

ALASKA STATE LEGISLATURE

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SENATOR JAMES KAUFMAN

Sponsor Statement for SB 163 – Bill Version G

Over the years, special funds have been created to receive, hold or disperse money for State purposes. Over time, many funds have become inactive because their intended use is over or the state accomplishes the same purpose using different accounts or procedures.

At the beginning of each Legislature, the Legislative Finance Division (LFD) produces a report on inactive or obsolete funds. The report released at the beginning of 2025 listed 56 inactive funds and made recommendations to the legislature on whether or not these funds should be repealed.

For the 56 inactive funds they identified, LFD researched the history and legislative intent of each fund. They then worked with the Office of Management and Budget (OMB) and the relevant departments to determine if the funds had any ongoing or potential future use. LFD assigned one of the following recommendations for each fund to the legislature: *maintain*, *consider maintain*, *repeal*, or *consider repeal or revision*.

SB 163 seeks to repeal 3 inactive state fund accounts categorized as *repeal* or *consider repeal or revision*. The remaining funds recommended for repeal affect multiple sections of statute, thus are not included in this bill at this time.

SB 163 is a small way for us to clean up our books and ensure our state dollars are spent on more critical needs while avoiding unintended consequences by enacting LFD's recommendations. It is a part of 3 bills that focuses on this issue.

SB 163 focuses on standalone inactive funds/accounts, SB 263 focuses on childcare-related inactive funds, and SB 264 focuses on housing-related inactive funds.