

# Fiscal Note

State of Alaska  
2025 Legislative Session

Bill Version:	SB 159
Fiscal Note Number:	2
(S) Publish Date:	5/16/2025

Identifier: SB159-DOLWD-WS-05-02-25  
 Title: TRAINING & EMPLOYMENT PROG:  
 CONTRIBUTIONS  
 Sponsor: LABOR & COMMERCE  
 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)

	FY2026	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2026 Request	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>OPERATING EXPENDITURES</b>	<b>FY 2026</b>	<b>FY 2026</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	1,338.7		1,338.7	1,338.7	1,338.7	1,338.7	1,338.7
Miscellaneous							
<b>Total Operating</b>	<b>1,338.7</b>	<b>0.0</b>	<b>1,338.7</b>	<b>1,338.7</b>	<b>1,338.7</b>	<b>1,338.7</b>	<b>1,338.7</b>

**Fund Source (Operating Only)**

1054 STEP (DGF)	1,338.7		1,338.7	1,338.7	1,338.7	1,338.7	1,338.7
<b>Total</b>	<b>1,338.7</b>	<b>0.0</b>	<b>1,338.7</b>	<b>1,338.7</b>	<b>1,338.7</b>	<b>1,338.7</b>	<b>1,338.7</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

1054 STEP (DGF)	1,338.7		1,338.7	1,338.7	1,338.7	1,338.7	1,338.7
<b>Total</b>	<b>1,338.7</b>	<b>0.0</b>	<b>1,338.7</b>	<b>1,338.7</b>	<b>1,338.7</b>	<b>1,338.7</b>	<b>1,338.7</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?** 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 If yes, by what date are the regulations to be adopted, amended or repealed?

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

Not applicable, initial version.

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 Approved By: Dan DeBartolo, Director of Administrative Services  
 Agency: Department of Labor and Workforce Development

Phone: (907)465-5543  
 Date: 05/02/2025  
 Date: 05/02/25

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2025 LEGISLATIVE SESSION**Analysis**

This legislation increases the current statutory set aside from the employee portion of unemployment payroll tax to the State Training and Employment Program (STEP) from one-tenth of one percent to two-tenths of one percent of covered wages. This will double the STEP revenue available to support individuals with training and costs for supportive services while in training.

The Workforce Services component operates 14 Job Centers across the state with staff that administer grants to individuals to help them obtain training. Career Support and Training Services (CSTS) case managers provide support for Alaskans to enter high-wage, high-growth jobs to ensure self-sufficiency and success. Eligible individuals are co-enrolled in other programs to maximize available resources, and may receive pre-vocational, vocational, pre-apprenticeship, apprenticeship, on-the-job, and incumbent worker training, as well as financial support to help meet costs of housing, transportation, tools, clothing, books, and supplies while participating in these program services.

In FY2025, Workforce Services received a one-time STEP appropriation of \$1,338.7 to support the training of Alaskans. With this increased funding the division was able to increase STEP enrollments from 271 Alaskans in FY2024 at this same time (through March 2024) to 475 in FY2025 as of March 2025. With this legislative change, the division can maintain this growth in training Alaskans for high-wage, high-growth jobs.

This fiscal note accounts only for the projected increase in Workforce Services STEP revenue, and not other impacted agencies.