

# Fiscal Note

State of Alaska  
2026 Legislative Session

Bill Version:	SCS CSHB 78(L&C)
Fiscal Note Number:	3
(S) Publish Date:	2/2/2026

Identifier: HB078-DOA-DRB-01-27-26  
 Title: RETIREMENT SYSTEMS; DEFINED BENEFIT OPT.  
 Sponsor: FINANCE  
 Requester: (S) LABOR & COMMERCE

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)

	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
<b>OPERATING EXPENDITURES</b>								
Personal Services	1,020.6		1,020.6	704.2	704.2	704.2	704.2	704.2
Travel	16.0		16.0	16.0	16.0	16.0	16.0	16.0
Services	48.0		48.0	48.0	48.0	48.0	48.0	48.0
Commodities	60.0		4.0	3.0	3.0	3.0	3.0	3.0
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>1,144.6</b>	<b>0.0</b>	<b>1,088.6</b>	<b>771.2</b>	<b>771.2</b>	<b>771.2</b>	<b>771.2</b>	<b>771.2</b>

**Fund Source (Operating Only)**

1004 Gen Fund (UGF)	130.3		74.3	71.4	71.4	71.4	71.4
1017 Group Ben (Other)	335.8		335.8	231.7	231.7	231.7	231.7
1023 FICA Acct (Other)	5.8		5.8	4.0	4.0	4.0	4.0
1029 PERS Trust (Other)	487.0		487.0	336.0	336.0	336.0	336.0
1034 Teach Ret (Other)	176.0		176.0	121.4	121.4	121.4	121.4
1045 Nat Guard (Other)	9.7		9.7	6.7	6.7	6.7	6.7
<b>Total</b>	<b>1,144.6</b>	<b>0.0</b>	<b>1,088.6</b>	<b>771.2</b>	<b>771.2</b>	<b>771.2</b>	<b>771.2</b>

**Positions**

Full-time	6.0		6.0	6.0	6.0	6.0	6.0
Part-time							
Temporary	2.0		2.0				

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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 If yes, by what date are the regulations to be adopted, amended or repealed?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

**Why this fiscal note differs from previous version/comments:**

Personal Services have increased.

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Division:	Retirement & Benefits	Date:	01/27/2026
Approved By:	Stefanie Bingham, Administrative Services Director	Date:	01/27/26
Agency:	Department of Administration		

## FISCAL NOTE ANALYSIS

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## Analysis

This fiscal note details the anticipated Division of Retirement & Benefits (Division) operational fiscal impacts associated with this bill. The Division also anticipates fiscal impact to Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) trusts, however that impact will be discussed in a separate fiscal note.

This bill proposes opening the Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) benefit plans by adding a new defined benefit tier. New employees will be enrolled into the defined benefit plan and existing members participating in the Defined Contribution Retirement (DCR) plan will be allowed a one-time opportunity to convert to the new defined benefit tier.

The Division will require two non-permanent employees: an Accountant III and a Publications Specialist III (personal services) plus computer, phone, cubicle, supplies (commodities) for the first two fiscal years to complete the preparation work to account for the participant contributions and produce new program literature and forms. The Division will also require six permanent employees: two Retirement and Benefits Specialist II and four Retirement and Benefits Technician II (personal services) plus computers, phone, cubicle, supplies (commodities) to provide member counseling support and to process required documents.

The Division will incur costs related to contracted actuarial consultants to support establishment of the new tier and to advise on ongoing management activities, support from the Department of Law for legal and regulatory review, and will need to reprogram its computer systems, program a plan comparison tool for employees and print/post online the necessary documents and election forms for the inception of the new tiers as well as update existing publications (services). These costs are anticipated to largely accrue when the program is first established, however some consulting and legal support services will be ongoing.

Education to employers will be required to properly electronically report service and salaries of new employees and existing employees of the PERS DCR Plan and TRS DCR Plan that elect to convert. Education to employees will be required for PERS and TRS DCR employees to make an informed decision during the election period and for new members of the new tier which will require travel to employer worksites (travel).

The Department would need to update regulations as a result of the passage of this bill. The timing of these regulations would be determined by the effective date of the bill.