

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 193
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB193CS(FIN)-DOLWD-UI-5-11-26
Title: UNEMPLOYMENT BENEFITS; PAID PARENT LEAVE
Sponsor: HALL
Requester: (H) FIN

Department: Department of Labor and Workforce Development
Appropriation: Employment and Training Services
Allocation: Unemployment Insurance
OMB Component Number: 2276

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 2028	FY 2029	FY 2030	FY 2031	FY 2032
OPERATING EXPENDITURES	FY 2027	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Personal Services	392.2		375.3	375.3	375.3	375.3	375.3
Travel							
Services	349.0		101.4	101.4	101.4	101.4	101.4
Commodities	23.8		1.2	1.2	1.2	1.2	1.2
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	765.0	0.0	477.9	477.9	477.9	477.9	477.9

Fund Source (Operating Only)

1251 Non-UGF (Other)	765.0		477.9	477.9	477.9	477.9	477.9
Total	765.0	0.0	477.9	477.9	477.9	477.9	477.9

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1054 STEP (DGF)	34,421.0		35,498.5	32,461.8	23,274.4	20,683.0	19,245.2
1251 Non-UGF (Other)	37,001.2		38,159.5	39,312.0	39,098.7	36,127.5	34,514.7
Total	71,422.2	0.0	73,658.0	71,773.8	62,373.1	56,810.5	53,759.9

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? Yes
(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? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/26

Why this fiscal note differs from previous version/comments:

Changes from previous version include updating FY2027 costs to reflect changes needed to unemployment insurance tax processes and systems to exclude seasonal employees from the new Paid Parental Leave (PPL) program tax and updating State Training and Employment Program and PPL revenue projections. Also, the fund code for the new PPL account was changed to 1251 because it is now established outside the general fund.

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Division: Employment and Training Services	Date: 05/09/2026
Approved By: Dan DeBartolo, Administrative Services Director	Date: 05/11/26
Agency: Department of Labor and Workforce Development	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. CSHB 193

Analysis

This legislation establishes an Alaska Paid Parental Leave (PPL) Program with a new PPL fund account outside the general fund; establishes new employer and employee contributions to the PPL fund; excludes employees hired for a specific period not to exceed 6 months from the new contributions and eligibility under the PPL program; establishes special employer contributions to the State Training and Employment Program (STEP); increases Alaska's Unemployment Insurance (UI) maximum weekly benefit amount (MBA) and dependent allowance (DA); implements an annual adjustment to the UI benefit MBA and DA based on the percentage change in the average wage for the state; decreases the minimum UI tax rate from 1.0 percent to 0.30 percent; and prevents interest charges on child support obligations if paid parental leave is withheld to satisfy obligations.

This fiscal note accounts for the projected PPL fund account expenditures in UI Tax, which covers costs associated with collecting the revenue for the new program. The majority of expenditures for this legislation reside in other impacted agencies. The UI benefit costs associated with increasing and annually adjusting Alaska's UI MBA and DA are paid directly by the state's UI Trust Fund and do not pass through the budget, so they are not reflected in this fiscal note.

Revenue into the new PPL fund comes from non-seasonal employee contributions equivalent to 0.15 percent of taxable wages and an employer contribution of 0.20 percent of taxable wages. The employer PPL contributions will be offset dollar-for-dollar by the employer's UI tax contributions once their UI tax exceeds 0.60 percent. Per the department's UI Actuarial Economist, with wages where they are right now, the total annual revenue to the new PPL fund would start at \$37.0 million in FY2027, grow with wages to \$39.3 million in FY2029, and then start to reduce to \$34.5 million in FY2032. This revenue would be collected by UI tax staff and deposited into the new PPL fund account. UI Tax does not currently collect dates of employment from employers and does not have a method to identify employees hired for a specific period not to exceed 6 months. This will require updates to current tax reporting forms and programming changes to the UI Tax system.

There will also be increased revenue into STEP from an employer contribution of 0.30 percent of taxable wages as long as employer UI contributions are at the new 0.30 minimum. The employer STEP contributions will be offset dollar-for-dollar by the employer's UI tax contributions once their UI tax exceeds 0.30 percent. Per the department's UI Actuarial Economist, with wages where they are right now, this would increase STEP revenue by \$34.4 million in FY2027, \$35.5 million in FY2028 and then at lower amounts each year in future years equating to an increase of \$19.2 million in FY2032. UI tax staff already collect contributions to STEP so there is no increase in cost associated with this change.

Personal services: \$392.2 in FY2027 and then \$375.3 annually in FY2028 and beyond

- One-time cost of \$12.7 in FY2027 for employer education regarding new reporting requirements.
- Ongoing cost of \$375.3 based on the federally approved allocation for existing UI tax staff, which includes 13 tax staff for general collection, one Field Auditor 1, and two Accounting Technician 2 positions.

Services: \$349.0 in FY2027 and then \$101.4 annually in FY2028 and beyond

- One-time cost of \$9.6 in FY2027 for planning, requirements gathering and design costs estimated at 80 hours.
- One-time cost of \$144.0 in FY2027 for developer costs estimated at 1,040 hours.
- One-time cost of \$94.0 in FY2027 for testing, remediation, and production costs estimated at 680 hours.
- Ongoing UI information technology system maintenance costs of \$101.4 annually beginning in FY2027 based on the federally approved allocation.

Commodities: \$349.0 in FY2027 and then \$1.2 annually in FY2028 and beyond

- One-time cost of \$22.6 in FY2027 for printing of revised tax reporting forms.
- Ongoing cost of \$1.2 for a share of UI tax supply costs based on the federally approved allocation.