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SB 107 An Act establishing a violation for hindering the Alaska Sunset Commission; establishing the Alaska Sunset Commission to review and make recommendations on discontinuation of or changes to state entities; and relating to the powers and duties of the Alaska Sunset Commission.”

February 21, 2025

Sectional Analysis

Section 1 – AS 11.56.845 – Page 1, Lines 6 through Page 2, Line 4 — Amends AS 11.56.845 to extend the existing law against obstructing the Legislative Budget and Audit Committee to include hindering the Alaska Sunset Commission. It criminalizes intentional refusal to cooperate or interference with others' cooperation. The penalty remains a fine of up to \$5,000.

Section 2 – AS 39.25.020(b) – Page 2, Line 5 through 11 — Imposes employment restrictions on individuals who have been convicted of obstructing the commission's work unless they obtain a waiver from the commissioner of administration. Before granting a waiver, the commissioner must notify the Legislative Budget and Audit Committee or the Alaska Sunset Commission.

Section 3 – AS 39.25.080(b) – Page 2, Lines 12 through 25 — Expands public access to records showing whether a state employee was dismissed or disciplined for interfering with the Alaska Sunset Commission.

Section 4 – AS 39.25.160 – Page 2, Lines 26 through Page 3 Line 1 — Adds a new subsection prohibiting a state employee from obstructing cooperation with the Alaska Sunset Commission. Violation constitutes just cause for dismissal or other appropriate disciplinary action.

Section 5 – AS 39.90.140(3) – Page 3, Line 2 through Line 13 — Expands the definition of "matters of public concern" to include interference with the Alaska Sunset Commission.

Section 6 – AS 40.25.220 (2) – Page 3, Line 14 through Line 19 — Officially classifies the Alaska Sunset Commission as a public agency, similar to the University of Alaska and Alaska Railroad Corporation.

Section 7 – AS 44.99 – Page 3, Line 20 through Page 8 Line 27 — Establishes the Alaska Sunset Commission and its membership structure to be the following:

AS 44.99.700 (Establishment of commission; composition)

- (a) Establishes the Alaska Sunset Commission within the executive branch;
- (b) Defines the commission’s composition—seven members appointed by the governor and confirmed by the legislature. Members must have expertise in financial management, budgeting, economics, business operations, process improvement, and government efficiency;
- (c) Allows for member reappointment with staggered five-year terms;
- (d) Requires the governor to fill vacancies within 30 days;
- (e) Mandates the selection of a chair from commission members. Establishes that a quorum is five members and that actions require five affirmative votes;
- (f) Prohibits members from participating in reviews, audits, or reports involving an entity that employs or is negotiating employment with them or their immediate family;
- (g) Authorizes the commission to hire staff and retain consultants as needed, requiring expertise in administrative functions, financial management, business operations, process improvement, and government efficiency;
- (h) Specifies that members serve without compensation but may receive per diem and travel expenses under AS 39.20.180. Requires compliance with AS 39.50 (financial disclosure).

AS 44.99.710 (Powers and duties of the commission)

- (a) Lists the primary responsibilities:
 - 1. Review and audit the activities and budgets of designated state entities;
 - 2. Evaluate the public need for the continued existence or restructuring of an entity and recommend its continuation, discontinuation, restructuring, or transfer of functions;
 - 3. Prepare and submit reports on reviewed entities to the governor and legislature not later than the 10th day of the legislative session.
- (b) Grants the commission authority to require full cooperation from state agencies and officials, including access to information and staff interviews.
- (c) Allows the commission or designated staff to attend public and closed meetings of an entity and inspect all records, including confidential ones.
- (d) Grants the commission the power to hold public meetings, administer oaths, issue subpoenas, including the ability to compel witness testimony, and have the deposition

of witnesses taken in a manner prescribed by court rule or law for taking depositions in civil actions.

AS 44.99.720 (State entity's report to the commission)

(a) Entities subject to review and audit are required to submit a report by September 1 of the preceding calendar. The report must include the following:

1. The extent to which the entity meets statutory criteria under AS 44.99.740;
2. A list of reports required by law and an evaluation of their necessity based on whether factors or conditions have changed since the requirement to prepare the report was enacted;
3. Any other relevant information requested by the commission.

(b) Requires submission in electronic format as specified by the commission.

(c) Clarifies that providing privileged or confidential information to the commission does not waive any legal privilege.

AS 44.99.730 (Review and audit of state entities)

(a) Mandates that at least one entity is reviewed and audited annually. The commission must notify the entity in advance to allow time for preparation.

(b) Expands the audit scope to include the following:

1. Any state instrumentalities established within the entity;
2. Any advisory committees, task forces, or groups established to advise or assist the entity by law or by the department in which the entity is established.

AS 44.99.740 (Criteria for review and audit)

(a) Lists factors the commission must consider in determining whether an entity should continue, be restructured, or be eliminated, including:

1. Whether the entity fulfills its statutory mission under AS 37.07.014;
2. Whether the entity's performance measurements are appropriate and met;
3. Whether the entity's services could be provided at lower cost;
4. Whether the entity engages in non-mandated activities and their effectiveness;
5. Whether process improvements could benefit the entity and the public;
6. Cost-effectiveness, including the following:
 - Appropriateness of budget allocations
 - Staffing levels and salaries
 - Travel costs
 - Operating structure, hours, and office facilities
7. Overlap with other entities and potential for reorganization;
8. Whether the entity makes state interactions difficult for the public;
9. Whether statutory changes are necessary;
10. Other standards established by the commission.

(b) Requires at least one public hearing on the interconnected state road system.
Requires the commission to provide an opportunity for public testimony.

AS 44.99.750 (Report by commission)

(a) Requires the commission to submit a report to the legislature summarizing audit results, public comments, and recommendations regarding an entity's continuation, restructuring, or termination. The report must be delivered within the first 10 days of a legislative session following the calendar year of the review and audit. The commission shall include in the report draft legislation to implement the commission's recommendations. Draft legislation must be submitted to the rules committee of each house with a request to introduce the legislation to implement the commission's recommendations.

(b) If discontinuation is recommended, the report must include the following:

1. A timeline for winding down operations;
2. Procedures for transferring records;
3. If restructuring is recommended, a detailed restructuring plan.

(c) Mandates that a legislative committee must hold a hearing on the commission's recommendations. If no bill is introduced to implement the recommendations, the reviewed entity automatically expires on June 30 of the following fiscal year. The entity's duties are transferred to its parent department.

AS 44.99.759 (Definitions)

(1) Defines "commission" as the Alaska Sunset Commission.

(2) Defines "entity" as divisions, boards, authorities, corporations, or other executive branch units, excluding judicial and legislative agencies and the University of Alaska.

Section 8 – AS 08.03.020(b) and AS 44.66.050 – Page 8, Line 28 — Statutes are repealed, removing conflicting provisions related to entity review and sunset processes.