

# Fiscal Note

State of Alaska  
2025 Legislative Session

Bill Version:	SB 11
Fiscal Note Number:	3
(S) Publish Date:	4/7/2025

Identifier: SB011-DCCED-DOI-02-07-25  
 Title: FLOOD INSURANCE  
 Sponsor: STEDMAN  
 Requester: Senate Labor & Commerce

Department: Department of Commerce, Community and  
 Economic Development  
 Appropriation: Insurance Operations  
 Allocation: Insurance Operations  
 OMB Component Number: 354

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2026 Appropriation Requested	Included in Governor's FY2026 Request	Out-Year Cost Estimates				
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>OPERATING EXPENDITURES</b>	<b>FY 2026</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>	<b>FY 2031</b>
Personal Services	371.6		371.6	371.6	233.3	233.3	233.3
Travel	20.0		20.0	20.0	10.0	10.0	10.0
Services	100.0		75.0	75.0	50.0	50.0	50.0
Commodities	30.0		6.0	6.0	4.0	4.0	4.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>521.6</b>	<b>0.0</b>	<b>472.6</b>	<b>472.6</b>	<b>297.3</b>	<b>297.3</b>	<b>297.3</b>

**Fund Source (Operating Only)**

1156 Rcpt Svcs (DGF)	521.6						
1252 DGF Temp (DGF)			472.6	472.6	297.3	297.3	297.3
<b>Total</b>	<b>521.6</b>	<b>0.0</b>	<b>472.6</b>	<b>472.6</b>	<b>297.3</b>	<b>297.3</b>	<b>297.3</b>

**Positions**

Full-time	2.0		2.0	2.0	2.0	2.0	2.0
Part-time							
Temporary	1.0		1.0	1.0			

**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 (FY2025) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2026) cost:** 0.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** Yes  
*(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 If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/27

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

Not applicable, initial version.

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Division:	Division of Insurance	Date:	02/07/2025
Approved By:	Hannah Lager, Administrative Services Director	Date:	02/07/25
Agency:	Commerce, Community, and Economic Development		

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2025 LEGISLATIVE SESSION

Analysis

SB 11 establishes the Alaska Flood Authority (AFA) in the state as a "nonprofit incorporated legal entity." It also establishes a flood insurance fund in the general fund.

If this legislation is adopted, the Division of Insurance will be responsible for administering collections to the fund and coordinating an annual grant to the new nonprofit corporation. The division director will participate as an ex-officio member of the board, and approve the annual plan of operation for the AFA.

The division will require two Program Coordinators and one Administrative Assistant to manage activities related to the AFA and the flood insurance program for the division, as well as associated support costs. The Program Coordinators and the Administrative Assistant will be funded from insurance licensing receipts already collected by the division in the first year, which are more than sufficient to support these costs. One Program Coordinator will be established as a non-permanent position for three years to support the initial program setup and initial program operations.

The division also anticipates requiring contractual actuarial and other support for initial implementation of the flood authority, which is requested as a capital appropriation from the new flood insurance fund as the timing of the work is not yet known.

If this legislation passes, the Division of Insurance anticipates the following fiscal impacts:

<b>Personal Services:</b>	\$138.3	One full time Program Coordinator 2 (range 20) in Anchorage.
	\$138.3	One full-time Program Coordinator 2 (range 20) in Anchorage in FY2026 through FY2028.
	\$ 95.0	One full-time Administrative Assistant 2 (range 14) in Anchorage.
<b>Travel:</b>	\$ 20.0	Travel for each Program Coordinator 2 position in FY2026 through FY2028 to attend public hearings, meetings, and coordinate with AFA and other staff.
	\$ 10.0	Travel for the permanent Program Coordinator 2 position in FY2029 through FY2031.
<b>Services:</b>	\$ 25.0	Regulations review support from the Department of Law and expenses of public hearings.
	\$ 75.0	Statewide and allocated core services costs for positions in FY2026 through FY2028 (\$25.0 / position / year).
	\$ 50.0	Statewide and allocated core services costs for positions in FY2029 and FY2031 (\$25.0 / position / year).
<b>Commodities:</b>	\$ 30.0	One-time setup costs for equipment and space for each position in FY2026 (\$10.0 / position).
	\$ 6.0	Ongoing supply and equipment costs in FY2027 through FY2028 (\$2.0 / position / year).
	\$ 4.0	Ongoing supply and equipment costs in FY2029 through FY2031 (\$2.0 / position / year).