

ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE

February 17, 2022

3:03 p.m.

MEMBERS PRESENT

Representative Jonathan Kreiss-Tomkins, Chair
Representative Matt Claman, Vice Chair
Representative Geran Tarr
Representative Andi Story (via teleconference)
Representative Sarah Vance
Representative James Kaufman
Representative David Eastman

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 291

"An Act extending the termination date of the Council on Domestic Violence and Sexual Assault; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 37

"An Act relating to deposits into the dividend fund; relating to income of and appropriations from the earnings reserve account; relating to the taxation of income of individuals, partners, shareholders in S corporations, trusts, and estates; relating to a payment against the individual income tax from the permanent fund dividend disbursement; repealing tax credits applied against the tax on individuals under the Alaska Net Income Tax Act; and providing for an effective date."

- HEARD & HELD

CS FOR SENATE BILL NO. 25(FIN)

"An Act relating to the establishment and maintenance of an Internet website providing information on state government financial transactions and specifying the information to be made available on the website; and relating to the Alaska Checkbook Online Internet website."

- HEARD & HELD

HOUSE BILL NO. 86

"An Act relating to the establishment and maintenance of an Internet website providing information on state government financial transactions and specifying the information to be made available on the website."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 291

SHORT TITLE: EXTENDING COUNCIL ON DOMESTIC VIOLENCE

SPONSOR(S): REPRESENTATIVE(S) TARR

01/27/22 (H) READ THE FIRST TIME - REFERRALS
01/27/22 (H) STA, FIN
02/17/22 (H) STA AT 3:00 PM GRUENBERG 120

BILL: HB 37

SHORT TITLE: INCOME TAX; PERMANENT FUND; EARNINGS RES.

SPONSOR(S): REPRESENTATIVE(S) WOOL

02/18/21 (H) PREFILE RELEASED 1/8/21
02/18/21 (H) READ THE FIRST TIME - REFERRALS
02/18/21 (H) CRA, STA, FIN
04/28/21 (H) W&M REPLACES CRA REFERRAL
04/28/21 (H) BILL REPRINTED
05/11/21 (H) W&M AT 11:30 AM DAVIS 106
05/11/21 (H) -- MEETING CANCELED --
05/13/21 (H) W&M AT 11:30 AM DAVIS 106
05/13/21 (H) Heard & Held
05/13/21 (H) MINUTE(W&M)
05/15/21 (H) W&M AT 11:30 AM DAVIS 106
05/15/21 (H) Heard & Held
05/15/21 (H) MINUTE(W&M)
05/18/21 (H) W&M AT 11:30 AM DAVIS 106
05/18/21 (H) Moved CSHB 37(W&M) Out of Committee
05/18/21 (H) MINUTE(W&M)
05/19/21 (H) W&M RPT CS(W&M) 5DP 2DNP
05/19/21 (H) DP: SCHRAGE, STORY, JOSEPHSON, WOOL,
SPOHNHOLZ
05/19/21 (H) DNP: PRAX, EASTMAN
01/27/22 (H) STA AT 3:00 PM GRUENBERG 120
01/27/22 (H) Heard & Held
01/27/22 (H) MINUTE(STA)

02/17/22 (H) STA AT 3:00 PM GRUENBERG 120

BILL: SB 25

SHORT TITLE: STATE GOV'T FINANCES: WEBSITE

SPONSOR(s): SENATOR(s) WIELECHOWSKI

01/22/21 (S) PREFILE RELEASED 1/8/21
01/22/21 (S) READ THE FIRST TIME - REFERRALS
01/22/21 (S) STA, FIN
02/02/21 (S) STA AT 3:30 PM BUTROVICH 205
02/02/21 (S) Heard & Held
02/02/21 (S) MINUTE(STA)
02/11/21 (S) STA AT 3:30 PM BUTROVICH 205
02/11/21 (S) Scheduled but Not Heard
02/25/21 (S) STA AT 3:30 PM BUTROVICH 205
02/25/21 (S) Heard & Held
02/25/21 (S) MINUTE(STA)
04/08/21 (S) STA AT 3:30 PM BUTROVICH 205
04/08/21 (S) Moved CSSB 25(STA) Out of Committee
04/08/21 (S) MINUTE(STA)
04/09/21 (S) STA RPT CS 2DP 3NR NEW TITLE
04/09/21 (S) NR: SHOWER, HOLLAND, REINBOLD
04/09/21 (S) DP: COSTELLO, KAWASAKI
04/20/21 (S) FIN AT 9:00 AM SENATE FINANCE 532
04/20/21 (S) Heard & Held
04/20/21 (S) MINUTE(FIN)
05/11/21 (S) FIN AT 9:00 AM SENATE FINANCE 532
05/11/21 (S) -- MEETING CANCELED --
01/24/22 (S) FIN AT 1:00 PM SENATE FINANCE 532
01/24/22 (S) Moved CSSB 25(FIN) Out of Committee
01/24/22 (S) MINUTE(FIN)
01/25/22 (S) FIN RPT CS 5DP NEW TITLE
01/25/22 (S) DP: STEDMAN, BISHOP, HOFFMAN, WILSON,
WIELECHOWSKI
02/02/22 (S) TRANSMITTED TO (H)
02/02/22 (S) VERSION: CSSB 25(FIN)
02/04/22 (H) READ THE FIRST TIME - REFERRALS
02/04/22 (H) STA, FIN
02/17/22 (H) STA AT 3:00 PM GRUENBERG 120

BILL: HB 86

SHORT TITLE: STATE GOV'T FINANCES: WEBSITE

SPONSOR(s): REPRESENTATIVE(s) RAUSCHER

02/18/21 (H) READ THE FIRST TIME - REFERRALS
02/18/21 (H) STA, FIN
02/17/22 (H) STA AT 3:00 PM GRUENBERG 120

WITNESS REGISTER

KRIS CURTIS, Legislative Auditor
Division of Legislative Audit
Juneau, Alaska

POSITION STATEMENT: Provided invited testimony during the hearing on HB 291.

BRENDA STANFILL, Executive Director
Alaska Network on Domestic Violence & Sexual Assault
Fairbanks, Alaska

POSITION STATEMENT: Provided invited testimony during the hearing on HB 291.

DIANE CASTRO, Executive Director
Alaska Network on Domestic Violence & Sexual Assault
Juneau, Alaska

POSITION STATEMENT: Testified during the hearing on HB 291.

CARRIE HARRIS
Anchor Point, Alaska

POSITION STATEMENT: Testified in opposition to HB 37.

MIKE COONS
Palmer, Alaska

POSITION STATEMENT: Testified in opposition to HB 37.

ED MARTIN
Kenai, Alaska

POSITION STATEMENT: Testified in opposition to HB 37.

RON JOHNSON
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 37.

JOHN LARSON
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 37.

REPRESENTATIVE GEORGE RAUSCHER
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced HB 86, as the prime sponsor.

SENATOR BILL WIELECHOWSKI
Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Introduced SB 25, as the prime sponsor.

DAVID DUNSMORE, Staff
Senator Bill Wielechowski
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided a PowerPoint presentation during the hearing on HB 86 and SB 25, on behalf of Senator Wielechowski, prime sponsor of SB 25.

HANS ZIGMEND, Director
Division of Finance
Department of Administration
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 86 and SB 25.

VERI DI SUVERO, Executive Director
Alaska Public Interest Research Group
Anchorage, Alaska

POSITION STATEMENT: Provided invited testimony during the hearing on HB 86 and SB 25.

ACTION NARRATIVE

[3:03:16 PM](#)

CHAIR JONATHAN KREISS-TOMKINS called the House State Affairs Standing Committee meeting to order at 3:03 p.m. Representatives Tarr, Claman, Vance, Story (via teleconference), and Kreiss-Tomkins were present at the call to order. Representatives Eastman and Kaufman arrived as the meeting was in progress.

HB 291-EXTENDING COUNCIL ON DOMESTIC VIOLENCE

[3:05:50 PM](#)

CHAIR KREISS-TOMKINS announced that the first order of business would be HOUSE BILL NO. 291, "An Act extending the termination date of the Council on Domestic Violence and Sexual Assault; and providing for an effective date."

[3:06:17 PM](#)

REPRESENTATIVE TARR, prime sponsor of HB 291, introduced the legislation. She paraphrased the sponsor statement, which read as follows [original punctuation provided]:

HB 291 extends the termination date of the Council on Domestic Violence and Sexual Assault (CDVSA) until June 30, 2028, in accordance with the recommendation of the Legislative Auditor.

The CDVSA serves an important public service by developing, implementing, and maintaining Alaska's domestic violence, sexual assault, and crisis intervention/prevention programs in conjunction with authorities in the field, supporting public employers to provide education programs, coordinating DV/SA intervention/prevention programs provided by DEED, DPS, DOC, DHSS, and the Department of Law, creating DV/SA training programs and standards, and dispensing funds related to services and programs that serve survivors of sexual assault and domestic violence.

REPRESENTATIVE TARR discussed the audit report on the Council on Domestic Violence and Sexual Assault (CDVSA) [included in the committee packet] and highlighted the council's primary functions on page 1.

[3:11:32 PM](#)

CHAIR KREISS-TOMKINS welcomed invited testimony.

[3:11:48 PM](#)

KRIS CURTIS, Legislative Auditor, Division of Legislative Audit, presented the audit report conclusions, which read as follows [original punctuation provided]:

The audit concluded that the council generally operated in the public's interest by funding and monitoring Alaskan domestic violence and sexual assault programs and prevention activities. The council served as the central coordinator for related services throughout the state, conducted meetings in accordance with council bylaws, effectively met most statutory duties, and did not duplicate the efforts of other entities.

The audit also concluded that the council should improve document retention, access to the Battering Intervention Program database, and timeliness of annual report submission and regulation changes.

In accordance with AS 44.66.010(a)(5), the council is scheduled to terminate June 30, 2022. We recommend the legislature extend the council's termination date six years, to June 30, 2028.

[3:16:00 PM](#)

REPRESENTATIVE CLAMAN believed that there may be a management problem at CDVSA after reading the four recommendations from the legislative auditor. He asked if that was accurate.

MS. CURTIS said she would not consider "bad management" an issue. She reviewed the four recommendations and provided additional context.

[3:18:51 PM](#)

REPRESENTATIVE CLAMAN, referring the fourth recommendation, opined that improving access to the Battering Intervention Program (BIP) should have been made a priority for the CDVSA. He believed that in itself was a reflection of management challenges. He said he agreed with the recommendations made by the legislative auditor and had no problem with the six-year extension; however, he maintained his belief that there was a need for management improvements.

[3:20:37 PM](#)

REPRESENTATIVE VANCE turned attention to page 29 of the audit, which outlined the first recommendation. She asked Ms. Curtis to opine on the council's plan to reduce the volume and depth of the annual report in order to meet the bylaws and statutory requirements.

MS. CURTIS pointed out that the old annual reports were extremely extensive. She said it would be a policy call as to whether a more concise report would meet the legislature's need. She added that, in terms of timeliness, she understood why the council made the decision to reduce the volume.

REPRESENTATIVE VANCE asked whether the annual report was viewed by the Department of Public Safety (DPS) or utilized by other government agencies.

MS. CURTIS was unsure of who used it. She noted that the auditors tested the annual report to ensure that it met statutory minimums.

[3:23:06 PM](#)

REPRESENTATIVE EASTMAN inquired about the nature of the vacancies [within the council].

MS. CURTIS said that detail was not included in the audit report.

REPRESENTATIVE EASTMAN asked how extensively the financials were audited.

MS. CURTIS directed attention to page 9 and clarified that financials were unaudited. She explained that the council's finances were received from management and cited as such.

[3:24:34 PM](#)

REPRESENTATIVE CLAMAN asked whether unaudited financial information was a typical practice.

MS. CURTIS said sunset audits did not touch the financial information.

[3:25:42 PM](#)

BRENDA STANFILL, Executive Director, Alaska Network on Domestic Violence & Sexual Assault (ANDVSA), discussed the CDVSA and its importance. She explained that the ANDVSA relied on the council to hold public hearings and commission studies; monitor funds to victim service agencies; ensure program compliancy; department coordination; inform the administration; and hold strategic plans. She opined that the Alaska Mental Health Trust and the Alaska Native population were both underrepresented on the council. She urged the committee to extend the CDVSA's termination date until 2028.

[3:34:19 PM](#)

REPRESENTATIVE EASTMAN inquired about the vacancies that had been referenced earlier.

MS. STANFILL deferred to Diane Castro.

REPRESENTATIVE CLAMAN acknowledged Ms. Stanfill's continued work on the issue of domestic violence.

[3:35:00 PM](#)

CHAIR KREISS-TOMKINS inquired about the interrelationship between the CDVSA and ANDVSA and asked how the two organizations differ. He sought to confirm that the CDVSA primarily played a funding role while ANDVSA primarily played a coordination role.

MS. STANFILL answered yes, adding that the council was responsible for coordination as well.

CHAIR KREISS-TOMKINS inquired about the victimization study, which Ms. Stanfill had mentioned in previous testimony.

MS. STANFILL discussed the victimization study, which tracked rates of domestic violence and sexual assault. She noted that the entire study could be found on the University of Alaska Anchorage (UAA) Justice Center's website.

REPRESENTATIVE CLAMAN noted that the study was also referenced in the annual report from the Alaska Criminal Justice Commission.

CHAIR KREISS-TOMKINS inquired about the strategy around prevention and asked how prevention-related programming was being approached.

MS. STANFILL emphasized the importance of identifying each community's "readiness." She reviewed the strategic approach being taken, which involved close work with community coalitions, media outreach, and various programs and violence-prevention strategies. Additionally, she highlighted the Green Dot program, which was focused on bystander intervention.

[3:42:50 PM](#)

CHAIR KREISS-TOMKINS asked how research was approached in terms of efficacy.

MS. STANFILL shared her understanding that it involved surveying children and parents and tracking additional information. She offered to follow up with additional specifics.

CHAIR KREISS-TOMKINS asked whether that was generally accomplished via prevention programs.

MS. STANFILL answered no. She explained that other prevention programs were evidence based, meaning rigorous studies had been performed initially to determine the efficacy.

CHAIR KREISS-TOMKINS sought to confirm that Ms. Stanfill was referring to Green Dot.

MS. STANFILL said yes, in addition to Coaching Boys Into Men or Girls On The Run.

[3:44:35 PM](#)

REPRESENTATIVE CLAMAN asked who ran Coaching Boys Into Men.

MS. STANFILL said it was the Alaska School Activities Association (ASAA).

REPRESENTATIVE CLAMAN inquired about the pro bono legal services program offered by ANDVSA and whether it was funded by CDVSA.

MS. STANFILL discussed the legal program, called the Pro Bono Attorney Project, which was the only direct service program to victims. She noted that the core funding was provided through the Stop Grant.

[3:48:47 PM](#)

REPRESENTATIVE EASTMAN referenced the alarming statistics pertaining to domestic violence and sexual assault in Alaska and asked whether they had improved.

MS. STANFILL believed that overall, an upward trajectory was being made.

CHAIR KREISS-TOMKINS asked whether there was a country that was regarded for a relative scarcity of domestic violence.

MS. STANFILL did not know the answer. She offered to follow up.

[3:53:41 PM](#)

REPRESENTATIVE EASTMAN inquired about staffing issues and asked whether they were resolved or ongoing.

[3:53:51 PM](#)

DIANE CASTRO, Executive Director, ANDVSA, reported that staffing had been a struggle for two years. She believed that the staffing issue was pandemic-related in part. She discussed funding, grant agreements, and the technical work that went on behind the scenes to highlight the difficulty of losing three staff members, which wouldn't normally seem significant.

[3:59:42 PM](#)

REPRESENTATIVE EASTMAN asked when Alaska would see a significant reduction in the high rates of domestic violence and sexual assault.

MS. CASTRO discussed the continuum of services. She reported that 80 percent of grant funding went towards victims' services, 5-7 percent to prevention, and 1-2 percent to perpetrator rehabilitation. She believed that significant progress would not be made until prevention and perpetrator services were fully addressed; further, she emphasized the importance of changing belief systems about domestic violence if generational change were to happen.

[4:05:26 PM](#)

CHAIR KREISS-TOMKINS announced that HB 291 was held over.

HB 37-INCOME TAX; PERMANENT FUND; EARNINGS RES.

[4:05:36 PM](#)

CHAIR KREISS-TOMKINS announced that the next order of business would be HOUSE BILL NO. 37, "An Act relating to deposits into the dividend fund; relating to income of and appropriations from the earnings reserve account; relating to the taxation of income of individuals, partners, shareholders in S corporations, trusts, and estates; relating to a payment against the individual income tax from the permanent fund dividend disbursement; repealing tax credits applied against the tax on individuals under the Alaska Net Income Tax Act; and providing for an effective date." [Before the committee was CSHB 37(W&M).]

CHAIR KREISS-TOMKINS opened public testimony on CSHB 37(W&M).

[4:06:21 PM](#)

CARRIE HARRIS emphasized her strong opposition to the proposed implementation of an income tax.

[4:06:54 PM](#)

MIKE COONS shared his strong opposition to the proposed legislation. He believed the legislature was "stealing money from the PFD ... and the people of Alaska."

[4:09:02 PM](#)

ED MARTIN stated his adamant opposition to the bill. He opined that an income tax would not be fair. Further, he believed that a dividend reduction was in itself a tax on people's income. He urged the legislature to audit all the state agencies to identify deficiencies.

[4:11:59 PM](#)

RON JOHNSON stated his support for the proposed legislation. He believed it was a good alternative to the 50/50 split, which he characterized as unsustainable. He pointed out that HB 37 would produce a dividend of over \$1,000; further, he said he liked the idea of flat 2.5 percent tax, which he believed would incentivize the public to participate in government activities.

[4:14:02 PM](#)

JOHN LARSON expressed his support for HB 37. He pointed out that quality schools, roads, and domestic violence prevention, for example, required proper funding. Additionally, he highlighted the importance of preserving the PFD for future generations of Alaskans.

[4:15:26 PM](#)

CHAIR KREISS-TOMKINS closed public testimony. Hearing no questions from committee members, he announced that CSHB 37(W&M) was held over.

[4:16:37 PM](#)

The committee took an at-ease from 4:16 p.m. to 4:19 p.m.

SB 25-STATE GOV'T FINANCES: WEBSITE
HB 86-STATE GOV'T FINANCES: WEBSITE

[4:19:14 PM](#)

CHAIR KREISS-TOMKINS announced that the final order of business would be SENATE BILL NO. 25, "An Act relating to the establishment and maintenance of an Internet website providing information on state government financial transactions and specifying the information to be made available on the website" and HOUSE BILL NO. 86, "An Act relating to the establishment and maintenance of an Internet website providing information on state government financial transactions and specifying the information to be made available on the website."

[4:19:38 PM](#)

REPRESENTATIVE GEORGE RAUSCHER, Alaska State Legislature, prime sponsor, introduced HB 86, the companion bill to SB 25. He conveyed his constituents' beliefs that the legislature did not balance the budget and that money was being hidden from them. He explained that HB 86 related to the establishment and maintenance of an internet website that would provide information on state government financial transactions.

[4:21:36 PM](#)

SENATOR BILL WIELECHOWSKI, Alaska State Legislature, prime sponsor, introduced SB 25. He stated that fundamentally, the bill would require the state to maintain an online, searchable database of all state expenditures over \$1,000. He paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

The state of Alaska spends billions of dollars each year on everything from office supplies, professional services and capital improvement projects. Public accountability helps ensure that state funds are spent wisely. All 50 states operate websites that make information on state expenditures and revenues accessible to the public. However, compared to other states Alaska's site is ranked as one of the worst in the nation at making the data accessible to the public.

The intent of the Alaska Online Checkbook Act is to create a free, searchable website that provides Alaskans with easy access to detailed and comprehensive information on state spending. This will encourage better understanding of state operations and, ultimately, help ensure that funding is directed to the state's most important needs. The state currently posts some financial information in a downloadable spreadsheet, but this spreadsheet is very cumbersome, must be downloaded, is difficult to search and understand. It does not provide any "big picture" context about state expenditures vs. revenues nor is it codified in law. The ability to see how Alaska's government uses public funding is fundamental to transparency and bolsters public confidence in government and promotes fiscal responsibility.

SB 25 will give Alaskans easy access to detailed information on state expenditures and revenue, empowering them to become fiscal watchdogs. It will lead to greater government accountability and a public better able to assist in making difficult government decisions.

I hope that you will join me in taking reasonable steps to ensure that Alaskans have access to our state's financial information.

[4:24:44 PM](#)

The committee took a brief at-ease.

[4:25:30 PM](#)

CHAIR KREISS-TOMKINS welcomed Mr. Dunsmore.

[4:25:34 PM](#)

DAVID DUNSMORE, Staff, Senator Bill Wielechowski, Alaska State Legislature, on behalf of Senator Wielechowski, prime sponsor of SB 25, provided a PowerPoint presentation, titled "Senate Bill 25" [hard copy included in the committee packet]. He directed attention to slide 2, which read as follows [original punctuation provided]:

SB 25: The Alaska Online Checkbook Act

- Codifies and modernizes Alaska's Online Checkbook website
- Requires the state to provide monthly and annual financial information to the public on a user-friendly website.
- Creates a one-stop-shop for information on revenue and expenses.
- Provides detailed information on state expenditures and revenue including date, vendor, agency, and expense type

MR. DUNSMORE continued to slide 3, which read as follows [original punctuation provided]:

Alaskans Deserve Better Transparency

- In 2018 Alaska received a failing grade from the U.S PIRG Education Fund for providing online access to government spending data.
- Alaska has no statutory requirements to maintain an online checkbook.

MR. DUNSMORE turned to slide 4, which read as follows [original punctuation provided]:

SB 25: A Win-Win-Win for Alaskans

- Will provide policy makers with user-friendly access to actual unaudited revenue and expenditure data
- Makes state government more accountable by making information readily available to the public.
- Allows vendors to submit more competitive bids by reviewing previous payments.

[4:27:30 PM](#)

MR. DUNSMORE advanced to slide 5, which read as follows [original punctuation provided]:

SB 25 Improves Transparency and Usability

Current Checkbook Online

- Can be taken down at any time.
- Not searchable online, data must be downloaded as a PDF or Excel file.
- Does not include revenue reports.

- Does not allow year to year spending comparison.
- Does not include spending for the University of Alaska or public corporations.

Alaska Online Checkbook Act

- Monthly & annual reporting requirements codified in Alaska Statutes.
- Data is searchable online by agency, vendor, year, purpose, amount, and accounting code.
- Includes both revenue & expenditures.
- Allows year to year spending comparisons.
- Includes revenue & expenses of University of Alaska & public corporations.

[4:28:08 PM](#)

MR. DUNSMORE proceeded to slide 6, which read as follows [original punctuation provided]:

SB 25: Reporting Requirements

Revenues

- Receipts or deposits.
- Proceeds from taxes.
- Agency earnings (sales, services, licenses, permits, etc.).
- Other revenues (Interest, Lease, Gifts, Donations, etc.).

MR. DUNSMORE continued to slide 7, which read as follows [original punctuation provided]:

SB 25: Reporting Requirements

Expenditures

- The names and locations of any persons to whom payment was made.
- The amounts of the expenditures disbursed.
- The type of transaction, by account code, including the purpose of the expenditure.

MR. DUNSMORE turned to slide 8, which read as follows [original punctuation provided]:

SB 25: Reporting Requirements

Employees and Contractors

- The number of full-time, part-time, and temporary employees by agency.
- The number of independent contractors by agency.
- Total general fund payroll by agency.

MR. DUNSMORE advanced to slide 9, which read as follows [original punctuation provided]:

SB 25: Reporting Requirements

Account Balances and Debt

- Statutory Budget Reserve (SBR).
- Constitutional Budget Reserve (CBR).
- Permanent Fund Earnings Reserve Account (ERA).
- Total long-term debt by agency.

[4:29:22 PM](#)

MR. DUNSMORE proceeded to slides 10-11, indicating that the current checkbook website was outdated, as it only allowed information to be downloaded by fiscal year and was difficult to search through; additionally, spending could not easily be tracked by year. He reported that in FY 16, there were 78,156 individual reports in the online checkbook. Slides 12-17 illustrated examples of Ohio's online checkbook.

[4:30:47 PM](#)

MR. DUNSMORE concluded on slide 18, which read as follows [original punctuation provided]:

SB 25: Additional Benefits

- Mississippi reported that every information request fulfilled by its transparency website rather than by a state employee **saves the state between \$750 and \$1,000 in staff time.**
- South Carolina **open records requests dropped by two-thirds** after the creation of its transparency website, reducing staff time and **saving an estimated tens of thousands of dollars.**
- The Texas Comptroller used its transparency website to evaluate spending. By monitoring contracts more closely and sourcing services from new vendors when the potential for cost-cutting was identified, **the state saved more than \$163 million.**

[4:31:27 PM](#)

CHAIR KREISS-TOMKINS invited questions from committee members.

[4:31:31 PM](#)

REPRESENTATIVE EASTMAN asked whether salary information would be available on the online checkbook.

MR. DUNSMORE explained that an amendment in the Senate Finance Committee had clarified that individual wage payments would not be listed; however, state employee salaries would still be public information.

REPRESENTATIVE EASTMAN sought to confirm that annual salaries would be available.

MR. DUNSMORE confirmed, reiterating that individual wage payments were excluded to prevent privacy infringement.

[4:32:59 PM](#)

REPRESENTATIVE EASTMAN recalled that the Alaska Public Offices Commission (APOC) website used to allow searches for specific donations, which could then be shared via direct link. He asked whether the bill would allow for that type of search.

MR. DUNSMORE shared his belief that the bill did not explicitly allow for that type of inquiry. He offered to follow up with the requested information.

[4:34:43 PM](#)

REPRESENTATIVE TARR noted that she had signed on as a co-sponsor because she believed in building accountability and trust with the public. She inquired about the frequency of reporting.

[4:35:28 PM](#)

SENATOR WIELECHOWSKI said the intent was to share the most updated information as possible; however, the legislation would be subject to existing administrative limitations. He directed attention to page 4, lines 19-21, which indicated that information "shall" be updated on a monthly basis.

[4:36:14 PM](#)

CHAIR KREISS-TOMKINS invited a response from Mr. Zigmend.

4:36:34 PM

HANS ZIGMEND, Director, Division of Finance, Department of Administration (DOA), as to whether or not the information could be updated on a more frequent basis, said there were certain limitations. Nonetheless, he acknowledged that depending on how the technology was implemented, it could be possible. He maintained that monthly reporting was the most reasonable timeframe to produce accurate data.

MR. DUNSMORE in response to Representative Tarr, noted that the Senate Finance Committee had added the terms "estimated" and "unaudited" in several sections of the bill to allow for quicker reporting.

4:39:00 PM

CHAIR KREISS-TOMKINS suspected that there was a small niche of government software providers. He inquired about the landscape of potential private sector partners.

4:39:46 PM

MR. ZIGMEND listed several software options, such as BusinessOptix and Tableau.

CHAIR KREISS-TOMKINS, referencing the fiscal note, asked how the \$65,000 figure was arrived at.

MR. ZIGMEND explained that \$65,000 was based on an estimate from the Office of Information Technology (OIT), DOA. He acknowledged that until the procurement process had been completed, that figure was only an approximation.

CHAIR KREISS-TOMKINS presumed that OIT had considered licensing agreements from different vendors and what that might cost.

MR. ZIGMEND confirmed. He reiterated that there was a range of potential outcomes.

CHAIR KREISS-TOMKINS inquired about annexing the University of Alaska (UA) and public corporations into the online checkbook and asked what that would cost.

MR. ZIGMEND explained that the university would have to provide that information to DOA for it to be presented on the online checkbook.

[4:44:28 PM](#)

CHAIR KREISS-TOMKINS sought to confirm that currently, UA financials were not represented on the online checkbook; however, under the proposed legislation, UA financials would be included, which would require additional work. He asked if that was accurate.

MR. ZIGMEND said, "That's correct."

CHAIR KREISS-TOMKINS asked whether that would require extra expense.

MR. ZIGMEND believed that any extra cost would be to the university, as they would be responsible for compiling and providing the reports.

CHAIR KREISS-TOMKINS asked whether any conversations had transpired with the university.

MR. ZIGMEND said the Division of Finance had not communicated with the university.

CHAIR KREISS-TOMKINS asked which public corporations would be affected by the bill.

MR. ZIGMEND offered to follow up with the requested information.

[4:45:59 PM](#)

The committee took a brief at-ease.

[4:46:48 PM](#)

CHAIR KREISS-TOMKINS said a list of corporations would be appreciated in order to anticipate implementation requirements and costs.

MR. ZIGMEND offered to follow up with the list of corporations that would be impacted.

[4:48:48 PM](#)

MR. WIELECHOWSKI, in response to a question from Representative Vance, explained that the effective date had been a big issue in the Senate State Affairs Committee. He noted that he would prefer an immediate effective date. He said it was unclear why it would take two years to implement the legislation and deferred to DOA.

[4:50:01 PM](#)

CHAIR KREISS-TOMKINS opened invited testimony.

[4:50:54 PM](#)

VERI DI SUVERO, Executive Director, Alaska Public Interest Research Group (AKPIRG), expressed strong support for both bills. They paraphrased their written testimony [included in the committee packet], which read as follows [original punctuation provided]:

The Alaska Public Interest Research Group (AKPIRG), established in 1974, advocates on behalf of public and consumer interests. To our knowledge, we are the only non-governmental, non-profit organization focused on addressing Alaska-specific consumer interest issues.

Transparency is a cornerstone of a democracy. It's also essential for good government. Most Alaskans want to know what government is up to with their public dollars. These Alaskans, including legislators, want this information to be easy to find.

AKPIRG supports SB 25 - The Alaska Online Checkbook Act. The implementation of the Department of Administration's Alaska Online Checkbook is critical because it enables the public to better understand what their government officials are up to and how they spend our public dollars.

Public access to state financial information accomplishes many things: it empowers Alaskans, including legislators, is an important element of government accountability, and provides a more functional system of checks and balances.

While the current Online checkbook suffices for now, the enhancements contained within SB 25 facilitates a more seamless process when members of the public

review state spending. These improvements include searchable features, addition of procurement documents and agencies who do not use the state accounting system, and embedded links to primary financial documents, among other things.

We believe it is important to make this Online Checkbook so that expenses can be reviewed with the most ease possible. All accounting system codes should be specific to the associated transaction and identified with explanations. Accounting terms should be defined, ie. roll up. A chart of accounts guide would be a helpful tool for the public.

We also believe that credits like tax credits, subsidies, and other costs need to be included in the Alaska Online Checkbook in order to reflect the true cost of certain policies like senior credits, tax credits, education subsidies, etc. These figures would greatly aid in the public's understanding of where the money goes--or doesn't go, in these instances.

Lastly, interagency receipts should also be included. Especially if they deal with personnel, travel, and relocation costs.

The Online Checkbook system should be simple so that everyone can understand it--and in order to do that, it must have all the information, so Alaskans can see the true costs to run our State.

[4:53:11 PM](#)

CHAIR KREISS-TOMKINS announced that HB 86 and SB 25 were held over.

[4:53:27 PM](#)

ADJOURNMENT

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 4:53 p.m.