

Alaska State Legislature

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Senator Shelley Hughes

Senate District F—Palmer, Chugiak, Peters Creek, Eklutna, Fairview Loop, Gateway, Butte, Lazy Mountain

Senate Bill 57

“The Alaska Sunset Commission Act”

Sponsor Statement

SB 57 “The Alaska Sunset Commission Act” will help ensure transparency, efficiency, cost-effectiveness, statutory alignment, and constitutional alignment in the operation of our state government. SB 57 establishes the Alaska Sunset Commission as an apolitical, independent, and objective entity charged with reviewing, via detailed and robust audits, each department by division in the state on a rotating schedule. The Commission will make recommendations related to the performance and costs to the legislature. To prevent a division from sunseting and its statutory duties falling to the department’s office of the commissioner, the legislature will need take up and act on the audit report*.

The annual audit reports will also be available to the executive branch for purposes of both performance and structural improvements within departments as well as for the construction of the governor’s budget each year.

The Commission will be comprised of nine individuals from the private sector with financial, budget analysis, accounting, operations management, and other areas of expertise who are appointed by the governor and confirmed by the legislature. The Commission will serve without compensation but will be entitled to per diem and travel expenses authorized for boards and commissions. The Commission may employ staff as it determines necessary to perform its duties.

Along with the submission of the audit report to the legislature, the Commission will provide any recommended statutory changes necessary to accomplish the recommendations in the report.

The size and scope of government can sometimes be hard to grasp and understand, and too often unwieldy and hard to control. Currently, the House and Senate Finance members are asked in a matter of a few months to figure out what is going on in each of the fourteen departments; essentially their only window is what the executive branch provides. With this limited information and in short order, legislators are tasked with making decisions each year involving spending billions of public dollars. Access to an extensive audit will help hold future governors accountable to building a responsible budget and will help legislators’ appropriate public dollars wisely.

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The result will be more cost-effective and efficient departments that better meet their statutory and constitutional obligations. This in turn will result in overall improved state operations which will better serve Alaskans.

This is especially important as we aim for fiscal sustainability. Although oil prices are high now, we all know that this will not always be the case. While government serves many essential functions, we must bear in mind that its cost should be proportional to our relatively small population. The Commission will help ensure both: that the departments perform their essential functions well and that they do it cost-effectively.

Senate Bill 57 is based upon the Texas model, the Texas Sunset Advisory Commission. That Commission was established in 1977 and is responsible for recommendations on the need for, performance of and improvements to agencies under review each year. Since its establishment, the Texas Sunset Advisory Commission has abolished 85 unneeded state agencies. Of that total, 39 agencies were completely abolished and 46 had their functions transferred to existing or newly created state agencies.

This bill will not dismantle Legislative Budget and Audit (LB&A) but note that LB&A's work is solely on behalf of the legislature and primarily pertains to reviewing boards and commissions within the executive branch. SB 57 will provide both the legislative branch and the executive branch with an important tool, the Alaska Sunset Commission, for reviewing the operations and cost of the overall state government.

By establishing this Commission, we can help ensure that our state government is the right size and working well for the people of Alaska. With the guidance of the transparent Commission's reports, the governor will build more appropriate budgets, and the legislature will have the information it needs to route public dollars more accurately and correctly and adjust statutes as needed for improvements and efficiencies. Both branches will be held to a greater degree of accountability. I hope that you will join me in supporting more responsible government that stays on mission and does not break the bank by supporting Senate Bill 57 The Alaska Sunset Commission.

**This is language that is not yet in Version B.*

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