

# Fiscal Note

State of Alaska  
2026 Legislative Session

Bill Version: SB 217  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB217CS(LC)-DOLWD-WS-4-28-26  
Title: EMPLOYER CONTRIBUTIONS  
Sponsor: RLS BY REQUEST OF THE GOVERNOR  
Requester: (S) L&C

Department: Department of Labor and Workforce Development  
Appropriation: Employment and Training Services  
Allocation: Workforce Services  
OMB Component Number: 2761

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2027 Appropriation Requested	Included in Governor's FY2027 Request	Out-Year Cost Estimates					
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
<b>OPERATING EXPENDITURES</b>								
Personal Services		462.2						
Travel		0.7						
Services		268.7						
Commodities		1.0						
Capital Outlay								
Grants & Benefits	4,688.9	1,732.7	9,764.2	9,513.6	8,344.9	7,484.4	5,950.2	
Miscellaneous								
<b>Total Operating</b>	<b>4,688.9</b>	<b>2,465.3</b>	<b>9,764.2</b>	<b>9,513.6</b>	<b>8,344.9</b>	<b>7,484.4</b>	<b>5,950.2</b>	

**Fund Source (Operating Only)**

1054 STEP (DGF)	4,688.9	2,465.3	9,764.2	9,513.6	8,344.9	7,484.4	5,950.2
<b>Total</b>	<b>4,688.9</b>	<b>2,465.3</b>	<b>9,764.2</b>	<b>9,513.6</b>	<b>8,344.9</b>	<b>7,484.4</b>	<b>5,950.2</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2026) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2027) cost:** 0.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** No  
*(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

**Why this fiscal note differs from previous version/comments:**

Corrects the "Included in Governor's FY2027 Request" to include personal services, travel, services, and commodities costs that are in the numbers section of the budget, and updates the grant amounts from this legislation. The distinction between numbers and language sections are added to the analysis section.

Prepared By:	Paloma Harbour, Director	Phone:	(907)723-6047
Division:	Employment and Training Services	Date:	04/28/2026 01:00 PM
Approved By:	Dan DeBartolo, Administrative Services Director	Date:	04/28/26
Agency:	Labor and Workforce Development		

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2026 LEGISLATIVE SESSION

BILL NO. CSSB217

**Analysis**

This legislation establishes a new employer tax to the employment assistance and training program account established in AS 23.15.625, which is used for the State Training and Employment Program (STEP) administered by the Department of Labor and Workforce Development. This new tax is reduced by the amount the employer is required to contribute to unemployment insurance (UI) under AS 23.20.290(c). This legislation also eliminates the minimum one percent UI employer contribution. This means that that in years when the UI Trust Fund (UITF) is sufficiently solvent there will be an increase in STEP funding that can be used to help meet the training and employment needs of Alaska employers and job seekers. This legislation also increases the employee contribution to STEP from 0.1 to 0.2 percent of taxable wages.

It is projected that if Alaska's economic conditions continue as they are today this will result in an increase to STEP revenue of nearly \$24.5 million in FY2027, a peak of \$61.3 million in total STEP revenue in FY2028 and then decline to a low of \$30.4 million in FY2034 as the UITF requires employer contributions again.

This legislation will enable the Alaska Job Center Network to distribute more grants to Alaskans, resulting in a direct increase in employment and training participation.

The amounts included in the original Governor's FY27 Request column appear in two sections of the budget as follows:

Numbers section - all non-grant funds - \$732.6

Language section - grant funds - \$1,732.7

This fiscal note reflects the increase in grant authority available in the language section as a result of this legislation, as well as the amount currently in the budget for a total available each year as follows:

- \$4,688.9 in FY2027 for grants to individuals through the Alaska Job Center Network

- \$9,764.2 annually starting in FY2028 for grants to individuals through the Alaska Job Center Network

Non-grant funds in out-years, \$732.6, remain in the numbers section.

The department will use existing staff resources to administer these grants to individuals.

The increase in STEP revenue is reflected in the Unemployment Insurance fiscal note as that is the component in which the revenue is collected.