



FISCAL NOTE

Senate Bill 154

Committee: ENACTED

Sponsor: Senator Greg Albritton

Analyst: Peter Grogan

Date: 09/11/2026

Senate Bill 154 (Act 2026-608) as enacted provides for a two-percent salary increase for state employees, effective on the first pay day during fiscal year 2027. This will increase personnel costs of state agencies by an estimated \$60.0 million in fiscal year 2027 and each fiscal year thereafter, of which the State General Fund portion is an estimated \$16.0 million.

In addition, this act provides for a one-time lump-sum bonus of \$1 per month for each year of service attained to Employees' Retirement System (ERS) retirees, or their beneficiaries, whose effective date of retirement is prior to October 1, 2025. This bonus will be paid in October 2026.

According to the actuary of the Retirement Systems of Alabama (RSA), the lump-sum bonus will cost an estimated \$7.86 million, of which the State General Fund portion is an estimated \$2.4 million. For fiscal year 2028 only, the ERS employer rate paid by state agencies will increase by an estimated 0.44% of payroll for state employees, and by 0.54% for state police.