

CS FOR SENATE BILL NO. 33(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/1/99
Referred: Rules

Sponsor(s): SENATOR WARD

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

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

16 * **Sec. 2.** AS 23.40.075 is amended to read:

17 **Sec. 23.40.075. Items not subject to bargaining.** The parties may not
18 negotiate terms contrary to the

19 (1) reemployment rights for injured state employees under
20 AS 39.25.158;

21 (2) reemployment rights of the organized militia under AS 26.05.075;

22 (3) authority of the Department of Health and Social Services under
23 AS 47.27.035 to assign Alaska temporary assistance program participants to a work
24 activity considered appropriate by the Department of Health and Social Services; [OR]

25 (4) authority for agencies to create temporary positions under
26 AS 47.27.055(c); or

27 (5) unrestricted authority of the employer to enter into a contract
28 with an entity in the private sector of the economy to perform a function
29 previously performed by state employees.

30 * **Sec. 3.** AS 23.40.080 is amended by adding a new subsection to read:

31 (b) If the state intends to enter into a contract with an entity in the private

1 sector of the economy to perform a function previously performed by state employees,
 2 the labor or employee organization representing those employees may prepare and
 3 submit a response on behalf of the employees to demonstrate that the state will not
 4 reduce costs by contracting for performance of the function. The response prepared
 5 and submitted by the labor or employee organization is not entitled to a preference
 6 over bids submitted to perform the function, but the state shall consider the response
 7 before making its decision.

8 * **Sec. 4.** Nothing in secs. 2 and 3 of this Act terminates or modifies a collective
 9 bargaining agreement in effect on the effective date of this Act.

10 * **Sec. 5.** COMMISSION ON PRIVATIZATION AND DELIVERY OF GOVERNMENT
 11 SERVICES. (a) There is created in the legislative branch of the state government the
 12 Commission on Privatization and Delivery of Government Services. The commission shall
 13 consist of 11 members, as follows:

14 (1) two members appointed by the governor, one of whom shall be a
 15 representative of the labor unions;

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

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

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

21 (5) one member of the local boundary commission appointed by the local
 22 boundary commission;

23 (6) two public members appointed by the president of the senate;

24 (7) two public members appointed by the speaker of the house;

25 (8) one member appointed by the Alaska State Chamber of Commerce.

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

28 * **Sec. 6.** COMPENSATION. (a) The public members of the Commission on Privatization
 29 and Delivery of Government Services appointed under sec. 5(a)(6) and (7) of this Act are not
 30 eligible for compensation but are entitled to per diem and travel expenses authorized for
 31 boards and commissions under AS 39.20.180.

1 (b) Members of the advisory council appointed under sec. 5(b) of this Act are not
2 eligible for compensation, per diem, or payment of travel or other expenses by the state.

3 * **Sec. 7. MEETINGS.** The Commission on Privatization and Delivery of Government
4 Services shall meet as frequently as the commission determines necessary to perform its work.
5 The commission may meet and vote by teleconference.

6 * **Sec. 8. DUTIES.** (a) The Commission on Privatization and Delivery of Government
7 Services shall

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

11 (2) review state contracting policy and procedures, including competitive
12 bidding procedures;

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

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

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

18 (C) the federal government;

19 (D) consolidation or other efficiency changes; or

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

21 (4) identify present state government services that are most effectively and
22 efficiently delivered by the state and that should remain a responsibility of the state;

23 (5) solicit public comment about the delivery of state government services.

24 (b) By January 1, 2000, the Commission on Privatization and Delivery of Government
25 Services shall submit a written report of its findings and recommendations to the governor and
26 the legislature. The report must include suggested legislation that may be needed to
27 accomplish the recommendations. The report must specify which state agencies or functions
28 should be

29 (1) transferred to the private sector or contracted out;

30 (2) transferred to local governments or regional service organizations;

31 (3) consolidated or otherwise made more efficient;

- 1 (4) performed by the federal government.
- 2 * **Sec. 9.** Sections 1 and 5 - 8 of this Act are repealed on January 1, 2000.
- 3 * **Sec. 10.** This Act takes effect immediately under AS 01.10.070(c).