

CS FOR HOUSE BILL NO. 190(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 4/18/24

Referred: Finance

Sponsor(s): HOUSE SPECIAL COMMITTEE ON WAYS AND MEANS

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing a violation for hindering the Alaska Sunset Commission; relating**
2 **to the duties of the legislature; establishing the Alaska Sunset Commission to review and**
3 **make recommendations on discontinuation of or changes to state entities; and relating to**
4 **the powers and duties of the Alaska Sunset Commission."**

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

6 * **Section 1.** AS 11.56.845 is amended to read:

7 **Sec. 11.56.845. Hindering the Legislative Budget and Audit Committee or**
8 **the Alaska Sunset Commission.** (a) A person commits hindering the Legislative
9 Budget and Audit Committee **or the Alaska Sunset Commission established in**
10 **AS 44.99.700** if the person intentionally (1) fails to give, or (2) directs, orders,
11 threatens, restrains, coerces, forces, or prevents another person from giving, full
12 cooperation to the legislative auditor, [OR] the legislative fiscal analyst, **or a member**
13 **or employee of the Alaska Sunset Commission** in assembling or furnishing
14 requested information to the committee, [OR] its staff, **or the Alaska Sunset**

1 **Commission**, and the person did not reasonably believe that the action or failure to act
2 was legally justified.

3 (b) Hindering the Legislative Budget and Audit Committee **or the Alaska**
4 **Sunset Commission** is a violation, punishable by a fine of not more than \$5,000.

5 * **Sec. 2.** AS 39.25.020(b) is amended to read:

6 (b) Unless a waiver is granted by the commissioner of administration, an
7 appointing authority may not appoint a person to state service if the person has been
8 convicted under AS 11.56.845. Before granting a waiver under this subsection, the
9 commissioner shall give notice in writing to the Legislative Budget and Audit
10 Committee **or the Alaska Sunset Commission established in AS 44.99.700, as**
11 **applicable**, of the intent to grant a waiver.

12 * **Sec. 3.** AS 39.25.080(b) is amended to read:

13 (b) The following information is available for public inspection, subject to
14 reasonable regulations on the time and manner of inspection:

- 15 (1) the names and position titles of all state employees;
- 16 (2) the position held by a state employee;
- 17 (3) prior positions held by a state employee;
- 18 (4) whether a state employee is in the classified, partially exempt, or
19 exempt service;
- 20 (5) the dates of appointment and separation of a state employee;
- 21 (6) the compensation authorized for a state employee; and
- 22 (7) whether a state employee has been dismissed or disciplined for a
23 violation of AS 39.25.160(l) (interference or failure to cooperate with the Legislative
24 Budget and Audit Committee **or the Alaska Sunset Commission established in**
25 **AS 44.99.700**).

26 * **Sec. 4.** AS 39.25.160(l) is amended to read:

27 (l) A state employee may not intentionally (1) fail to give, or (2) direct, order,
28 threaten, restrain, coerce, force, or prevent another person from giving, full
29 cooperation to the legislative auditor or the legislative fiscal analyst in assembling or
30 furnishing requested information to the Legislative Budget and Audit Committee or
31 **the Alaska Sunset Commission established in AS 44.99.700, or their** [ITS] staff, if

the person did not reasonably believe that the action or failure to act was legally justified. Violation of this subsection constitutes just cause for dismissal or other appropriate disciplinary action.

* **Sec. 5.** AS 39.90.140(3) is amended to read:

(3) "matter of public concern" means

(A) a violation of a state, federal, or municipal law, regulation, or ordinance;

(B) a danger to public health or safety;

(C) gross mismanagement, a substantial waste of funds, or a clear abuse of authority;

(D) a matter accepted for investigation by the office of the ombudsman under AS 24.55.100 or 24.55.320; or

(E) interference or any failure to cooperate with an audit or other matter within the authority of Legislative Budget and Audit Committee **or the Alaska Sunset Commission established in AS 44.99.700;**

* **Sec. 6.** AS 40.25.220(2) is amended to read:

(2) "public agency" means a political subdivision, department, institution, board, commission, division, authority, public corporation, council, committee, or other instrumentality of the state or a municipality; "public agency" includes the University of Alaska, [AND] the Alaska Railroad Corporation, **and the Alaska Sunset Commission established in AS 44.99.700;**

* **Sec. 7.** AS 44.99 is amended by adding new sections to read:

Article 7. Alaska Sunset Commission.

Sec. 44.99.700. Establishment of commission; composition. (a) The Alaska Sunset Commission is established in the office of the lieutenant governor.

(b) The commission consists of three members appointed by the governor, two members appointed by the president of the senate, and two members appointed by the speaker of the house of representatives. Members shall be qualified in financial management, budgeting, economics, business operations, process improvement, or government efficiency.

(c) Members appointed under (b) of this section

1 (1) serve staggered terms of five years until reappointed or replaced;
2 and

3 (2) may be reappointed.

4 (d) If a member appointed under (b) of this section no longer meets the
5 requirements under (b) of this section or if a vacancy exists among those members for
6 any reason other than the expiration of a member's term, the appointing authority
7 shall, within 30 days after the occurrence of the vacancy, make an appointment for the
8 unexpired portion of the term, effective immediately. An appointment made under this
9 subsection to fill an unexpired term must comply with the requirements under (b) of
10 this section.

11 (e) The commission shall select a chair from among its members. Five
12 members of the commission constitute a quorum. The commission may take action
13 upon the affirmative vote of five members of the commission.

14 (f) The commission may employ staff, and retain consultants as the
15 commission determines necessary, to perform its duties. Staff shall possess
16 administrative expertise and expertise in financial management, business operations,
17 process improvement, and government efficiency.

18 (g) Members of the commission serve without compensation but are entitled
19 to per diem and travel expenses authorized for boards and commissions under
20 AS 39.20.180. The members of the commission shall comply with AS 39.50.

21 **Sec. 44.99.710. Powers and duties of the commission.** (a) The commission
22 shall

23 (1) review the activities of principal departments and the University of
24 Alaska under AS 44.99.730;

25 (2) consider whether there is a public need for continuation of an entity
26 or for the performance of the functions of an entity reviewed under AS 44.99.730 and
27 make a recommendation to the legislature to continue, discontinue, restructure, or
28 transfer the duties and programs of the entity; and

29 (3) prepare a report and draft legislation required under AS 44.99.750.

30 (b) The commission may require all state officials and agencies of the state to
31 give full cooperation to the commission and its staff in assembling and furnishing the

1 information necessary to prepare a report under (a) of this section, including allowing
2 the commission to interview staff relating to work duties, processes, and products.

3 (c) In carrying out its functions under AS 44.99.700 - 44.99.759, the
4 commission or designated staff may attend any meetings and proceedings of any entity
5 of the state, including any meeting or proceeding of a governing body of a state entity
6 that is closed to the public, and may inspect the books, accounts, reports, or other
7 records, whether confidential or not, of any entity of the state.

8 (d) The commission has the power to hold public hearings, administer oaths,
9 issue subpoenas, compel the attendance of witnesses and production of papers, books,
10 accounts, documents, and testimony, and have the deposition of witnesses taken in a
11 manner prescribed by court rule or law for taking depositions in civil actions.

12 **Sec. 44.99.720. State entity's report to the commission.** (a) Not later than
13 September 1 of the calendar year before the year in which an entity of the state subject
14 to AS 44.99.700 - 44.99.759 is scheduled for review under AS 44.99.730, the state
15 entity shall report to the commission

16 (1) the extent to which the entity has met the criteria in AS 44.99.740;

17 (2) a list of each report that the entity is required by law to prepare and
18 an evaluation of the need for each report based on whether factors or conditions have
19 changed since the date the requirement to prepare the report was enacted; and

20 (3) any other information that the entity considers appropriate or that is
21 requested by the commission.

22 (b) The entity shall submit the report in electronic format, as required by the
23 commission.

24 (c) A state entity that provides the commission with access to a privileged or
25 confidential communication, record, document, or file for purposes of a review under
26 AS 44.99.700 - 44.99.759 does not waive the attorney-client privilege, or any other
27 privilege or confidentiality with respect to the communication, record, document, or
28 file provided to the commission. In this subsection, "communication" includes a
29 discussion that occurs at a meeting or proceeding of the state entity that is closed to
30 the public.

31 **Sec. 44.99.730. Review of state entities.** (a) The commission shall review at

1 least one principal department and its entities or the University of Alaska and its
2 entities each year.

3 (b) The review under (a) of this section must include a review of any public
4 corporation, board or commission, or other instrumentality of the state that is
5 established within the department or University of Alaska and a review of any
6 committee, task force, or other group that is established by law or by the department or
7 university to advise or assist the department or university.

8 **Sec. 44.99.740. Criteria for review.** (a) In considering whether there is a
9 public need for continuation or restructuring of an entity reviewed under AS 44.99.730
10 or for the performance of the functions of an entity reviewed under AS 44.99.730, the
11 commission shall consider the following criteria:

12 (1) the extent to which the missions established under AS 37.07.014 of
13 the entity have been carried out;

14 (2) whether the performance measurements set out in AS 37.07 are
15 appropriately set and are being met by supporting data;

16 (3) whether there is an alternative method of delivery of service to
17 better meet performance requirements;

18 (4) the extent to which the entity is organized in a manner that is
19 conducive to process improvement;

20 (5) the extent to which process improvement could benefit the entity;

21 (6) the efficiency with which the entity operates;

22 (7) if there is overlap of services with other entities, the extent to
23 which there is potential for reorganization;

24 (8) the extent to which the entity is making it difficult for persons to do
25 business with the state;

26 (9) the extent to which changes are necessary in the enabling statutes
27 of the entity so that the entity can comply with or meet the desired results established
28 by the legislature under AS 37.07.014;

29 (10) other standards established by the commission.

30 (b) By September 1 of the year of review for an entity, the commission shall
31 provide notice of and hold one or more public hearings on the interconnected state

1 road system concerning the application of the criteria listed in (a) of this section to
 2 each entity being reviewed by the commission. At a public hearing, the commission
 3 shall accept testimony from the public and from a person involved in the
 4 administration of the entity subject to the review.

5 **Sec. 44.99.750. Report by commission.** (a) Following review of an entity
 6 under AS 44.99.730, the commission shall prepare a report on the results of the review
 7 of the entity, a summary of comments received at the public hearing on the entity, and
 8 a recommendation to the legislature to continue, discontinue, restructure, or transfer
 9 the duties and programs of an entity. The report must be based on the criteria listed in
 10 AS 44.99.740 and other factors the commission considers appropriate. Unless
 11 confidentiality is expressly waived by the entity of the state, the report may not
 12 contain any confidential information obtained by the commission under
 13 AS 44.99.710(c). The report must be delivered to the governor, the president of the
 14 senate, the speaker of the house of representatives, the chief clerk, and the senate
 15 secretary within the first 10 days of a legislative session following the calendar year of
 16 the review. A copy of the report must be delivered to every member of the legislature.
 17 The commission shall include in the report draft legislation to implement the
 18 recommendations of the commission. Draft legislation must be submitted to the rules
 19 committee of each house with a request to introduce the legislation to implement the
 20 recommendations of the commission.

21 (b) If the commission recommends the discontinuation of an entity, the report
 22 must include a recommendation on the length of a winding-down period for the entity
 23 to conclude its business and proposed procedures for transferring the entity's records.
 24 If the commission recommends the restructuring of an entity, the report must include a
 25 recommended restructuring plan.

26 (c) If the recommendations of the commission under (a) of this section are not
 27 implemented by law, an entity reviewed under AS 44.99.730(a) will expire on June 30
 28 of the fiscal year following review of the entity by the commission.

29 **Sec. 44.99.759. Definitions.** In AS 44.99.700 - 44.99.759,

30 (1) "commission" means the Alaska Sunset Commission;

31 (2) "entity" includes a department, division, board, authority,

1 corporation, or other unit in the executive branch of state government and the
2 University of Alaska, but does not include an agency in the judicial or legislative
3 branch of state government.