

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version: SB 5
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB005-DOA-DRB 04-11-2025
Title: SCHOOL/UNIVERSITY EMPLOYEE HEALTH
INSUR
Sponsor: HUGHES
Requester: (S) EDUCATION

Department: Department of Administration
Appropriation: Centralized Administrative Services
Allocation: Retirement and Benefits
OMB Component Number: 64

Expenditures/Revenues

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

	FY2026 Appropriation Requested	Included in Governor's FY2026 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Personal Services	324.0		324.0	324.0	324.0	324.0	324.0
Travel							
Services	1,000.0		1,000.0	1,000.0	1,000.0	1,000.0	1,000.0
Commodities	22.5		22.5	22.5	22.5	22.5	22.5
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	1,346.5	0.0	1,346.5	1,346.5	1,346.5	1,346.5	1,346.5

Fund Source (Operating Only)

1004 Gen Fund (UGF)	1,024.5		1,024.5	1,024.5	1,024.5	1,024.5	1,024.5
1017 Group Ben (Other)	106.6		106.6	106.6	106.6	106.6	106.6
1023 FICA Acct (Other)	1.8		1.8	1.8	1.8	1.8	1.8
1029 PERS Trust (Other)	154.6		154.6	154.6	154.6	154.6	154.6
1034 Teach Ret (Other)	55.9		55.9	55.9	55.9	55.9	55.9
1045 Nat Guard (Other)	3.1		3.1	3.1	3.1	3.1	3.1
Total	1,346.5	0.0	1,346.5	1,346.5	1,346.5	1,346.5	1,346.5

Positions

Full-time	3.0		3.0	3.0	3.0	3.0	3.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2026) 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? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/25

Why this fiscal note differs from previous version/comments:

Not applicable; initial version.

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Agency: Department of Administration
Phone: (907)465-3413
Date: 04/11/2025
Date: 04/11/25

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

BILL NO. SB 5

Analysis

This bill would enable governmental units (school districts, municipalities, the University of Alaska, other political subdivisions, and the North Pacific Fishery Management Council) to join in self-insured group health insurance plans administered by the Department of Administration for State employees. This type of health coverage is currently provided to State employees through the AlaskaCare health plans.

Implementation Costs

The Division will require three permanent employees, two Retirement and Benefits Technician 2 positions and one Retirement and Benefits Specialist 2 (personal services) plus computer, phone, cubicle, supplies (commodities) to provide billing and accounts-receivable support services to manage enrollment, eligibility, and employee premium and employer contribution payments from participating governmental units.

Personal Services

(2) Retirement & Benefits Technician 2, R14: \$200.4

(1) Retirement & Benefits Specialist 2, R18: \$123.6

Contractual Services

The Division will incur costs related to required system coding changes (both internal Division systems and third-party contracted partners), contracted actuarial consultants, and support from the Department of Law for legal and regulatory review (services). These costs are estimated at \$1,000.0.

Commodities

Associated office supplies and electronic equipment for the new positions: \$22.5

The Department would need to promulgate regulations as a result of the passage of this bill. These regulations should be in place by the effective date of the bill (July 1, 2025), as they will articulate the process and protocol for governmental units seeking to join the AlaskaCare employee health plan. The Division anticipates a fiscal impact to claim and program costs for the AlaskaCare employee plan, however that impact requires an actuarial analysis.