

Fiscal Note

State of Alaska
2026 Legislative Session

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

Identifier: SB217-DOLWD-WS-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: 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 2027	FY 2028	FY 2029	FY 2030
OPERATING EXPENDITURES							
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	3,465.4	1,732.7	10,396.2	10,396.2	10,396.2	10,396.2	10,396.2
Miscellaneous							
Total Operating	3,465.4	1,732.7	10,396.2	10,396.2	10,396.2	10,396.2	10,396.2

Fund Source (Operating Only)

1054 STEP (DGF)	3,465.4	1,732.7	10,396.2	10,396.2	10,396.2	10,396.2	10,396.2
Total	3,465.4	1,732.7	10,396.2	10,396.2	10,396.2	10,396.2	10,396.2

Positions

Full-time							
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If yes, by what date are the regulations to be adopted, amended or repealed?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.

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Agency: Labor and Workforce Development

Phone: (907)723-6047
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Date: 02/13/26

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 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.

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.

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:

-\$5,198.1 in FY2027 for grants to individuals through the Alaska Job Center Network

-\$10,396.2 annually starting in FY2028 for grants to individuals through the Alaska Job Center Network

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.