	21,487	-	-	21,487
Total	360,373	5,311,288	3,930,106	3,895,420	(12,253,836)	1,243,350

(1) Tanana City School District merged with Yukon Koyukuk School District in FY2025.

FY2025 HB268 Fund Balance Report (2/14/25) Comments

Aleutian Region

Special: Student activities.

Capital: Funds held for repairs on schools that are not expected to receive State maintenance funding.

Anchorage

Operating: Anchorage's unreserved fund balance includes \$26.4 million that is restricted for use as it is held to preserve the Municipality of Anchorage's bond rating, therefore, overstating the amount of spendable reserves by that amount. This is due to a misalignment between the State's definition of Reserved Fund Balance and the GASB 54 definitions on which the district is required to report.

The district cautions users of this report against extrapolating the data for the entire year as there are a number of timing issues that significantly change the amount of fund balance available. A few examples are: 1) The district does not receive any tax payments from the municipality until December. Not receiving payments in 12 equal installments will lend itself to underreporting of fund balance. 2) The teachers payroll is paid from September through June with two additional payments being made in May which would lend itself to overreporting fund balance. 3) The district will not receive any one time funds until February or March and any adjustment to State revenue based on the OASIS count will not begin to be adjusted until April.

Special: Includes Student Transportation, Food Service, and Student Activities Funds. Grants have been excluded as revenues are equal to expenditures and no net fund balance is reported.

Capital: The district received approximately \$72.2 million in bond sale proceeds in July that will be spent down over the course of the next year. Other residual funds are mostly due to State Bond Debt Reimbursement that has been assigned to capital needs within the district.

Other: Debt Service Fund reduction is due the timing of bond payments and not receiving any tax payments from the municipality until December. The district expects this fund to be positive by fiscal year end.

Annette Island

Operating: The committed fund balance is the remaining Impact Aid money for FY25. The Assigned Fund Balance is Impact Aid received for FY26.

Special: The committed fund balance is money designated for Early Education grade PreK-Grade 1.

Capital: \$2.014 million of the committed fund balance is for the Facilities building to free up instructional space.

Bering Strait

Capital: The district has spent \$7,208,857 over insurance proceeds received so far on the Stebbins fire. The district is in the process of getting additional insurance payments.

Copper River

Capital: \$440,000 Boiler Replacement.

Kake

Operating: This is totally inaccurate because there are so many Revenues and Expenditures that have not been recorded yet.

Kenai Peninsula

Operating: This calculation does not include salaries and benefits that are obligated and encumbered. In-kind budget is \$15,311,926 and is not encumbered. Utilities are not encumbered.

Ketchikan

Operating: The district's unassigned fund balance at 6/30/2024 was (\$4,834,058). Using cash basis on December 31, 2024 shows a slight unreserved balance due to timing, but the beginning fund balance deficit will not be overcome in FY2025.

Special: Includes fund #140 CLSD Literacy.

Lake and Peninsula

Operating: Includes encumbrances for objects 400-532.

North Slope

Operating: Non GASB Basis

Special: Non GASB Basis

Northwest Arctic

Operating: Funds are committed by Board action. Nonspendable funds are fuel inventory.

Special: Includes Food Services and Teacher Housing.

Capital: Funds are used for emergency repairs and maintenance, as well as grant matching in upcoming capital projects.

Petersburg

Operating: Encumbrances accounted for under Assigned Fund Balance. The Petersburg School District intentionally carried forward a large fund balance into FY25 because of state funding uncertainties. As FY25 is the last year the district can carry more than 10% forward, Petersburg felt it necessary to carry a fund balance that could help the district through a couple years of increased cost and supplement any insufficiencies in state funding. In light of the one-time funding that the district will be receiving this year, the district has revised the FY25 budget in December to add back in some of the expenses that had been removed. Primarily staffing and technology.

Special: The Petersburg School District received a one-time contribution to the pupil transportation fund from the Petersburg Borough for \$250,000 in early FY25. This has been done to prepare for the possibility of the State Board of Education limiting contribution to funds other than the operating fund in the future. The district's pupil transportation expenditures have been higher than the revenues for a long time now, due to insufficient state funding. The district felt it necessary to safeguard their ability to contract adequate and essential bussing services for students. Thus, the district requested the large one-time contribution from the Borough to support the fund into the near future.

Saint Mary's

Special: Food Service.

Capital: Teacher Housing.

Unalaska

Operating: June, July, and August (2025) Certified Staff payrolls are posted in June 2025 (FY25). This is 1/4 of the budgeted certified salary that will only show as expenses in the end of FY25. This is the reason for an increase in Unassigned fund balance as compared to the 10/31 report. The current FY25 Budgeted expenditures has been updated to match midyear budget revisions.

Special: Many of the funds in this category receive City contributions outside of the General Fund. Even so, most of these funds run in the negative (as shown in the "Unassigned Fund Balance") or close to \$0 fund balance. In other words, the district is struggling for funding even with additional City contributions to Special Revenue Funds.

Wrangell

Operating: The district has worked incredibly hard to build the fund balance over the past few years, but Wrangell estimates that the district will end up with a little less than 10% at year-end. FY25 includes a \$600 thousand deficit of expenditures over revenues, one which cannot be sustained moving into FY26. FY25 will also include negotiations with the teacher's union which will affect the FY26 Budget, in addition to the already expected rise in costs for staffing, goods, and services.

Special: These funds include those raised by student groups and not available for use by the district.

Capital: Assigned for emergency major maintenance.

Current Fund Balance Report - Fund Definitions

Fund Type	Definition
School Operating Fund	General Fund (School Operating Fund) is the fund used to account for all operations of the school district not required by law or administrative action to be accounted for in another fund. Fund code 100.
Special Revenue Funds	Special Revenue Funds are funds used to account for the proceeds of specific revenue sources (other than trusts or major capital projects) that are legally restricted or committed to expenditure for specified purposes other than debt service or capital projects. More than one special revenue fund may need to be established. Fund codes 200 - 399.
Capital Project Funds	Capital Projects Fund is a fund used to account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those or proprietary funds or trust funds). To account for resources used for acquiring capital facilities including real property, initial equipment, additions and major repairs or improvements to facilities. All projects funded by state construction grants, bonded indebtedness, and district designated capital projects. Fund codes 500 - 579.
Other Governmental Funds	Other Governmental Funds includes (1) Debt Service and (2) Permanent Funds. DEBT SERVICE FUND - A fund used to account for financial resources that are restricted, committed, or assigned to expenditures for principal and interest. Debt service funds should be used if legally mandated, as well as for the accumulation of resources for, and the payment of, general long-term debt obligations maturing in future years. Fund Code 400. PERMANENT FUND - A fund used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the school district's programs. Fund codes 580 - 599.
Excluded Funds	<i>Please EXCLUDE the following funds from this report.</i> ENTERPRISE FUND - A fund used to account for any activity for which a fee is charged to external users for goods or services. These funds are used to account for activities, that are self-supporting either on a short term or long term basis such as a swimming pool or a resale house construction project. More than one enterprise fund may need to be established. Fund codes 600 - 649. INTERNAL SERVICE FUND - A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. Fund codes 650 - 699. AGENCY FUND - A fund used to account for assets held by the district acting as an agent for others. Fund codes 700 - 759. TRUST FUND - These funds account for assets held by a school district in a trustee capacity for others - e.g., members and beneficiaries of pension plans and other post employment benefit (OPEB) plans, external investment pools, or private-purpose trust arrangements - and that therefore cannot be used to support the school district's own programs. Trust funds include pension trust funds, investment trust funds, and private-purpose trust funds. More than one trust fund may need to be established. Fund codes 760 - 769.

Taken from: *Alaska Department of Education & Early Development, Uniform Chart of Accounts, 2018 Edition*

https://education.alaska.gov/publications/chart_of_accounts.pdf

Section: Fund Classifications

Current Fund Balance Report - Fund Balance Definitions

Category	Definition
Nonspendable Fund Balance	Nonspendable fund balance represents the amount of fund balance that cannot be spent because either (a) it is not in spendable form (most commonly evidenced by inventory, prepaid assets, and long-term portions of receivables); or (b) it is legally or contractually required to remain intact (most commonly evidenced by the nonexpendable principal in a permanent fund). There is an enforceable requirement that the money be maintained intact and thus cannot be used. This would include items that are not in cash or not expected to be converted to cash such as inventory, supplies, and prepaid amounts. It may also include the long-term amount of loans and receivables, as well as property acquired for resale and the corpus (principal) of a permanent fund. For example, a donation to the district that stipulates only the interest earnings on that donation can be spent would be considered as a part of "nonspendable" fund balance. Object code 810.
Restricted Fund Balance	Restricted fund balance should be reported to reflect legally enforceable constraints placed on the use of resources that are either (a) externally imposed by creditors (e.g., debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. This would include an unexpended student allotment provided through a correspondence study program. Object code 819.
Committed Fund Balance	Committed fund balance represents formal constraints imposed through formal action at the district's highest level of decision making authority (generally the school district's governing board). Object code 820.
Assigned Fund Balance	Assigned fund balance represents intentional constraints placed on resources by the governing board or its appointees' intent to be used for specific purposes, but meet neither the restricted nor the committed forms of constraint. The creation of these constraints does not require formal action, although formal action to enact is not prohibited and formal action is not required to reverse that classification. Also, the assigned fund balance classification is the residual classification for the special revenue, debt service, capital projects, and/or permanent funds after nonspendable, restricted, and committed balances have been identified (unless the residual amount is negative, which would require presentation as unassigned fund balance). This would include encumbrances, Impact Aid advances, and self-insurance. Object code 830.
Unassigned Fund Balance	The unassigned fund balance classification is the residual classification, for the general fund only, after nonspendable, restricted, committed, and assigned balances have been identified. For the general fund, unassigned fund balance may represent either a positive or negative balance. In funds other than the General Fund, an Unassigned Fund Balance may be used only if their respective residual balances are negative. The unassigned fund balance classification is used for special revenue, debt service, capital projects, or permanent funds only if the residual amount of fund balance is negative. It is also used to report the residual amount for all other governmental funds after nonspendable, restricted, and committed balances have been identified, if the residual amount is negative. Object code 845.
Unreserved Fund Balance	Per Alaska Statute 14.17.505 (https://www.akleg.gov/basis/statutes.asp#14.17.505) and 4 AAC 09.160 (https://www.akleg.gov/basis/aac.asp#4.09.160)

Taken from: *Alaska Department of Education & Early Development, Uniform Chart of Accounts, 2018 Edition*

https://education.alaska.gov/publications/chart_of_accounts.pdf

Section: Object Codes - Balance Sheet/Statement of Net Position



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of Family
and Community Services**

FINANCE AND MANAGEMENT SERVICES

P.O. Box 112650
240 Main Street, Fifth Floor
Juneau, Alaska 99811-2650
Main: 907.465.3082

September 17, 2025

The Honorable Bert Stedman
Senate Finance Co-Chair
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801

The Honorable Lyman Hoffman
Senate Finance Co-Chair
Alaska State Legislature
State Capitol, Room 518
Juneau, AK 99801

The Honorable Donald Olson
Senate Finance Co-Chair
Alaska State Legislature
State Capitol, Room 508
Juneau, AK 99801

The Honorable Andy Josephson
House Finance Co-Chair
Alaska State Legislature
State Capitol, Room 505
Juneau, AK 99801

The Honorable Neal Foster
House Finance Co-Chair
Alaska State Legislature
State Capitol, Room 511
Juneau, AK 99801

The Honorable Calvin Schrage
House Finance Co-Chair
Alaska State Legislature
State Capitol, Room 410
Juneau, AK 99801

Dear Senate and House Finance Committee Co-Chairs:

The State's fiscal year 2025 operating budget bill (HB 268) includes intent language for the Department of Family and Community Services (DFCS) relating to transfers across appropriations.

It is the intent of the legislature that the Department shall submit a report of transfers between appropriations that occurred during the fiscal year ending June 30, 2025 to the Co-chairs of the Finance Committees and the Legislative Finance Division by September 30, 2025.

Attached is a list of transfers across appropriations DFCS completed for FY2025.

Sincerely,

Marian Sweet
Assistant Commissioner

cc: Alexei Painter, Legislative Fiscal Analyst
Kim Kovol, Commissioner
Tracy Dompeling, Deputy Commissioner
Tim Hess, Office of Management and Budget
Jordan Shilling, Legislative Director, Office of the Governor
Valerie Rose, Fiscal Analyst, Legislative Finance Division

Document	Division	Component	UGF	SDPR
ADN 26-2025-0373 BGE70 26*0753 and BGR71 26*0392	K005 - Juvenile Justice	K047 - McLaughlin Youth Center	(2,333.88)	
	K005 - Juvenile Justice	K049 - Kernal Peninsula Youth Facility	(0.25)	
	K005 - Juvenile Justice	K050 - Fairbanks Youth Facility	(0.26)	
	K005 - Juvenile Justice	K051 - Bethel Youth Facility	(1.13)	
	K005 - Juvenile Justice	K053 - Johnson Youth Center	(6,768.54)	
	K005 - Juvenile Justice	K055 - Probation Services	(100.95)	
	K005 - Juvenile Justice	K050 - Health Care	(24,151.89)	
	K029 - Alaska Psychiatric Institute	K129 - Alaska Psychiatric Institute	33,356.90	
ADN 26-2025-0376 BGE70 26*0778	K009 - Departmental Support Services	K091 - Public Information Team	(8,051.54)	
	K009 - Departmental Support Services	K093 - Commissioner's Office	(45,615.08)	
	K009 - Departmental Support Services	K094 - Coordinated Health & Complex Care	(3,754,589.60)	
	K009 - Departmental Support Services	K095 - Administrative Services	(853,629.06)	
	K009 - Departmental Support Services	K097 - Information Technology	(79,508.56)	
	K009 - Departmental Support Services	K100 - State Facilities Maintenance and Operations	(324,235.59)	
	K001 - Alaska Pioneer Homes	K017 - Pioneer Homes	2,984,414.92	
	K029 - Alaska Psychiatric Institute	K129 - Alaska Psychiatric Institute	2,081,214.51	
ADN 26-2025-0380 BGE70 26*0824 and BGR71 26*0434	K005 - Juvenile Justice	K055 - Probation Services	(2.00)	
ADN 26-2025-0359 BGE70 26*0636 and BGR71 26*0339	K001 - Alaska Pioneer Homes	K015 - Payment Assistance	2.00	
	K001 - Alaska Pioneer Homes	K017 - Pioneer Homes	170,559.52	
	K029 - Alaska Psychiatric Institute	K129 - Alaska Psychiatric Institute	(170,559.52)	
		() From		
		To		
			5,269,547.85	

Department of Health



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

FINANCE AND MANAGEMENT SERVICES
Juneau Office

P.O. Box 110650
Juneau, Alaska 99811-0650
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September 26, 2025

The Honorable Lyman Hoffman
Senate Finance Co-Chair
Alaska State Legislature
State Capitol, Room 518
Juneau, AK 99801

The Honorable Donald Olson
Senate Finance Co-Chair
Alaska State Legislature
State Capitol, Room 508
Juneau, AK 99801

The Honorable Bert Stedman
Senate Finance Co-Chair
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801

The Honorable Neal Foster
House Finance Co-Chair
Alaska State Legislature
State Capitol, Room 511
Juneau, AK 99801

The Honorable Andy Josephson
House Finance Co-Chair
Alaska State Legislature
State Capitol, Room 505
Juneau, AK 99801

The Honorable Calvin Schrage
House Finance Co-Chair
Alaska State Legislature
State Capitol, Room 410
Juneau, AK 99801

Dear Finance Committee Co-Chairs:

The Operating Budget bill (CCS HB 268) includes intent language for the Department of Health relating to transfers across appropriations:

At the discretion of the Commissioner of the Department of Health, up to \$10,000,000 may be transferred between appropriations in the Department of Health, except that no transfer may be made from the Medicaid Services appropriation.

It is the intent of the legislature that the Department shall submit a report of transfers between appropriations that occurred during the fiscal year ending June 30, 2025, to the Co-Chairs of the Finance Committees and the Legislative Finance Division by September 30, 2025.

Attached is a list of transfers across appropriations the Department of Health performed in FY2025.

If you have additional questions, please contact me at 907-465-1630.

Sincerely,

A handwritten signature in blue ink, appearing to read "BH".

Pam Halloran
Assistant Commissioner

cc: Alexei Painter, Fiscal Analyst, Legislative Finance
Valerie Rose, Fiscal Analyst, Legislative Finance
Jordan Shilling, Legislative Director, Office of the Governor
Tim Hess, Office of Management and Budget
Josephine Stern, Office of Management and Budget
Heidi Hedberg, Commissioner
Robert Lawrence, Chief Medical Officer
Emily Ricci, Deputy Commissioner
Dustin Scown, Budget Manager
Courtney Enright, Legislative Liaison

Document	Division	Component	UGF	Fed	Other
ADN 1650433 BGE70-250001682 and BGR71-250000933	U008 - Senior and Disabilities Services U002 - Behavioral Health	U008 - Senior and Disabilities Community Based Grants U018 - Behavioral Health Treatment and Recovery Grants		(725,000.00)	
ADN 1650573 BGE70-250002209 and BGR71-250001268	U006 - Public Assistance U015 - Senior Benefits Payment Program	U060 Child Care Benefits U062 Tribal Assistance Programs U067 Public Assistance Field Services U116 - Senior Benefits Payment Program	(1,055,237.00)		725,000.00
ADN 1650600 BGE70-260000183 and BGR71-260000126	U002 - Behavioral Health U008 - Senior and Disabilities Services	U021 - Behavioral Health Administration U031 - Alaska Mental Health Board and Advisory Board on Alcohol and Drug Abuse U090 - Governor's Council on Disabilities and Special Education U080 - Infant Learning Program U082 - Senior and Disabilities Community Based Grants		\$ (657,704.00)	
ADN 1650609 BGE70-260000422 and BGR71-260000234	U007 - Public Health U002 - Behavioral Health U006 - Public Assistance	U073 - Nursing U078 - Epidemiology U082 - Public Health Laboratories U021 - Behavioral Health Administration U058 - Alaska Temporary Assistance Program U067 - Public Assistance Field Services U069 - Quality Control U070 - Work Services U071 - Women, Infants, and Children		\$ (482,406.58)	
ADN 1650618 BGE70-260000728 and BGR71-260000375	U008 - Senior and Disabilities Services U009 - Departmental Support Services	U084 - Senior and Disabilities Services: Administration U073 - Nursing U075 - Public Health Administrative Services U077 - Chronic Disease Prevention and Health Promotion U079 - Bureau of Vital Statistics U082 - Public Health Laboratories U093 - Commissioner's Office U097 - Information Technology Services		\$ (225,000.00)	
ADN 1650633 BGE70-260000919 and BGR71-260000462	U007 - Public Health U006 - Public Assistance	U060 - Child Care Benefits U015 - Senior Benefits Payment Program U009 - Departmental Support Services U007 - Public Health U009 - Departmental Support Services U073 - Nursing U074 - Women, Children, and Family Health U076 - Emergency Programs U058 - Alaska Temporary Assistance Program		\$ 1,726,000.00	
ADN 1650638 BGE70-260001015 and BGR71-260000511	U004 - Health Care Services U002 - Behavioral Health U008 - Senior and Disabilities Services U009 - Departmental Support Services U006 - Public Assistance	U018 - Behavioral Health Treatment and Recovery Grants U019 - Alcohol Safety Action Program U021 - Behavioral Health Administration U022 - Behavioral Health Prevention and Early Intervention Grants U023 - Residential Child Care U031 - Alaska Mental Health Board and Advisory Board on Alcohol and Drug Abuse U115 - Suicide Prevention Council U042 - Health Facilities Licensing and Certification U043 - Residential Licensing U044 - Medical Assistance Administration U084 - Senior and Disabilities Services: Administration U090 - Governor's Council on Disabilities and Special Education U091 - Public Affairs U093 - Commissioner's Office U095 - Administrative Support Services U097 - Information Technology Services U058 - Alaska Temporary Assistance Program		(52,740.74)	
				TOTAL Transfers	TOTAL
				() From	(10,000,000.00)
				To	-
					10,000,000.00