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# ALASKA STATE LEGISLATURE



## Senate Finance Committee

### Finance Subcommittees

- Chair, Judiciary
- Chair, Military & Veterans' Affairs
- Public Safety

## SENATOR BILL WIELECHOWSKI

May 3, 2021

The Honorable Click Bishop  
Co-Chair, Senate Finance Committee  
Alaska State Capitol, Room 516  
Juneau, AK 99801

The Honorable Bert Stedman  
Co-Chair, Senate Finance Committee  
Alaska State Capitol, Room 518  
Juneau, AK 99801

Dear Co-Chair Bishop, Co-Chair Stedman, & the Members of the Senate Finance Committee,

Thank you for your discussion on April 20, 2021 in the Senate Finance Committee's first hearing on my bill, SB 25, which would establish in law a searchable database demonstrating the expenditures of the state for transparency and accountability to the people of Alaska.

I am providing the following responses to the committee's questions and concerns from the hearing.

**1. Senator Hoffman asked if encumbrances could be included in the Online Checkbook.**

The State of Alaska's internal accounting system, IRIS, keeps track of encumbrances. Therefore it is possible to include encumbrances in the Alaska Online Checkbook database. However, an encumbrance is not an expense and we would need a definition of "encumbrance", and it would need to be established that it is distinct from the definition of "expense." Information on encumbrances would need to be placed in a separate part of the Online Checkbook than revenues and expenditures. The Department of Administration reports that it could set up a monthly report on encumbrances for the Online Checkbook with minimal difficulty and cost.

A concern with including encumbrance amounts in the Online Checkbook is that they are constantly changing over the course of the year. This could lead to an increase in public information requests as individuals try to reconcile encumbrance and expense numbers.

**2. Senator Stedman asked if the Online Checkbook could include unspent, encumbered amounts of state accounts to demonstrate remaining amounts available for appropriation.**

The Department of Revenue, Treasury Division currently tracks the cash balances of state accounts, but at any given time does not track encumbrances that may yet reduce those balances. The Department of Administration reports that the books have to be closed to determine the unobligated balances and that requires hundreds of accounting adjustments. Until the state's Annual Comprehensive Financial Report is prepared, the Division would not possess precise information on encumbrances and would be unable to accurately report encumbrances against accounts in the Alaska Online Checkbook, which requires monthly updates of data entries.

- 3. Senator Hoffman stated that the online checkbook shows expenditures, but it does not show total allocations for projects. Senator Hoffman asked if the online checkbook could show the amount expended for a project versus the total amount that has been allocated.**

The Office of Management and Budget tracks the capital budget appropriations in the Capital Appropriation Status Report, which is usually published in early February. While the Department of Administration reports that demonstrating these comparisons could be done, it would be significantly more expensive and add additional complexity to the Alaska Online Checkbook as well as extend the timeline to complete the Online Checkbook.

- 4. Senator Bishop requested data on visitor traffic to Alaska's current searchable expenditures website and asked how much traffic other states' online checkbook sites receive each year.**

The Department of Administration's searchable expenditures site, the Alaska Checkbook Online, came first became functional in 2008. However, the Department did not track page views until 2018. The Department has provided the following information related to website traffic to the Alaska Checkbook Online website:

Year	Page Views
2018	781
2019	1,339
2020	1,184
2021 (to date)	525

Note that between about March 2020 and January 2021, Alaska Checkbook Online was nonoperational for public access. Had the site been functioning, we assume that visitor traffic during that period would have reflected greater numbers.

In addition, we anticipate that with the enactment of SB 25, which will require reliable public accessibility and provide improvements to the user experience in both the user interface and in its broadening of the types of state financial data made searchable, that ever-increasing numbers of Alaskans would visit and use the new Alaska Online Checkbook.

According to available information from the state of Ohio's Online Checkbook, which is among the most user-friendly, smooth-running of such systems, there have been 33,481 site visits since its launch in 2015.

**5. Senator Wilson asked why SB 25 does not include reimbursable service agreements (RSAs).**

While the Online Checkbook does not identify reimbursable service agreements (RSA), the external expense incurred by the state would be reported in the Online Checkbook. RSAs are an internal billing mechanism. If the Online Checkbook included RSAs, then it would appear in the Checkbook as a duplicated expense for the department that originally paid for a service and the department that was billed through the RSA process.

I appreciate the opportunity to respond to the committee's questions. Please contact my staffer Nate Graham or myself if you have additional comments, questions, or concerns.

Sincerely,

A handwritten signature in blue ink that reads "Bill Wielechowski". The signature is written in a cursive, flowing style.

Senator Bill Wielechowski

*Via Email*