

Fiscal Note

State of Alaska
2026 Legislative Session

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

Identifier: SB217-DOLWD-WIB-02-13-26
Title: EMPLOYER CONTRIBUTIONS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: (S) L&C

Department: Department of Labor and Workforce Development
Appropriation: Commissioner and Administrative Services
Allocation: Workforce Investment Board
OMB Component Number: 2659

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
OPERATING EXPENDITURES								
Personal Services	134.0		134.0	134.0	134.0	134.0	134.0	134.0
Travel								
Services	50.0		50.0	50.0	50.0	50.0	50.0	50.0
Commodities	19.0		19.0	19.0	19.0	19.0	19.0	19.0
Capital Outlay								
Grants & Benefits	18,365.4	6,930.8	43,671.6	45,806.1	47,236.2	48,623.9	49,989.8	
Miscellaneous								
Total Operating	18,568.4	6,930.8	43,874.6	46,009.1	47,439.2	48,826.9	50,192.8	

Fund Source (Operating Only)

1054 STEP (DGF)	18,568.4	6,930.8	43,874.6	46,009.1	47,439.2	48,826.9	50,192.8
Total	18,568.4	6,930.8	43,874.6	46,009.1	47,439.2	48,826.9	50,192.8

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						

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If yes, by what date are the regulations to be adopted, amended or repealed?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: <u>Dirk Craft, Executive Director</u>	Phone: <u>(907)615-2343</u>
Division: <u>Alaska Workforce Investment Board</u>	Date: <u>02/13/2026 10:00 AM</u>
Approved By: <u>Dan DeBartolo, Director</u>	Date: <u>02/13/26</u>
Agency: <u>Labor and Workforce Development</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. SB 217

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). Finally, this legislation 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.

It is projected that if Alaska's economic conditions continue as they are today this will result in an increase to STEP revenue of \$22 million in FY2027 up to an increase of nearly \$52 million by FY2032.

These competitive grants support industry-driven training, sector partnerships, registered apprenticeship programs, and other employer-led workforce development initiatives aligned with state workforce priorities. Increased funding will allow the Alaska Workforce Investment Board (AWIB) to expand grant awards, address unmet employer demand for skilled workers, and support workforce development needs associated with large-scale infrastructure and economic development projects.

This fiscal note reflects the increase in grant authority available as a result of this legislation, as well as the amount currently set aside for STEP from the employee contribution to the program.

The increase in available revenue resulting from this legislation is approximately seven times the amount of STEP funding the component currently administers. To absorb the increased volume of reimbursements and expanded statutory program monitoring requirements, AWIB needs an additional Program Coordinator 1 position.

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