

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 133
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB133CS(CRA)-DCCED-DAS-01-16-26
Title: PAYMENT OF CONTRACTS
Sponsor: HIMSCHOOT
Requester: (H) STATE AFFAIRS

Department: Department of Commerce, Community and
Economic Development
Appropriation: Executive Administration
Allocation: Administrative Services
OMB Component Number: 1028

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				
OPERATING EXPENDITURES	FY 2027	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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If yes, by what date are the regulations to be adopted, amended or repealed?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:

Updated for SLA2026 fiscal note template.

Prepared By: Hannah Lager, Administrative Services Director
Division: Division of Administrative Services
Approved By: Hannah Lager, Administrative Services Director
Agency: Department of Commerce, Community, and Economic Development

Phone: (907)465-5533
Date: 01/16/2026
Date: 01/16/26

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. CSHB133(CRA)

Analysis

This bill establishes a 30-calendar-day deadline for the payments of contracts under the State Procurement Code and for the payment of grants, contracts, and reimbursement agreements to nonprofit organizations, municipalities, and Alaska Native Organizations. It establishes procedures for payment and non-payment to the contractor and grantee. Additionally, it sets a requirement to pay interest, equal to the rate set out in AS 45.45.010(a), to the contractor or grantee if the deadline isn't met.

It is always the Department of Commerce, Community, and Economic Development's (DCCED) intention to pay contracts, grants, and reimbursement agreements in a timely manner. In addition to contractual expenditures in the operating budget, the department administers hundreds of grants in any given fiscal year. However, the department cannot predict how many payments for grants and contracts will be made outside of the proposed statutory requirements in this legislation, and therefore cannot accurately impact the amount of interest that would be paid. If any payments were late, general funds would be required to support any accrued interest. Because the number of late payments is not known, the amount of interest and the amount of personal services support required to meet the tracking and payment requirements in this legislation cannot be accurately estimated at this time. As a result, the department does not currently anticipate fiscal impact from this legislation.

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 133
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB133CS(CRA)-DFG-DAS-01-17-26
Title: PAYMENT OF CONTRACTS
Sponsor: HIMSCHOOT
Requester: (H)State Affairs

Department: Department of Fish and Game
Appropriation: Statewide Support Services
Allocation: Administrative Services
OMB Component Number: 479

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				
OPERATING EXPENDITURES	FY 2027	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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?

Why this fiscal note differs from previous version/comments:

Updated from SLA2025 to SLA2026 template.

Prepared By: Joseph Felkl, Deputy Director
Division: Division of Administrative Services
Approved By: Bonnie Jensen, Administrative Services Director
Agency: Department of Fish and Game

Phone: (907)465-6137
Date: 01/17/2026 01:00 PM
Date: 01/17/26

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. CSHB133

Analysis

This legislation requires an assessment of a 10.5 percent annualized interest rate on any State of Alaska contract payment made later than 30 days past the invoice date. This interest assessment would also apply to non-profit, municipal, and Alaska Native organization grant payments that are not issued within 30 days of a request. If conditions of the contract or grant are not being met at the time the payment request is made, the bill allows the State to temporarily withhold payment without penalty.

The Department of Fish and Game does not issue grants and has sufficient administrative staff to issue contractual payments. Federal award dollars the department receives cannot be used for interest or fee payments, so state fund sources would need to be used if interest penalties were incurred.

Interest payments required by the department under this bill are anticipated to be minimal. Therefore, the department submits a zero fiscal note.

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 133
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB133CS(CRA)-DOH-AS-01-15-26
Title: PAYMENT OF CONTRACTS
Sponsor: HIMSCHOOT
Requester: (H) STA

Department: Department of Health
Appropriation: Departmental Support Services
Allocation: Administrative Support Services
OMB Component Number: 320

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				
OPERATING EXPENDITURES	FY 2027	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Personal Services	137.5		137.5	137.5	137.5	137.5	137.5
Travel							
Services	20.0		20.0	20.0	20.0	20.0	20.0
Commodities	5.0		2.0	2.0	2.0	2.0	2.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	162.5	0.0	159.5	159.5	159.5	159.5	159.5

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	32.5		31.9	31.9	31.9	31.9	31.9
1003 GF/Match (UGF)	65.0		63.8	63.8	63.8	63.8	63.8
1007 I/A Rcpts (Other)	65.0		63.8	63.8	63.8	63.8	63.8
Total	162.5	0.0	159.5	159.5	159.5	159.5	159.5

Positions

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (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:

Updated to SLA2026 fiscal note template. Updated position and calculation data to reflect current costs.

Prepared By: Hilary Porter, Deputy Director
Division: Department Support Services
Approved By: Pam Halloran, Assistant Commissioner
Agency: Department of Health

Phone: (907)269-5606
Date: 01/15/2026
Date: 01/15/26

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB133

Analysis

This legislation requires an assessment of a 10.5% annualized interest rate on any State of Alaska contract payment that is later than 30 days past the invoice date. This provision also applies to non-profit, municipal, or Alaska Native organization grant payments that are not issued within 30 days of request. Both situations allow the state to temporarily withhold payment, without penalty, if conditions of the contract or grant are not being met at the time the payment request is made.

The Department of Health assessed current obligations and any late payments for FY2025. For contracts, the department determined that on average contract invoices were paid within 98 days within Departmental Support Services.

Workload, training, and overall capacity within the division impacts timely grant initiation and invoice payments.

It is important to note that no federal award dollars can be used for interest or fee payments, and the department would need to use state fund sources if interest penalties were incurred under this bill. Since interest and penalties cannot be paid with federal funds, and since federal funds comprise the majority of the department's budget, the department would require positions to increase administrative capacity to meet the requirements of this legislation.

To effectively manage the division's contracts and avoid what calculates to be an estimated \$174.6 interest penalty resulting from late payments to contractors, a position would be necessary to manage accounts payable, grant payments, and funding balances within the state accounting system.

Add Accountant 3, Juneau, range 18, step C: \$137.5

Services: \$20.0

Commodities: Year 1 - \$5.0, Year 2+ \$2.0

The position would comprise of 20 percent federal, 40 percent general fund match, and 40 percent interagency receipts.

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 133
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB133CS(CRA)-DOH-MAA-01-15-26
Title: PAYMENT OF CONTRACTS
Sponsor: HIMSCHOOT
Requester: (H) STA

Department: Department of Health
Appropriation: Health Care Services
Allocation: Medical Assistance Administration
OMB Component Number: 242

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				
OPERATING EXPENDITURES	FY 2027	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Personal Services							
Travel							
Services	136.2		136.2	136.2	136.2	136.2	136.2
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	136.2	0.0	136.2	136.2	136.2	136.2	136.2

Fund Source (Operating Only)

1004 Gen Fund (UGF)	136.2		136.2	136.2	136.2	136.2	136.2
Total	136.2	0.0	136.2	136.2	136.2	136.2	136.2

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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:

Updated to SLA2026 fiscal note template. Updated position and calculation data to reflect current costs.

Prepared By: Lynne Keilman-Cruz, Division Director
Division: Health Care Services
Approved By: Pam Halloran, Assistant Commissioner
Agency: Department of Health

Phone: (907)269-5606
Date: 01/15/2026
Date: 01/15/26

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB133

Analysis

This legislation requires an assessment of a 10.5% annualized interest rate on any State of Alaska contract payment that is later than 30 days past the invoice date. This provision also applies to non-profit, municipal, or Alaska Native organization grant payments that are not issued within 30 days of request. Both situations allow the state to temporarily withhold payment, without penalty, if conditions of the contract or grant are not being met at the time the payment request is made.

The Department of Health assessed current obligations and any late payments for FY2025. For contracts, the department determined that on average contract invoices were paid within 39 days within the Division of Health Care Services, which provides oversight of Medicaid Services contracts. Invoices for contracts are evaluated and approved within each division. Workload, training, and overall capacity within the division impacts timely grant initiation and invoice payments.

It is important to note that no federal award dollars can be used for interest or fee payments, and the department would need to use state fund sources if interest penalties were incurred under this bill. Since interest and penalties cannot be paid with federal funds, and since federal funds comprise the majority of the department's budget, the department would require positions to increase administrative capacity to meet the requirements of this legislation.

Based on FY2025 payment timeline data, the Division of Health Care Services will be assessed \$136.2 in interest penalties if this legislation goes into affect. The department considered whether a position request would better support the intent of this legislation and determined that the interest penalty cost would be less than the cost of a new position.

A new position would cost \$162.5 in FY2027 and \$159.5 in future years. Interest penalties would cost less.

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 133
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB133CS(CRA)-DOH-PAA-01-15-26
Title: PAYMENT OF CONTRACTS
Sponsor: HIMSCHOOT
Requester: (H) STA

Department: Department of Health
Appropriation: Public Assistance
Allocation: Public Assistance Administration
OMB Component Number: 233

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				
OPERATING EXPENDITURES	FY 2027	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Personal Services	137.5		137.5	137.5	137.5	137.5	137.5
Travel							
Services	20.0		20.0	20.0	20.0	20.0	20.0
Commodities	5.0		2.0	2.0	2.0	2.0	2.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	162.5	0.0	159.5	159.5	159.5	159.5	159.5

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	89.4		87.7	87.7	87.7	87.7	87.7
1003 GF/Match (UGF)	73.1		71.8	71.8	71.8	71.8	71.8
Total	162.5	0.0	159.5	159.5	159.5	159.5	159.5

Positions

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (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:

Updated to SLA2026 fiscal note template. Updated position and calculation data to reflect current costs.

Prepared By: Deb Etheridge, Division Director
Division: Public Assistance
Approved By: Pam Halloran, Assistant Commissioner
Agency: Department of Health

Phone: (907)269-5606
Date: 01/15/2026
Date: 01/15/26

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB133

Analysis

This legislation requires an assessment of a 10.5% annualized interest rate on any State of Alaska contract payment that is later than 30 days past the invoice date. This provision also applies to non-profit, municipal, or Alaska Native organization grant payments that are not issued within 30 days of request. Both situations allow the state to temporarily withhold payment, without penalty, if conditions of the contract or grant are not being met at the time the payment request is made.

The Department of Health assessed current obligations and any late payments for FY2025. For contracts, the department determined that on average contract invoices were paid within 65 days within the Division of Public Assistance.

Workload, training, and overall capacity within the division impacts timely grant initiation and invoice payments.

It is important to note that no federal award dollars can be used for interest or fee payments, and the department would need to use state fund sources if interest penalties were incurred under this bill. Since interest and penalties cannot be paid with federal funds, and since federal funds comprise the majority of the department's budget, the department would require positions to increase administrative capacity to meet the requirements of this legislation.

To effectively manage the division's contracts and avoid what calculates to be an estimated \$841.8 interest penalty resulting from late payments to contractors, a position would be necessary to manage accounts payable, grant payments, and funding balances within the state accounting system.

Add Accountant 3, Juneau, range 17, step C: \$137.5

Services: \$20.0

Commodities: Year 1 - \$5.0, Year 2+ \$2.0

The position would comprise of 55 percent federal and 45 percent general fund match.

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 133
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB133CS(CRA)-DOH-PHA-01-15-26
Title: PAYMENT OF CONTRACTS
Sponsor: HIMSCHOOT
Requester: (H) STA

Department: Department of Health
Appropriation: Public Health
Allocation: Public Health Administrative Services
OMB Component Number: 292

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				
OPERATING EXPENDITURES	FY 2027	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Personal Services	137.5		137.5	137.5	137.5	137.5	137.5
Travel							
Services	20.0		20.0	20.0	20.0	20.0	20.0
Commodities	5.0		2.0	2.0	2.0	2.0	2.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	162.5	0.0	159.5	159.5	159.5	159.5	159.5

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	24.4		24.1	24.1	24.1	24.1	24.1
1003 GF/Match (UGF)	138.1		135.4	135.4	135.4	135.4	135.4
Total	162.5	0.0	159.5	159.5	159.5	159.5	159.5

Positions

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (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:

Updated to SLA2026 fiscal note template. Updated position and calculation data to reflect current costs.

Prepared By: Lindsey Kato, Division Director
Division: Public Health
Approved By: Pam Halloran, Assistant Commissioner
Agency: Department of Health

Phone: (907)269-5606
Date: 01/15/2026
Date: 01/15/26

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB133

Analysis

This legislation requires an assessment of a 10.5% annualized interest rate on any State of Alaska contract payment that is later than 30 days past the invoice date. This provision also applies to non-profit, municipal, or Alaska Native organization grant payments that are not issued within 30 days of request. Both situations allow the state to temporarily withhold payment, without penalty, if conditions of the contract or grant are not being met at the time the payment request is made.

The Department of Health assessed current obligations and any late payments for FY2025. For contracts, the department determined that on average contract invoices were paid within 33 days within the Division of Public Health.

Workload, training, and overall capacity within the division impacts timely grant initiation and invoice payments.

It is important to note that no federal award dollars can be used for interest or fee payments, and the department would need to use state fund sources if interest penalties were incurred under this bill. Since interest and penalties cannot be paid with federal funds, and since federal funds comprise the majority of the department's budget, the department would require positions to increase administrative capacity to meet the requirements of this legislation.

To effectively manage the division's contracts and avoid what calculates to be an estimated \$402.6 interest penalty resulting from late payments to contractors, a position would be necessary to manage accounts payable, grant payments, and funding balances within the state accounting system.

Add Accountant 3, Juneau, range 17, step C: \$137.5

Services: \$20.0

Commodities: Year 1 - \$5.0, Year 2+ \$2.0

The position would comprise of 15 percent federal and 85 percent general fund match.

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 133
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB133CS(CRA)-DOH-SDSA-01-15-26
Title: PAYMENT OF CONTRACTS
Sponsor: HIMSCHOOT
Requester: (H) STA

Department: Department of Health
Appropriation: Senior and Disabilities Services
Allocation: Senior and Disabilities Services Administration
OMB Component Number: 2663

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				
OPERATING EXPENDITURES	FY 2027	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Personal Services							
Travel							
Services	40.7		40.7	40.7	40.7	40.7	40.7
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	40.7	0.0	40.7	40.7	40.7	40.7	40.7

Fund Source (Operating Only)

1004 Gen Fund (UGF)	40.7		40.7	40.7	40.7	40.7	40.7
Total	40.7	0.0	40.7	40.7	40.7	40.7	40.7

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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:

Updated to SLA2026 fiscal note template. Updated position and calculation data to reflect current costs.

Prepared By: Tony Newman, Division Director
Division: Senior and Disabilities Services
Approved By: Pam Halloran, Assistant Commissioner
Agency: Department of Health

Phone: (907)465-5481
Date: 01/15/2026
Date: 01/15/26

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB133

Analysis

This legislation requires an assessment of a 10.5% annualized interest rate on any State of Alaska contract payment that is later than 30 days past the invoice date. This provision also applies to non-profit, municipal, or Alaska Native organization grant payments that are not issued within 30 days of request. Both situations allow the state to temporarily withhold payment, without penalty, if conditions of the contract or grant are not being met at the time the payment request is made.

The Department of Health assessed current obligations and any late payments occurring in FY2025. For contracts, the department determined that on average contract invoices were paid within 45 days within the Division of Senior and Disabilities Services.

Grant payments occurred timely. For grants, it takes time to stand up grant documentation and budgets at the beginning of each fiscal year, which can delay the finalized grant agreement and lead to the perception that the grant payment is late.

Invoices for contracts are evaluated and approved within each division, and initial grant agreements are established in collaboration with a Program Manager within the Division of Senior and Disabilities Services, a grants administrator within Departmental Support Services, and the grantee.

Workload, training, and overall capacity within the division impacts timely grant initiation and invoice payments.

Federal award dollars cannot be used for interest or fee payments, and the department would need to use state fund sources if interest penalties were incurred under this bill. Since interest and penalties cannot be paid with federal funds, and since federal funds comprise the majority of the department's budget, the department would require positions to increase administrative capacity to meet the requirements of this legislation.

Based on FY2025 payment timeline data, the Division of Senior and Disabilities Services will be assessed \$40.7 in interest penalties if this legislation goes into affect. The department considered whether a position request would better support the intent of this legislation and determined that the interest penalty cost would be less than the cost of a new position.

A new positon would cost \$162.5 in FY2027 and \$159.5 in future years. Interest penalties would cost less.

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 133
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB133CS(CRA)-DOLWD-CO-01-19-26
Title: PAYMENT OF CONTRACTS
Sponsor: HIMSCHOOT
Requester: (H) CRA

Department: Department of Labor and Workforce Development
Appropriation: Commissioner and Administrative Services
Allocation: Commissioner's Office
OMB Component Number: 340

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				
OPERATING EXPENDITURES	FY 2027	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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:

Updated for new fiscal note template.

Prepared By: Dan DeBartolo, Director
Division: Commissioner & Administrative Services
Approved By: Cathy Muoz, Commissioner
Agency: Labor & Workforce Development

Phone: (907)465-5984
Date: 01/19/2026 11:00 AM
Date: 01/19/26

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. CSHB133

Analysis

This legislation requires an assessment of a 10.5% annualized interest rate on any State of Alaska contract payment that is later than 30 days past the invoice date. This provision also applies to non-profit, municipal, or Alaska Native organization grant payments that are not issued within 30 days of request. Both situations allow the state to temporarily withhold payment, without penalty, if conditions of the contract or grant are not being met at the time the payment request is made.

The Department of Labor and Workforce Development (DOLWD) assessed current obligations and any late payments for a point in time. Assuming that amount to be a monthly estimate of interest liability, the department could face approximately \$4,314.08 annually in interest payments to contractors.

For grant payments, the department has historically not issued grant amounts in the first 30-60 days of the fiscal year as the previous grant awards and fiscal year reconciliation are closed. If DOLWD's methodology was to be considered a late grant payment under this bill, the potential interest liability in FY2025 would have been \$18,587.20.

It is important to note that no federal award dollars can be used for interest or fee payments, and the department would need to use state fund sources if interest penalties were incurred under this bill.

From a programmatic standpoint, the department would make best effort to change program processes to avoid any interest.

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 133
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB133CS(CRA)-DPS-SWS-1-16-26
Title: PAYMENT OF CONTRACTS
Sponsor: HIMSCHOOT
Requester: (H) State Affairs

Department: Department of Public Safety
Appropriation: Statewide Support
Allocation: Administrative Services
OMB Component Number: 525

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				
OPERATING EXPENDITURES	FY 2027	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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:

Not applicable, initial version.

Prepared By: Dianna Thornton, Director
Division: Administrative Services
Approved By: Dianna Thornton, Director
Agency: Administrative Services

Phone: (907)465-5501
Date: 01/16/2026 05:47 PM
Date: 01/16/26

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB 133

Analysis

HB 133 establishes statutory payment deadlines and interest requirements for state agencies related to contracts, grants, and reimbursement agreements. The bill requires agencies to pay contractors within 30 calendar days of receiving a compliant payment request for satisfactory performance and establishes interest penalties when payment deadlines are not met. Similar payment timelines and interest provisions are established for grants and reimbursement agreements with nonprofit organizations, municipalities, and Alaska Native organizations, including shortened timelines when federal funds are used. The bill also requires agencies to issue written notice within eight working days when payment is withheld due to noncompliance or performance deficiencies and to make payment within 21 calendar days after corrective actions are completed.

The Department of Public Safety administers a range of contracts, grants, and reimbursement agreements across its divisions. The department currently processes payments in accordance with existing state and federal requirements and makes reasonable efforts to issue timely payments once compliant documentation is received and performance requirements are met.

HB 133 does not create new programs, expand enforcement responsibilities, or require additional services to be delivered by the department. The bill formalizes payment timelines and notice requirements that are largely consistent with existing administrative practices. While the bill places these requirements into statute and introduces interest obligations for missed deadlines, the department anticipates that any additional administrative effort associated with compliance can be absorbed within existing resources.

Based on current operations and anticipated implementation, the Department of Public Safety does not expect this legislation to result in additional costs requiring an appropriation. Therefore, this fiscal note reflects no fiscal impact to the department at this time.

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 133
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB133CS(CRA)-LAW-WASD-01-20-26
Title: PAYMENT OF CONTRACTS
Sponsor: HIMSCHOOT
Requester: (H)State Affairs

Department: Department of Law
Appropriation: Administration and Support
Allocation: Administrative Services
OMB Component Number: 2164

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				
OPERATING EXPENDITURES	FY 2027	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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? 0
(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?

Why this fiscal note differs from previous version/comments:

Updated from SLA2025 to SLA2026 template.

Prepared By:	Kathryn Fritz, Budget Analyst 3	Phone:	(907)465-4049
Division:	Administrative Services Division	Date:	01/20/2026
Approved By:	Amber LeBlanc, Administrative Services Director	Date:	01/20/26
Agency:	Department of Law		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB 133

Analysis

This legislation requires an assessment of a 10.5% annualized interest rate on any State of Alaska contract payment that is later than 30 days past the invoice date. This provision also applies to non-profit, municipal, or Alaska Native organization grant payments that are not issued within 30 days of request. Both situations allow the state to temporarily withhold payment, without penalty, if conditions of the contract or grant are not being met at the time the payment request is made.

The Department of Law does not anticipate a fiscal or operational impact to the component in order to implement the requirements of the bill. Accordingly, Law submits a zero fiscal note. Implementation and changes to policies expected to be finalized within 180 days after passage.

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 133
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB133-DFCS-DSS-1-16-26
Title: PAYMENT OF CONTRACTS
Sponsor: HIMSCHOOT
Requester: (H) STA

Department: Department of Family and Community Services
Appropriation: Departmental Support Services
Allocation: Administrative Services
OMB Component Number: 3305

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				
OPERATING EXPENDITURES	FY 2027	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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:

Updated to SLA2026 template.

Prepared By: Kyle Scherrer, Division Operations Manager
Division: Departmental Support Services
Approved By: Marian Sweet, Assistant Commissioner
Agency: Department of Family and Community Services

Phone: (907)500-8132
Date: 01/16/2026 12:00 AM
Date: 01/16/26

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB133

Analysis

This legislation requires an assessment of a 10.5% annualized interest rate on any State of Alaska contract payment that is later than 30 days past the invoice date. This provision also applies to non-profit, municipal, or Alaska Native organization grant payments that are not issued within 30 days of request. Both situations allow the state to temporarily withhold payment, without penalty, if conditions of the contract or grant are not being met at the time the payment request is made.

The Department of Family and Community Services does not anticipate a fiscal or operational impact in order to implement the requirements of the bill. Accordingly, the department submits a zero fiscal note.

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 133
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB133-DOH-BHA-01-15-26
Title: PAYMENT OF CONTRACTS
Sponsor: HIMSCHOOT
Requester: (H) STA

Department: Department of Health
Appropriation: Behavioral Health
Allocation: Behavioral Health Administration
OMB Component Number: 2665

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				
OPERATING EXPENDITURES	FY 2027	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Personal Services							
Travel							
Services	57.5		57.5	57.5	57.5	57.5	57.5
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	57.5	0.0	57.5	57.5	57.5	57.5	57.5

Fund Source (Operating Only)

1004 Gen Fund (UGF)	57.5		57.5	57.5	57.5	57.5	57.5
Total	57.5	0.0	57.5	57.5	57.5	57.5	57.5

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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:

Updated to SLA2026 fiscal note template. Updated position and calculation data to reflect current costs.

Prepared By: Jenn Carson, Division Director
Division: Behavioral Health
Approved By: Pam Halloran, Assistant Commissioner
Agency: Department of Health

Phone: (907)465-6271
Date: 01/15/2026 12:00 PM
Date: 01/15/26

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB133

Analysis

This legislation requires an assessment of a 10.5% annualized interest rate on any State of Alaska contract payment that is later than 30 days past the invoice date. This provision also applies to non-profit, municipal, or Alaska Native organization grant payments that are not issued within 30 days of request. Both situations allow the state to temporarily withhold payment, without penalty, if conditions of the contract or grant are not being met at the time the payment request is made.

The Department of Health assessed current obligations and any late payments occurring in FY2025. For contracts, the department determined that on average contract invoices were paid within 46 days within the Division of Behavioral Health.

Grant payments occurred timely. For grants, it takes time to stand up grant documentation and budgets at the beginning of each fiscal year, which can delay the finalized grant agreement and lead to the perception that the grant payment is late.

Invoices for contracts are evaluated and approved within each division, and initial grant agreements are established in collaboration with a Program Manager within the Division of Behavioral Health, a grants administrator within Departmental Support Services, and the grantee.

Workload, training, and overall capacity within the division impacts timely grant initiation and invoice payments.

Federal award dollars cannot be used for interest or fee payments, and the department would need to use state fund sources if interest penalties were incurred under this bill. Since interest and penalties cannot be paid with federal funds, and since federal funds comprise the majority of the department's budget, the department would require positions to increase administrative capacity to meet the requirements of this legislation.

Based on FY2025 payment timeline data, the Division of Behavioral Health will be assessed \$57.5 in interest penalties if this legislation goes into affect. The department considered whether a position request would better support the intent of this legislation and determined that the interest penalty cost would be less than the cost of a new position.

A new positon would cost \$162.5 in FY2027 and \$159.5 in future years. Interest penalties would cost less.

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 133
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB133-MVA-HLS-1-16-26
Title: PAYMENT OF CONTRACTS
Sponsor: HIMSCHOOT
Requester: (H) Community & Regional Affairs

Department: Department of Military and Veterans' Affairs
Appropriation: Military and Veterans' Affairs
Allocation: Homeland Security and Emergency Management
OMB Component Number: 2657

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				
OPERATING EXPENDITURES	FY 2027	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Personal Services	458.4		458.4	458.4	458.4	458.4	458.4
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	458.4	0.0	458.4	458.4	458.4	458.4	458.4

Fund Source (Operating Only)

1003 GF/Match (UGF)	114.6		114.6	114.6	114.6	114.6	114.6
1007 I/A Rcpts (Other)	114.6		114.6	114.6	114.6	114.6	114.6
1037 GF/MH (UGF)	229.2		229.2	229.2	229.2	229.2	229.2
Total	458.4	0.0	458.4	458.4	458.4	458.4	458.4

Positions

Full-time	4.0		4.0	4.0	4.0	4.0	4.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (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:

Updated from SLA2025 to SLA2026 template

Prepared By: Angela Laflamme
Division: Office of the Commissioner
Approved By: Bob Ernisse
Agency: Department of Military and Veterans Affairs

Phone: (907)428-6003
Date: 01/16/2026 06:00 PM
Date: 01/16/26

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB133

Analysis

This legislation implements a 30-day deadline from payment request receipt for contracts, grants, and reimbursement payments to nonprofit organizations, municipalities, and Alaska Native organizations. It establishes an interest rate for failure to meet the deadline. It establishes adjusted deadlines for unsatisfactory performance or noncompliance with grant or reimbursement requirements.

Implementing this legislation will impact disaster grant programs within the Division of Homeland Security and Emergency Management (DHSEM), due to the number of open grants, subrecipients, and projects there are and the level of review it takes to ensure eligibility and appropriate documentation prior to payment. Additionally, the proposed deadline is likely to be severely impacted during disasters since staff are often reassigned to assist in the operations center resulting in delays in routine financial processing.

DHSEM prioritizes payments for individuals and public entities following disasters, however the required review, federal funding guidelines, and multiple disaster events happening simultaneously would make meeting the timelines outlined in this legislation difficult. The DHSEM would require additional staff or risk incurring significant interest costs.

Additional staff required are one Grants Administrator 3 and three Grants Administrator 2 positions.