



# Senate Bill 217 Employer Contributions

## Senate Labor and Commerce Committee

February 16, 2026

Presented by: Commissioner Muñoz,  
Paloma Harbour, and Dirk Craft



ALASKA DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT  
Cathy Muñoz, Commissioner



# ALASKA'S WORKFORCE FUTURE ALASKA'S



MARCH 2025

## Goals:

- Enhance career awareness and pathways
- Develop a skilled and qualified workforce
- Retain Alaskans and attract new Alaskans
- Foster regional workforce development
- Improve infrastructure and access to support services
- Ensure sustainability and continuity of workforce-development efforts

# Statewide Outlook for Jobs in 2026, by Industry

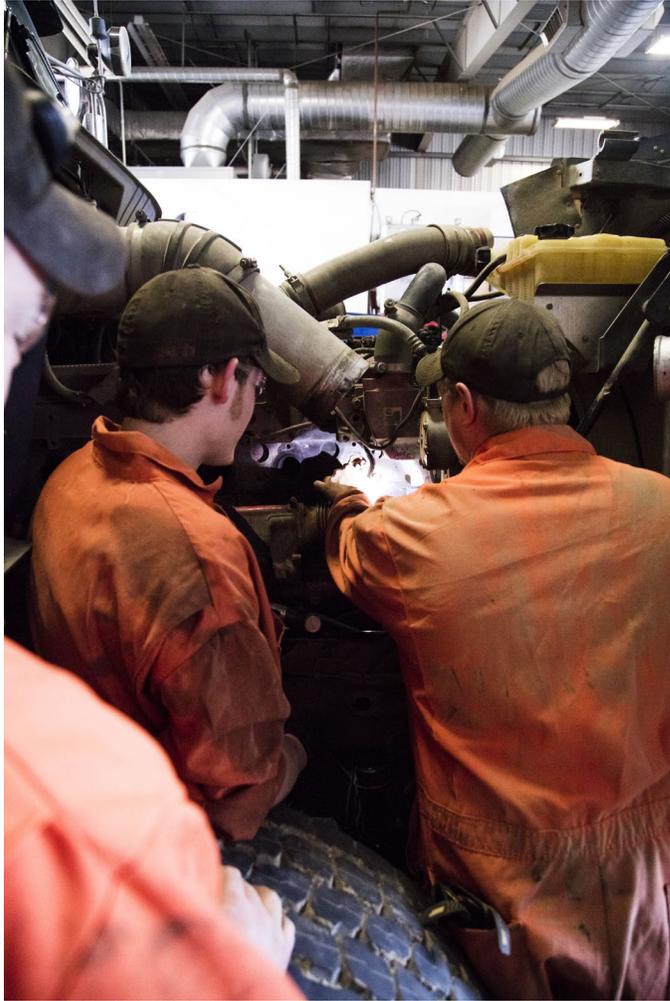
					JOBS FORECAST		
	Monthly avg, 2024 <sup>1</sup>	Monthly avg, 2025 <sup>1</sup>	Change, 2024-25	Percent change	Monthly avg, 2026	Change, 2025-26	Percent change
<b>Total Nonfarm Employment<sup>2</sup></b>	<b>333,900</b>	<b>337,800</b>	<b>3,900</b>	<b>1.2%</b>	<b>340,800</b>	<b>3,000</b>	<b>0.9%</b>
Total Private	254,300	258,300	4,000	1.6%	261,700	3,400	1.3%
Mining and Logging	12,500	13,400	900	7.2%	14,400	1,000	7.5%
Oil and Gas	8,300	9,000	700	8.4%	10,000	1,000	11.1%
Construction	18,500	19,500	1,000	5.4%	20,200	700	3.6%
Manufacturing	11,900	11,900	0	0%	11,800	-100	-0.8%
Trade, Transportation, and Utilities	66,400	67,000	600	0.9%	67,500	500	0.7%
Wholesale Trade	6,500	6,500	0	0%	6,500	0	0%
Retail Trade	34,900	34,700	-200	-0.6%	34,600	-100	-0.3%
Transportation, Warehousing, and Utilities	25,000	25,800	800	3.2%	26,400	600	2.3%
Information	4,400	4,300	-100	-2.3%	4,300	0	0%
Financial Activities	10,800	10,800	0	0%	10,800	0	0%
Professional and Business Services	28,800	29,000	200	0.7%	29,200	200	0.7%
Educational (private) and Health Services	53,000	54,600	1,600	3.0%	55,700	1,100	2.0%
Health Care	41,700	43,200	1,500	3.6%	44,300	1,100	2.5%
Leisure and Hospitality	35,900	35,800	-100	-0.3%	35,700	-100	-0.3%
Other Services	12,100	12,000	-100	-0.8%	12,100	100	0.8%
Total Government	79,700	79,500	-200	-0.3%	79,100	-400	-0.5%
Federal, except military	15,500	15,200	-300	-1.9%	14,800	-400	-2.6%
State, incl. University of Alaska	23,900	24,200	300	1.3%	24,300	100	0.4%
Local and tribal, incl. public schools	40,300	40,100	-200	-0.5%	40,000	-100	-0.2%

<sup>1</sup>Preliminary and adjusted estimates. <sup>2</sup>Excludes the self-employed, uniformed military, most commercial fishermen, domestic workers, and unpaid family workers.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section



# Industry Recognized Training Certification



# State Training and Employment Program (STEP)

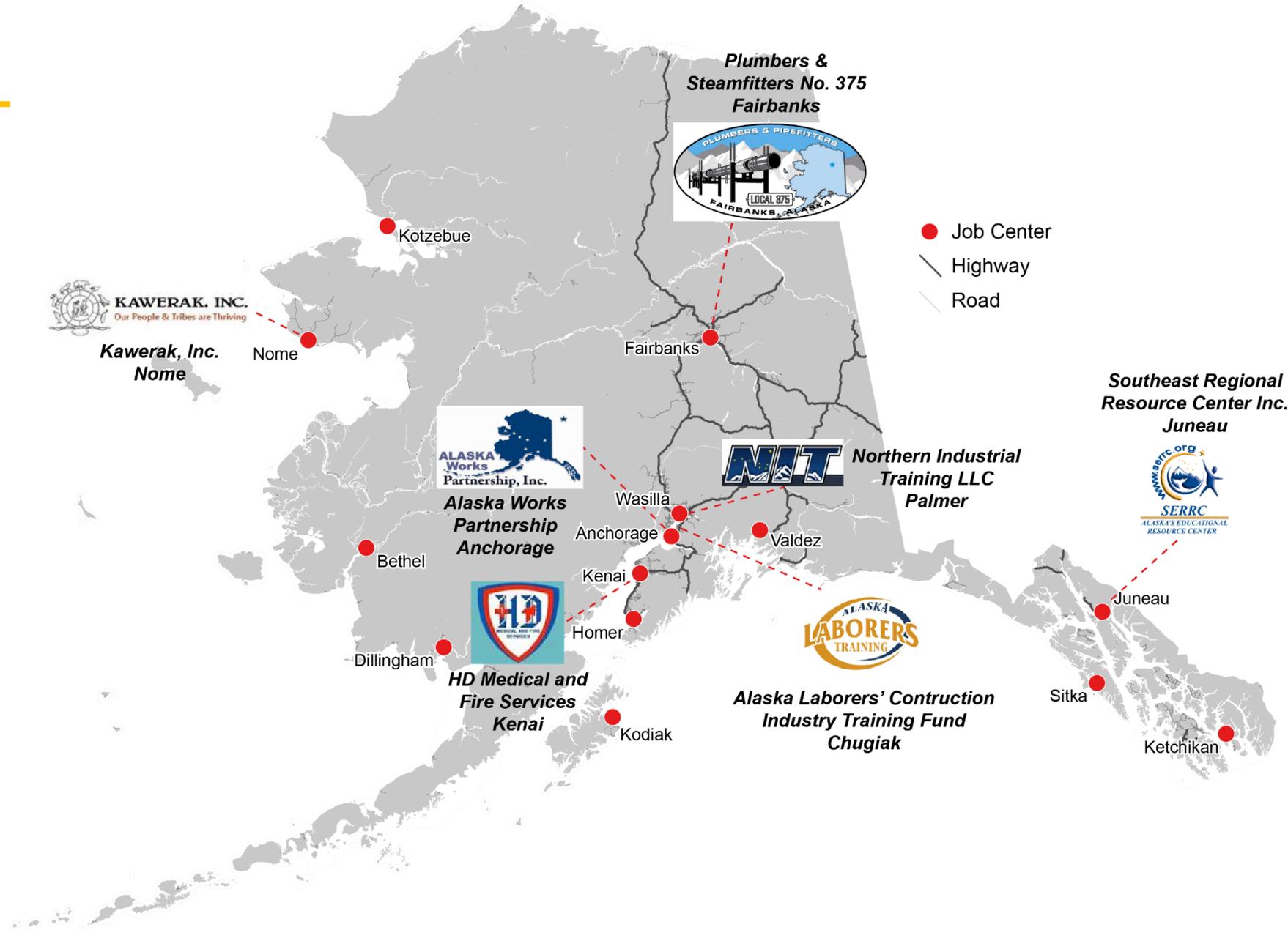
AS 23.15.620-AS 23.15.860

- STEP is a program to provide grants to eligible entities that provide training and employment assistance services to enhance the quality of in-state training and employment assistance and make it more easily available to employers, employees, and future employees.
- In FY2026, the Alaska Workforce Investment Board (AWIB) received a total of \$11.2 million in applications for the \$7 million authorized for STEP grants.
- The Alaska Job Center Network is expected to exhaust its funding for training grants to individuals by March, with a quarter still to go in the fiscal year.

# State Training and Employment Program (STEP) AWIB Funds

- FY2026 Budget provides \$7.1 million of STEP funding to eligible grantees for employment and training services.
- FY2024: grantees trained and supported 3,348 Alaskans through STEP funding.
- FY2025: 3,733 Alaskans supported with STEP through grantees.



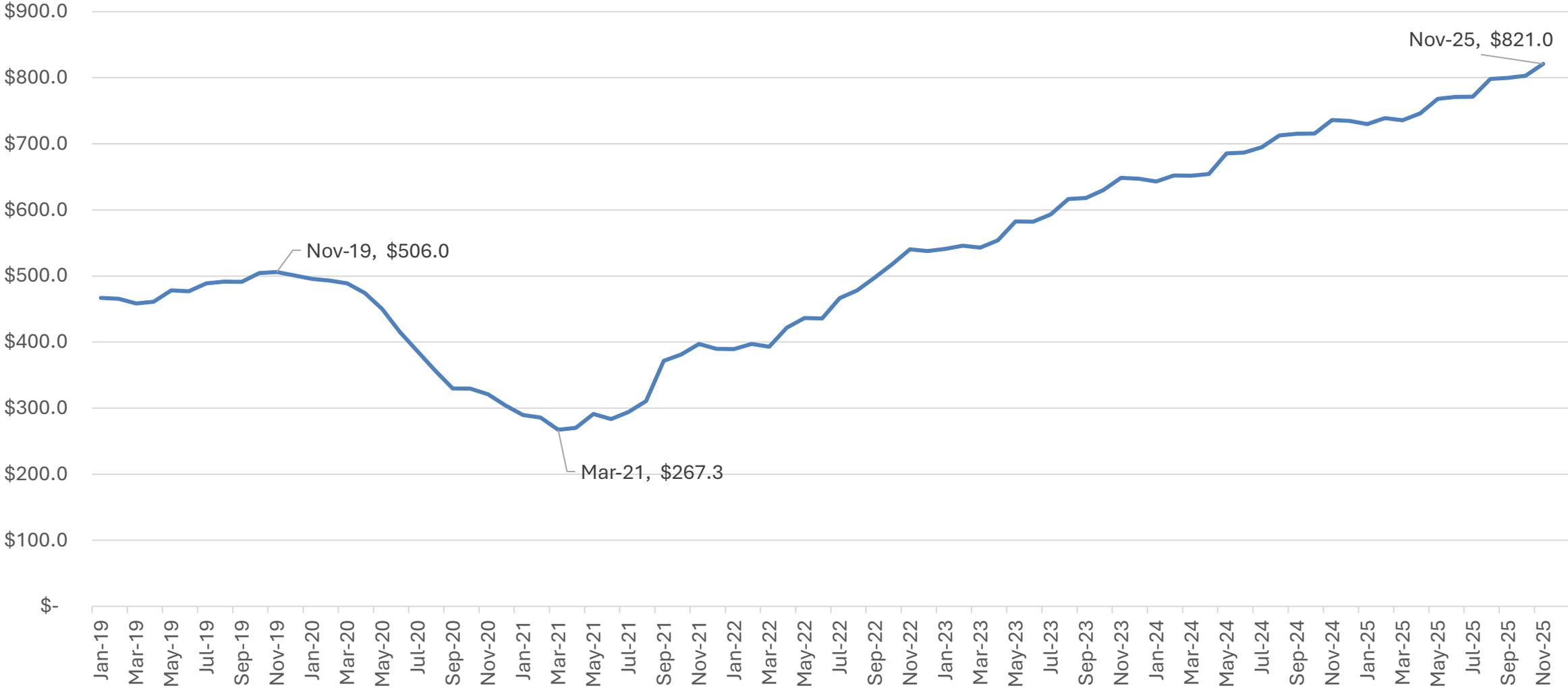


# State Training and Employment Program Competitive Awards

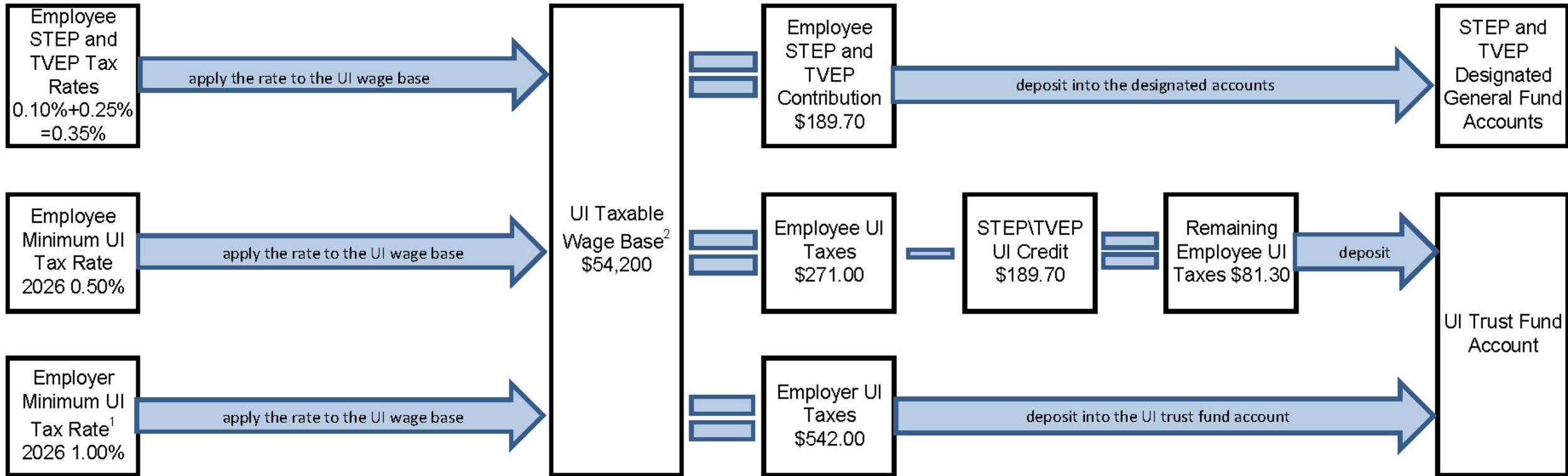
- Organizations eligible to apply for STEP funding under AS 23.15.641 include:
  - Private sector employers
  - Non-profit organizations
  - Regional training centers
  - Adult education and training providers
  - Sponsors of federally registered apprenticeship programs
  - Local and state government agencies
- Grant applications released the beginning February, due the end of March, and reviewed/approved by May 31.
- Priority given to applications that demonstrate strong organizational capacity, align with industry workforce needs, result in recognized credentials, and provide clear employment and wage growth outcomes.
- Budget proposals must be well-justified, cost-effective, and within funding limits. Additional consideration given to applicants contributing matching funds.

# Unemployment Insurance Trust Fund (UITF) Balance

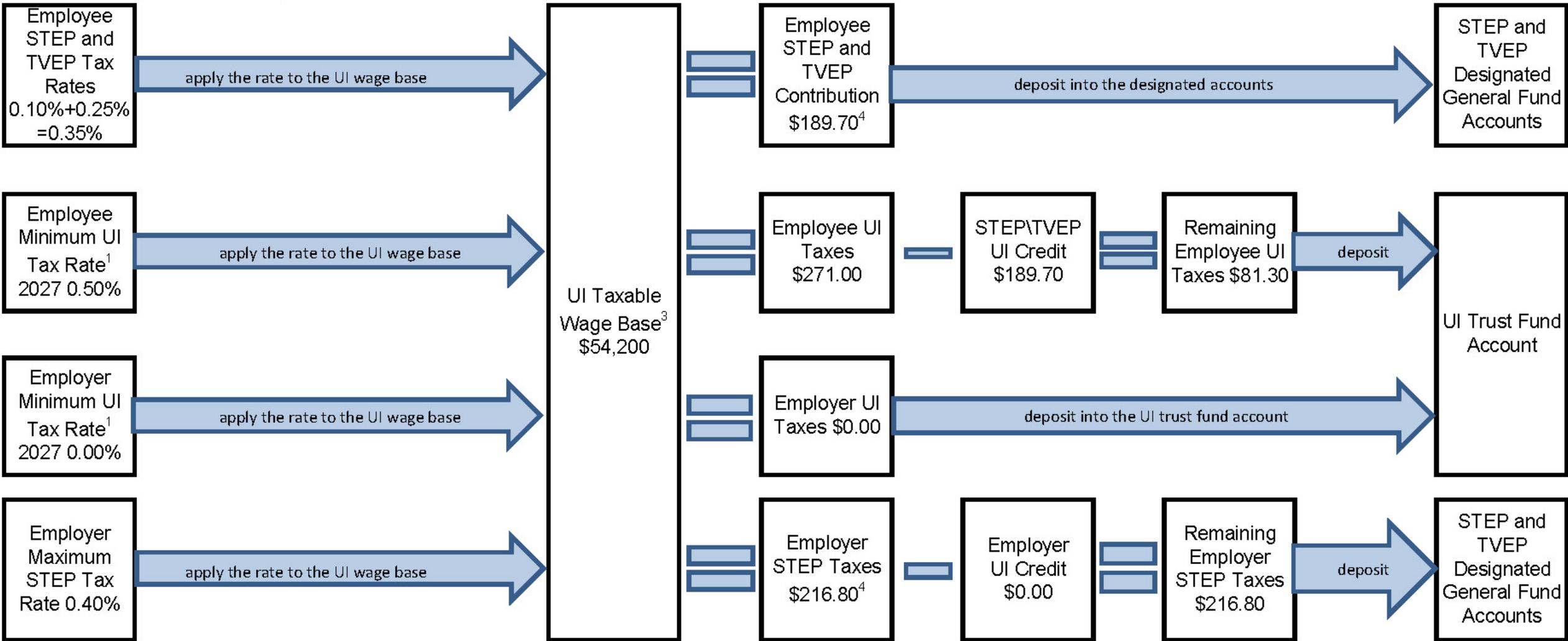
Historical UITF Balance (Millions)



# Current UI & STEP Tax Flow Chart



# SB217 UI & STEP Tax Flow Chart



CY2027 STEP Revenue Projection = \$55.6 million and UI Revenue Projection = \$22.2 million



# SB217 - Projections Through Calendar Year 2040

SB217 Employer Contributions Changes												
Calendar Year (CY)	Employer STEP Revenue (NEW)	Employee STEP Revenue (No Change)	STEP Total Revenue	Employer UI Revenue	Employee UI Revenue (No Change)	UI Total Revenue	Reserve Ratio	Average Employer UI Tax Rate	Average Employee UI Tax Rate	Average Employer Total Tax Rate	Average Employee Total Tax Rate	UI Trust Fund Beginning Balance
2027	\$44,259,676.67	\$11,497,045.22	<b>\$55,756,721.89</b>	\$4,927,491.41	\$17,245,567.83	<b>\$22,173,059.24</b>	5.31%	0.00%	0.15%	0.40%	0.50%	\$927,971,943.67
2028	\$47,056,242.21	\$11,854,581.61	<b>\$58,910,823.82</b>	\$4,012,520.09	\$17,781,872.42	<b>\$21,794,392.51</b>	5.36%	0.00%	0.15%	0.40%	0.50%	\$980,090,999.12
2029	\$48,494,404.95	\$12,206,934.61	<b>\$60,701,339.56</b>	\$4,500,002.13	\$18,310,401.92	<b>\$22,810,404.05</b>	5.14%	0.00%	0.15%	0.40%	0.50%	\$968,267,129.56
2030	\$49,916,322.65	\$12,555,818.53	<b>\$62,472,141.18</b>	\$4,143,844.84	\$18,833,727.79	<b>\$22,977,572.63</b>	4.93%	0.00%	0.15%	0.40%	0.50%	\$956,685,671.82
2031	\$51,269,797.55	\$12,902,368.40	<b>\$64,172,165.95</b>	\$4,585,626.65	\$19,353,552.60	<b>\$23,939,179.25</b>	4.73%	0.00%	0.15%	0.40%	0.50%	\$945,300,244.68
2032	\$52,648,226.02	\$13,247,348.98	<b>\$65,895,575.00</b>	\$4,605,793.85	\$19,871,023.47	<b>\$24,476,817.32</b>	4.55%	0.00%	0.15%	0.40%	0.50%	\$934,327,137.87
2033	\$53,449,965.00	\$13,591,275.80	<b>\$67,041,240.80</b>	\$4,576,007.95	\$20,386,913.71	<b>\$24,962,921.66</b>	4.39%	0.00%	0.15%	0.40%	0.50%	\$923,925,774.21
2034	\$54,026,139.67	\$13,934,495.95	<b>\$67,960,635.62</b>	\$4,662,748.21	\$20,901,743.92	<b>\$25,564,492.13</b>	4.23%	0.00%	0.15%	0.40%	0.50%	\$913,631,797.13
2035	\$55,392,595.04	\$14,277,242.74	<b>\$69,669,837.78</b>	\$4,829,532.00	\$21,415,864.12	<b>\$26,245,396.12</b>	4.08%	0.00%	0.15%	0.40%	0.50%	\$903,774,254.22
2036	\$56,751,227.86	\$14,619,672.78	<b>\$71,370,900.64</b>	\$5,014,377.23	\$21,929,509.17	<b>\$26,943,886.40</b>	3.94%	0.00%	0.15%	0.40%	0.50%	\$894,427,929.52
2037	\$58,107,255.78	\$14,961,890.96	<b>\$73,069,146.74</b>	\$5,151,240.00	\$22,442,836.44	<b>\$27,594,076.44</b>	3.81%	0.00%	0.15%	0.40%	0.50%	\$885,619,151.99
2038	\$59,465,990.49	\$15,303,967.37	<b>\$74,769,957.86</b>	\$5,222,427.72	\$22,955,951.05	<b>\$28,178,378.77</b>	3.69%	0.00%	0.15%	0.40%	0.50%	\$877,339,979.36
2039	\$60,022,143.76	\$15,645,948.73	<b>\$75,668,092.49</b>	\$7,525,592.96	\$23,468,923.10	<b>\$30,994,516.06</b>	3.58%	0.00%	0.15%	0.40%	0.50%	\$869,550,060.55
2040	\$60,829,022.97	\$15,987,866.08	<b>\$76,816,889.05</b>	\$15,550,305.84	\$23,981,799.12	<b>\$39,532,104.96</b>	3.48%	0.03%	0.15%	0.40%	0.50%	\$863,926,040.09



# Preparing Alaskans for the Jobs of Today – and Tomorrow

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