

HOUSE CS FOR CS FOR SENATE BILL NO. 33(FIN) am H

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 4/30/99

Offered: 4/29/99

Sponsor(s): SENATOR WARD

REPRESENTATIVE Kohring

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to contracts for the performance of certain state functions
2 previously performed by state employees and to the Commission on Privatization
3 and Delivery of Government Services; and providing for an effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** FINDINGS AND INTENT. (a) The legislature finds that

6 (1) the annual cost of state government is exceeding the annual revenue of the
7 state;

8 (2) the State of Alaska, other states, and the federal government have
9 successfully and substantially reduced government spending and increased government
10 efficiency by contracting with third parties to perform particular state or government functions;

11 (3) there may be functions of our current state government that can be
12 performed more efficiently by any or all of the following entities:

13 (A) nongovernmental or private organizations;

14 (B) local government or regional service organizations;

1 (4) there may be functions that state government should not continue to
2 perform, but should leave to the federal government;

3 (5) there may be state government functions that should be consolidated or
4 otherwise performed more efficiently;

5 (6) there exist state government functions that would be inappropriate to
6 contract out to nongovernmental agencies;

7 (7) there may be functions of state government that should cease.

8 (b) The legislature finds it is in the best interest of the state to make a formal
9 determination of which state government functions can and should be transferred entirely to
10 private entities or to local government agencies and whether the state should stop performing
11 some functions for the federal government. The legislature also finds that it is in the best
12 interest of the state to determine which state government functions can be consolidated or
13 otherwise made more efficient.

14 (c) The legislature intends to make the determination set out in (b) of this section in
15 order to reduce dependency on state governmental revenues for the delivery of government
16 services.

17 * **Sec. 2. COMMISSION ON PRIVATIZATION AND DELIVERY OF GOVERNMENT**
18 **SERVICES.** (a) There is created in the legislative branch of the state government the
19 Commission on Privatization and Delivery of Government Services. The commission shall
20 consist of 15 members, as follows:

21 (1) two members appointed by the governor;

22 (2) one member of the senate appointed by the president of the senate who
23 shall serve as co-chair;

24 (3) one member of the house appointed by the speaker of the house who shall
25 serve as co-chair;

26 (4) one member appointed by the Alaska Municipal League;

27 (5) one member appointed by legislators who are members of the rural bush
28 caucus;

29 (6) one public member appointed by the president of the senate who shall be
30 a representative of a Native corporation established under 43 U.S.C. 1601-1628 (Alaska Native
31 Claims Settlement Act);

1 (7) one public member appointed by the speaker of the house who shall be a
 2 representative of a nonprofit corporation formed by a Native corporation established under 43
 3 U.S.C. 1601-1628 (Alaska Native Claims Settlement Act);

4 (8) one member appointed by the Alaska State Chamber of Commerce;

5 (9) one member appointed by the American Federation of Labor - Congress
 6 of Industrial Organizations;

7 (10) one member appointed by the largest union representing public employees
 8 in the state;

9 (11) one public member appointed by the president of the senate;

10 (12) one public member appointed by the speaker of the house;

11 (13) one member from the minority caucus of the house appointed by the
 12 governor;

13 (14) one member from the minority caucus of the senate appointed by the
 14 governor.

15 (b) The commission may appoint an advisory council to assist it in carrying out its
 16 duties.

17 * **Sec. 3. COMPENSATION.** (a) The public members of the Commission on Privatization
 18 and Delivery of Government Services appointed under sec. 2 of this Act are entitled to per
 19 diem and travel expenses authorized for boards and commissions under AS 39.20.180.

20 (b) Members of the advisory council appointed under sec. 2(b) of this Act are not
 21 eligible for compensation, per diem, or payment of travel or other expenses by the state.

22 * **Sec. 4. MEETINGS.** The Commission on Privatization and Delivery of Government
 23 Services shall meet as frequently as the commission determines necessary to perform its work.
 24 The commission may meet and vote by teleconference.

25 * **Sec. 5. DUTIES.** (a) The Commission on Privatization and Delivery of Government
 26 Services shall

27 (1) review and evaluate the policies and recommendations of other states that
 28 are studying or have implemented recommendations to transfer the provision of government
 29 services to other entities;

30 (2) review state contracting policy and procedures, including competitive
 31 bidding procedures;

1 (3) identify state government functions capable of more efficient performance
 2 in the delivery of government services, and determine whether those identified functions could
 3 most effectively be provided by

4 (A) transferring to the private sector or contracting out;

5 (B) transferring to local governments or regional service organizations;

6 (C) the federal government;

7 (D) consolidation or other efficiency changes; or

8 (E) a combination of the approaches under (A) - (D) of this paragraph;

9 (4) identify state government functions that should be eliminated;

10 (5) identify present state government services that are most effectively and
 11 efficiently delivered by the state and that should remain a responsibility of the state;

12 (6) solicit public comment about the delivery of state government services.

13 (b) By January 1, 2000, the Commission on Privatization and Delivery of Government
 14 Services shall submit a written preliminary report of its findings and recommendations to the
 15 governor and the legislature.

16 (c) By January 1, 2001, the Commission on Privatization and Delivery of Government
 17 Services shall submit a written report of its findings and recommendations to the governor and
 18 the legislature. The report must include suggested legislation that may be needed to
 19 accomplish the recommendations. The report must specify which

20 (1) state-funded functions should be transferred to the private sector or
 21 contracted out;

22 (2) state-funded functions should be transferred to local governments or
 23 regional service organizations;

24 (3) state agencies or state-funded functions should be consolidated or otherwise
 25 made more efficient;

26 (4) state-funded functions should be performed by the federal government;

27 (5) state-funded functions should be eliminated as functions of state
 28 government.

29 * **Sec. 6.** This Act is repealed on January 1, 2001.

30 * **Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).