

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

March 14, 2023

3:31 p.m.

MEMBERS PRESENT

Senator Scott Kawasaki, Chair
Senator Matt Claman, Vice Chair
Senator Jesse Bjorkman
Senator Kelly Merrick
Senator Bill Wielechowski

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 46

"An Act establishing the month of March as Brain Injury Awareness Month."

- HEARD & HELD

SENATE BILL NO. 21

"An Act relating to the Executive Budget Act; relating to strategic plans, mission statements, performance plans, and financial plans for executive branch agencies; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 9

"An Act establishing a violation for hindering the Alaska Sunset Commission; relating to the Legislative Budget and Audit Committee; relating to the duties of the legislature; relating to the legislative audit division and the legislative finance division; establishing the Alaska Sunset Commission to review and make recommendations on discontinuation of or changes to state entities; relating to the powers and duties of the Alaska Sunset Commission; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 46

SHORT TITLE: BRAIN INJURY AWARENESS MONTH

SPONSOR(s): SENATOR(s) TOBIN

01/25/23 (S) READ THE FIRST TIME - REFERRALS
01/25/23 (S) STA
03/14/23 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)

BILL: SB 21

SHORT TITLE: STRATEGIC PLANS FOR STATE AGENCIES

SPONSOR(s): SENATOR(s) KAUFMAN

01/18/23 (S) PREFILE RELEASED 1/9/23
01/18/23 (S) READ THE FIRST TIME - REFERRALS
01/18/23 (S) STA, FIN
03/14/23 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)

BILL: SB 9

SHORT TITLE: ALASKA SUNSET COMMISSION

SPONSOR(s): SENATOR(s) HUGHES

01/18/23 (S) PREFILE RELEASED 1/9/23
01/18/23 (S) READ THE FIRST TIME - REFERRALS
01/18/23 (S) STA, JUD, FIN
03/14/23 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

SENATOR LÖKI TOBIN, District I
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 46.

MACKENZIE POPE, Staff
Senator Löki Tobin
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the sectional analysis for SB 46 on behalf of the sponsor.

ANNA ZIERFUSS, Acting Chair
Brain Injury Council of Alaska
Anchorage, Alaska

POSITION STATEMENT: Provided invited testimony in support of SB 46.

ANNETTE ALFONSI, community activist on brain injury issues
Anchorage, Alaska

POSITION STATEMENT: Provided invited testimony in support of SB 46.

MARIE WILSON, affiliate
Access Alaska
Wasilla, Alaska

POSITION STATEMENT: Testified in support of SB 46.

LISA MALONEY, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 46.

PAMELA SAMASH, member
Right to Life Interior Alaska
Nenana, Alaska

POSITION STATEMENT: Testified in support of SB 46.

MIKE MASON, Staff
Senator Löki Tobin
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Read the fiscal note analysis for SB 46.

NEIL STEININGER, Director
Office of Management and Budget
Department of Administration
Juneau, Alaska

POSITION STATEMENT: Provided invited testimony on SB 21.

SENATOR JAMES KAUFMAN, District F
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 21.

MATHEW HARVEY, Staff
Senator James Kaufman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented a PowerPoint during the introductory hearing on SB 21.

SENATOR SHELLEY HUGHES, District M
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 9.

BRIAN FRANCIS, Executive Director
Texas Sunset Advisory Commission
Austin, Texas

POSITION STATEMENT: Provided invited testimony on SB 9.

STEVEN OGLE, Deputy Director & General Counsel
Texas Sunset Advisory Commission
Austin, Texas

POSITION STATEMENT: Provided invited testimony on SB 9.

MEAD TREADWELL, former Lieutenant Governor
Anchorage, Alaska

POSITION STATEMENT: Provided invited testimony on SB 9.

PAMELA SAMASH, representing self
Nenana, Alaska

POSITION STATEMENT: Testified in support of SB 9.

ACTION NARRATIVE

[3:31:43 PM](#)

CHAIR SCOTT KAWASAKI called the Senate State Affairs Standing Committee meeting to order at 3:31 p.m. Present at the call to order were Senators Kaufman, Merrick, Claman, and Chair Kawasaki. Senator Wielechowski arrived soon thereafter.

SB 46-BRAIN INJURY AWARENESS MONTH

[3:32:36 PM](#)

CHAIR KAWASAKI announced the consideration of SENATE BILL NO. 46 "An Act establishing the month of March as Brain Injury Awareness Month."

He stated this was the first hearing and the intention was to hear the introduction, take invited and public testimony, and hold the bill for future consideration.

He invited Senator Löki Tobin and Mackenzie Pope to introduce the bill.

[3:32:58 PM](#)

SENATOR LÖKI TOBIN, District I, Alaska State Legislature, Juneau, Alaska, sponsor of SB 46, introduced the legislation speaking to the sponsor statement.

Senate Bill 46 would designate each March as Brain Injury Awareness Month in Alaska. This will help focus public attention on the prevalence of brain injuries and highlight ways to prevent these injuries.

Both traumatic and acquired brain injuries can happen to anyone. These injuries can bring a lifetime of secondary health conditions, including persistent concussion symptoms, post-traumatic stress injury, physical impairment, and developmental delays.

It's estimated that 3.2 to 5 million Americans live with long-term disabilities due to brain injuries, and Alaska has one of the highest rates of traumatic brain injuries in the nation. The Brain Injury Association of America reports that every 9 seconds, someone in the U.S. sustains a brain injury. The Department of Defense reports that over 430,000 service members have sustained traumatic brain injuries since 2000.

Thousands of lives are impacted every day by brain injuries even though most traumatic brain injuries are preventable, especially by wearing a seatbelt when in a vehicle and wearing a helmet when skiing, biking, and snow-machining.

Permanently designating each March as Brain Injury Awareness Month in Alaska will increase public awareness about the dangers of brain injuries and, potentially, help prevent future brain injuries among Alaskans. We ask for your support.

[3:36:14 PM](#)

MACKENZIE POPE, Staff, Senator Löki Tobin, Alaska State Legislature Juneau, Alaska, presented the sectional analysis for SB 46.

Section 1 - Amends the uncodified law of the State of Alaska to add a new section recognizing the importance of brain injury awareness in the State of Alaska.

Section 2 - Amends AS 44.12 by adding a new section to article 2 establishing the month of March as Brain Injury Awareness Month in Alaska. This allows schools, community groups, and other public and private agencies and individuals to observe Brain Injury Awareness Month with appropriate activities that

increase the public's awareness of the prevention and treatment of brain injuries.

CHAIR KAWASAKI turned to invited testimony.

[3:37:28 PM](#)

SENATOR WIELECHOWSKI joined the committee.

[3:37:32 PM](#)

ANNA ZIERFUSS, Acting Chair, Brain Injury Council of Alaska, Anchorage, Alaska, provided invited testimony in support of SB 46. She paraphrased her prepared testimony.

I am here to testify in support of this bill, which would primarily make the month of March Brain Injury Awareness Month. This would lend stability to the outreach throughout the state and further the message that this is important in Alaska. The statistics about brain injury in Alaska paint a grim picture. From 2016 to 2018, Alaska had one of the highest number of deaths from traumatic brain injury (TBI) in the nation. The Alaska Native and American Indian populations had a higher proportion of the brain injuries from assault, ATV, and snow machine accidents, and the lowest rate of access to care.

Overall, Alaska has one of the highest rates nationwide for any type of brain injury. This is seen in children whose learning is permanently affected; in teens who are injured in sports and are never properly diagnosed; in adults who are affected by homelessness and domestic violence; and in seniors who are misdiagnosed because of age-related disabilities. All segments of the population are touched, whether as a survivor, caregiver, family, or friend. An individual who gets a brain injury is twice as likely to suffer another TBI or get addicted to alcohol or drugs. Eighty-seven percent of adults in the justice system have had a TBI; 50 percent of the homeless suffered a TBI before becoming homeless; death by suicide is four times more likely in individuals who sustain a TBI.

MS. ZIERFUSS conveyed her personal story of being among the 20-30 percent of individuals who sustained a mild to moderate brain injury from concussion and did not fully recover. Six years ago she sustained a moderate concussion after slipping on black ice and hitting her head. She lived in a haze of pain and fog for

two years before she found a doctor at an urgent care center who had experience in brain injuries from his time in Afghanistan and working with veterans. She gave him carte blanche to experiment on her with medications, nutraceuticals, and therapies. In year five her doctor tried a new medication. It masked her pain and haze and gave her more mental energy to get through the day. She still has severe limitations and the two things that were integral to her soul - time with her son and singing, were taken from her.

MS. ZIERFUSS urged the committee to pass SB 46, which would bring awareness to this issue and be the first step in bringing more services to Alaska for survivors and their families.

3:43:52 PM

ANNETTE ALFONSI, community activist on brain injury issues, Anchorage, Alaska, provided invited testimony in support of SB 46. She relayed her story about persistent concussion symptoms. She was looking at graduate school before she was in a rollover accident in 2012. She sustained a concussion the symptoms of which became persistent. She was given medication that is contraindicated for brain injury recovery and subsequently told that she was not in a category that people care to help.

She described helping to plan annual educational events only to be told that she could not attend because she was a patient. She said this contributes to a "don't ask don't tell" mentality of disability. She now plans events with people who want multidisciplinary standards of excellence around neurological wellness in Alaska, and everybody is invited. She described the website she launched this year that has on-demand credits for attorneys and occupational therapists. She also described being the volunteer Alaska partner for the international project for unmasking brain injury. Alaska stories and associated art about brain injury can be viewed at the website unmaskingbraininjury.org. Alaskans with brain injury are not alone.

MS. ALFONSI spoke about inappropriate and fiscally inefficient training programs to become a certified brain injury specialist, the need to offer a shorter work week to people with a brain injury, and the importance of timely treatment. She emphasized that there is a place for everyone in the community, even those with brain injury symptoms. She expressed hope that long-term brain injury symptoms will become a thing of the past in the 21st Century.

MS. ALFONSI urged the committee to pass SB 46.

[3:48:57 PM](#)

CHAIR KAWASAKI opened public testimony on SB 46.

[3:49:18 PM](#)

MARIE WILSON, affiliate, Access Alaska, Wasilla, Alaska, testified in support of SB 46. She relayed her story of getting a brain injury nine years ago after being hit from behind by a drunk driver who was speeding. She is grateful for the opportunity to share her story and know people are listening.

[3:51:30 PM](#)

LISA MALONEY, representing self, Anchorage, Alaska, testified in support of SB 46. She is looking at the benefits that can come from greater recognition and awareness of brain injury. She realizes that she is surrounded by people who have been affected by traumatic brain injury and didn't get treatment timely.

[3:54:45 PM](#)

PAMELA SAMASH, member Right to Life Interior Alaska, Nenana, Alaska, testified in support of SB 46. She initially thought the bill included Alzheimer's but now realizes that TBI can lead to that disease. She hopes this awareness will lead to more recognition of and help for special needs children in the state.

CHAIR KAWASAKI asked the sponsor if she had any closing remarks.

[3:57:13 PM](#)

SENATOR TOBIN said she'd like Mr. Mason to review the fiscal note.

[3:57:31 PM](#)

MIKE MASON, Staff, Senator Löki Tobin, Alaska State Legislature, Juneau, Alaska, read the following fiscal note analysis for SB 46 that was submitted by the Office of Management and Budget.

This bill establishes March as Brain Injury Awareness Month. The administration does not anticipate any programmatic effects to departments as a result of this legislation; therefore, a zero fiscal note for all agencies is submitted.

SENATOR MERRICK stated that she was a proud co-sponsor of SB 46. She asked if there was a reason for selecting March and if other issues were highlighted for awareness in March.

SENATOR TOBIN answered that the Department of Defense (DoF) recognizes March as Brain Injury Awareness Month, so this ensures that the awareness is co-branded in Alaska and on the military bases in the state. She noted that March also has noteworthy birthdays, the start of the Iditarod, and the recognition of Women's History Month.

MR. MASON reminded the committee that resolutions were introduced for several years proclaiming March as Brain Injury Awareness Month. But it's such an important issue it was brought forward as a bill, first last year by former Representative Tuck and Senator Tobin this year.

[3:59:37 PM](#)

CHAIR KAWASAKI closed public testimony on SB 46 and held the bill in committee.

[3:59:57 PM](#)

At ease

SB 21-STRATEGIC PLANS FOR STATE AGENCIES

[4:01:47 PM](#)

CHAIR KAWASAKI reconvened the meeting and announced the consideration of SENATE BILL NO. 21 "An Act relating to the Executive Budget Act; relating to strategic plans, mission statements, performance plans, and financial plans for executive branch agencies; and providing for an effective date."

He stated this was the first hearing and the intention was to hear the introduction, take invited and public testimony, and hold the bill for future consideration.

He asked Mr. Steininger to provide an overview of the current budget process.

[4:02:22 PM](#)

NEIL STEININGER, Director, Office of Management and Budget (OMB), Department of Administration, Juneau, Alaska, stated that he was asked to review the current budget process and the documents that are included with the budget to explain what the agencies are doing with the money the legislature appropriates. He explained that the budget cycle the public sees begins when the governor releases the budget on December 15, continues when the legislature convenes in January, and completes when the legislature passes the budget and returns it to the governor. For the executive agencies, the budget is a year-round process.

OMB works with state agencies to review the budget that passed, makes plans to execute the appropriations, and makes recommendations to the governor about potential veto actions.

OMB works with the state agencies throughout the summer to understand needed realignments that are within OMB's statutory authority to make internally. The end product is the Management Plan, which is also the starting point for the next year's budget. It's analogous to what Legislative Finance calls the Adjusted Base Budget. This is produced in the same time period that agencies are closing their prior fiscal year's budget.

Towards the end of July, OMB issues a Guidance from the Governor memo that informs state agencies about the executive's expectations for the next year's budget. Thereafter, the agencies develop and present their proposed budgets to OMB in the September timeframe. Throughout the process, agency staff has been working to provide the technical work and backup documentation that is additional information on the core mission and deliverables of each department. This work product is referred to as the Budget Books. This documentation, which is laid out in statute, is what SB 21 seeks to amend.

MR. STEININGER explained that the Budget Books currently reference the statute attached to a given budget component and lists the existing or future challenges that impede achieving that component objective. The Budget Books also contain detailed reports about how the positions in a component are spent, the planned expenditures, expenditures in prior years, and descriptions of the year-over-year changes in the budget proposed by the governor.

He described the performance measures in the Budget Books as inconsistent in value. Every state agency is supposed to provide performance measures that give objective statistics on how well the agency is delivering on their statutory missions. Some, but not all, of the information is useful to the budgeting process. Internally, OMB challenges state agencies to review the information in the Budget Books and improve their performance measures, but that's not always a high priority during a busy time. Ultimately, that information is the primary documentation for the public to understand what's done with the appropriations and the reason for current requests.

[4:12:33 PM](#)

SENATOR CLAMAN asked whether the performance measures were written in statute, established by regulation, or metrics the departments believe are reasonable.

MR. STIININGER replied that statute requires a system to measure performance. The system is a web portal that OMB maintains, but the measures are set by the agencies. What he's seen over eight legislative sessions is that the quality of the information is dependent on the culture of the given department and the commissioner's focus.

SENATOR CLAMAN asked whether the measures the department determines are important are put into regulation or simply internal documents that could change at any time.

MR. STEINGER replied that the measures that are on the website or in the Budget Books could change the following year.

[4:15:53 PM](#)

SENATOR JAMES KAUFMAN, District F, Alaska State Legislature Juneau, Alaska, sponsor of SB 21, stated that his goal today is to make performance management, budgeting, and strategic plans exciting. He briefly summarized the sponsor statement that read as follows:

SB 21 reorganizes the Executive Budget Act (EBA) to better integrate the planning and budgeting processes used by the executive and legislative branches. Alaska is often in the news for the wrong reasons. When national rankings of performance metrics in key social and economic areas are released, we often come in close to the bottom. This is true for education, health, public safety, and many other critical areas.

We spend billions to serve a relatively small population, but somehow improvement seems elusive—sometimes impossible—to achieve. We live in a beautiful and truly amazing state, but the performance of our state programs has not done justice to our potential.

The State of Alaska is a vast and complex multi-billion-dollar enterprise, but we do not have a well-developed and fully integrated Operations Management System and Quality Management System (OMS/QMS). We have fragments of an appropriate enterprise-scale

performance management system, but nothing that can properly manage an enterprise of our magnitude.

So, the question is: How can we start to drive a higher level of performance in our state agencies? How can we rise to meet our many challenges while simultaneously successfully improving the cost to benefit ratio of our programs?

Fortunately, the answer to that question is available, and has been successfully implemented by high performing organizations in both the public and private sector. We have adapted those successful systems into SB 21 as it is today. SB 21 reorganizes the Executive Budget Act. Under the new system, every annual budgeting cycle will occur within the framework of a 4-year strategic plan, biennial updates to that strategic plan, and yearly performance management & execution plans. The people managing and doing the work will set goals, objectives, and key performance metrics that honor the legislative intent confirmed with every budget cycle. That way, each year, the legislature will consider department budgets that are aligned with strategic and performance plans. Transitioning to this form of planning, budgeting, and performance management will put us on a path towards a more efficient and stronger future. Our Operations Management System will guide how our enterprise runs, while the Quality Management System will address how we continually improve and how those improvements are sustained. SB 21 does not provide an instant cure for all problems. But by reforming the EBA—which is the foundation of how we plan, manage, measure, and fund our programs—we will be able to pursue other, more comprehensive continuous improvement processes that will lead to a better future for Alaska.

[4:18:46 PM](#)

MATHEW HARVEY, Staff, Senator James Kaufman, Alaska State Legislature, Juneau, Alaska, presented a PowerPoint during the introductory hearing on SB 21 relating to strategic planning, budgeting, execution, and reporting to improve outcomes and address longstanding performance and management issues.

MR. HARVEY began on slide 2 with an overview of the presentation.

- Problem Statement
- Current State
 - AS 37.07 The Executive Budget Act (EBA)
- Proposed Future State: SB 21
 - Structural Changes to AS 37.07
 - Plan Content Summaries
 - Boards and Commissions
- Benefits
- Examples

MR. HARVEY advanced to slide 3, "Problem Statement," and spoke to the following:

- Alaska's management of programs and projects has not been as strong as many citizens expect from their government
- Alaska consistently scores lower than other states in key metrics
 - e.g. No. 45 overall in US News' best states
 - <https://www.usnews.com/news/best-states/alaska>
 - e.g. Received a C- Report Card for Infrastructure by ASCE
 - <https://infrastructurereportcard.org/state-item/alaska/>
- Alaska has fragments of an appropriate enterprise-scale management system, but not something that cohesively blends operational, performance, and quality management
- How can we start to drive a higher level of performance while successfully improving our overall cost/benefit ratio?

4:20:29 PM

MR. HARVEY continued to slide 4, "Current Executive Budget Act," and reviewed the following:

- Title 37: Public Finance
- Chapter 07: Executive Budget Act
Sec. 37.07.010. Statement of policy.
It is the purpose of this chapter to establish a comprehensive system for state program and financial management that furthers the capacity of the governor and legislature to plan and finance the services that they determine the state will provide for

- Describes the role of the legislature, OMB, and the governor in the budgeting and program execution process
- Includes two sections which deal mainly with planning and performance
 - 37.07.050 Agency program and financial plans; mission statements
 - 37.07.080 Program Execution

[4:21:30 PM](#)

MR. HARVEY advanced to slide 5, "Proposed Future State: SB 21," and spoke to the following:

- Responsibility Change (Measures/targets set by executive branch)
- Planning Hierarchy and increased organization
 - Statewide Priorities (3-6 long-term priorities set by governor)
 - Strategic Plans (4-year plan, updated at least every two years)
 - Mission, goals, and objectives for each agency
 - Performance Plans (Annual Plan)
 - Program structure and performance history/targets
 - Financial Plans (Annual Plan)
 - Financial History and Budget information
- Transparency and Reporting
 - Quarterly Performance Reports: Progress towards targets
 - All plans and reports are posted on a single, public website

[4:22:40 PM](#)

MR. HARVEY explained that slide 6 is a graphic that illustrates the hierarchy of plan locations and planning cadence.

Plan Location includes:

Governor's Recommendations,
Agency Strategic Plans, and
Performance and Financial Plans

Planning Cadence includes:

Long-term priorities submitted annually with budget and rarely updated,
4-year plans that are updated every 2 years, and
Annual plans

[4:23:06 PM](#)

MR. HARVEY advanced to slide 7, "Structural Changes to AS 37.07," and spoke to the following:

- Title Change of AS 37.07.016: Governor's use of strategic plans, mission statements, and performance plans
- Title Change of AS 37.07.050: Agency strategic plans; mission statements
 - Refocuses this section on strategic plans and changes title due to moving performance and financial information
- New Section AS 37.07.055: Specific requirements for Boards/Commissions
- New Section AS 37.07.085: Performance and Financial Plan section

[4:24:21 PM](#)

MR. HARVEY advanced to slide 8, "Agency Strategic Plans AS 37.07.050," and reviewed the following:

- 4-Year Strategic Plans submitted at the beginning of each gubernatorial term
- Updated at least once every two years
- Includes:
 - Description of strategic plan and mission statement
 - 3-6 goals for the agency
 - Specific, measurable, realistic, and timely objectives
 - Methods of gathering user group opinions
 - Population served by the agency and population trends
 - Key external factors that could affect progress
 - Required legislation and regulatory changes

[4:25:21 PM](#)

MR. HARVEY advanced to slide 9 "Agency Performance Plans New AS 37.07.085(b)," and spoke to the following:

- Annual Plan submitted to Legislature by December 15th of each year
- Includes:
 - Description of the agency's program structure and proposed changes

- o Identification of each program's constitutional or statutory authority
- o A program purpose statement: describes the services provided, customers served, and the benefit or intended outcome of the program
- o Identify performance measures aligned with strategic plan
 - Identify goals and objectives that the measures correspond to
- o Identify results for each performance measure over the past four years
- o Identify performance targets for each measure for the next fiscal year

[4:26:28 PM](#)

MR. HARVEY advanced to slide 10, "Agency Financial Plans New AS 37.085(c)," and described the following:

- Annual Plan submitted to Legislature by December 15th of each year
- Includes:
 - o Revenue and expenditures for each program for prior four fiscal years
 - o Breakdowns: Amounts received by each revenue source and expended on each type of expenditure
 - o Estimates of revenue and expenditures for current and next fiscal year
 - o Budget requested for succeeding fiscal year
 - o Number of positions employed or under contract
 - o Cost of services provided by each program
 - o Report of receipts made last year, estimates for current and next year
 - o Other Information (expenditures authorized, required legislation, etc.)

[4:27:16 PM](#)

MR. HARVEY advanced to slide 11, "Boards and Commissions New AS 37.07.055," and described the following additions:

- Creates a section specific for Boards and Commissions
- Boards and Commissions must annually provide a financial plan:
 - o Budget requested for next year
 - o Expenditures made last year, authorized this year, and proposed for next year

- o Explanation of services to be provided next year, including need for and cost of services
- o Number of total positions employed or under contract by the board or commission
- o A report of receipts made last fiscal year and estimated for the current and next fiscal year
- o Identified legislation
- Boards and Commissions must annually provide a plan for operation of programs
- Boards and Commissions shall develop a method of measuring results
- A closeout report is required upon termination of the board, commission, and agency programs related to the board or commission

[4:28:22 PM](#)

MR. HARVEY advanced to slide 12, "Benefits," and provided the following high-level overview:

- Align the strategy of all agencies with a governor's statewide priorities
- Link short term tactics/funding to mid-range, department-level strategy
- Push responsibility for defining measures and targets to the executive branch. The people closest to the customers of services
- Reduce duplication of goal-setting and financial information at a program or component level
- Increase the level of detail regarding program structure and program definition

[4:29:07 PM](#)

MR. HARVEY advanced to slide 13, "Examples," and described the following:

- Federal Government (GPRAMA)
 - o <https://www.gao.gov/leading-practices-managing-results-government>
- AZ Strategic Plans: <https://azospb.gov/>
- North Carolina:
 - o <https://www.osbm.nc.gov/operational-excellence/strategic-planning/strategic-planning-guide>
- New Mexico: Accountability in Government Act
 - o <https://www.nmlegis.gov/entity/lfc/Documents/>

Accountability_In_Government_Act/
Legislating%20For%20Results.pdf

- Other Guides
 - o https://www.osc.state.ny.us/files/local-government/publications/pdf/strategic_planning.pdf
 - o <https://www.urban.org/sites/default/files/publication/62616/410067-State-Approaches-to-Governing-For-Results-and-Accountability.PDF>

4:30:08 PM

SENATOR WIELECHOWSKI asked Mr. Steininger whether he supports the bill and thinks it will make his job easier and whether it's feasible and would be helpful for future planning.

MR. STEININGER answered that the administration does not have an official position on the bill. His observations were that some of the things in the Budget Books don't add as much value as they could; some of the work that's drafted in the books is duplicative; and some of the work inserted by analysts and agencies isn't used in the budget deliberation process. To the question about whether the bill would benefit the state, he said he believes that it's beneficial to look at whether the legislature and public is using what agencies are required to produce for budget deliberations.

4:32:35 PM

SENATOR WIELECHOWSKI commented that the goal of improving government efficiency and productivity has merit. He asked Mr. Steininger to comment on whether the state was operating at optimal efficiency.

MR. STEININGER replied that he couldn't say that that the state would ever be 100 percent efficient. He supports having a mechanism to look at whether things are being done well. He noted that OMB requested a position for an internal auditor to look at whether the work being done by the agencies was achieving the intended goal. SB 21 seems to be a bill that could help that process.

4:34:17 PM

SENATOR CLAMAN asked if there was anything in SB 21 that a department couldn't do today in terms of developing new or changing existing performance metrics.

MR. STEININGER responded that departments currently could improve their performance metrics and some agencies have worked to do that within the existing statutory structure. He restated that this only happens when a particular commissioner has the organizational mindset to effectuate such a change. By contrast, SB 21 seems to mandate that focus and effort.

SENATOR CLAMAN observed that regardless of the mandate, it would likely come down to how much the departments want to do.

MR. STEININGER agreed.

[4:37:32 PM](#)

SENATOR CLAMAN asked the sponsor what the bill adds that couldn't be done today if the governor wanted to push improved performance metrics.

SENATOR KAUFMAN explained that the bill creates a standardized improved management framework for setting key goals and objectives. When governments and corporations have a good structure, the key goals and objectives flow down and strategic management plans come back up, are evaluated, and operating plans are set. This creates a conveyor belt for performance that is standard across the entire executive branch. It's not that this doesn't exist today, but not as a standardized performance management framework for operations. This standardization provides the opportunity to incrementally improve the management structure across the entire executive branch.

[4:40:48 PM](#)

SENATOR MERRICK asked whether aligning the strategic plans with the gubernatorial terms might create unnecessary political overtones as opposed to the off years.

SENATOR KAUFMAN acknowledged that timing was an important consideration and that separation of powers was another area that needed more attention.

[4:43:36 PM](#)

CHAIR KAWASAKI opened public testimony on SB 21; finding none, he closed public testimony.

SENATOR KAUFMAN thanked the committee for hearing the bill.

[4:44:08 PM](#)

CHAIR KAWASAKI held SB 21 in committee.

[4:44:11 PM](#)

At ease

SB 9-ALASKA SUNSET COMMISSION

[4:44:56 PM](#)

CHAIR KAWASAKI reconvened the meeting and announced the consideration of SENATE BILL NO. 9 "An Act establishing a violation for hindering the Alaska Sunset Commission; relating to the Legislative Budget and Audit Committee; relating to the duties of the legislature; relating to the legislative audit division and the legislative finance division; establishing the Alaska Sunset Commission to review and make recommendations on discontinuation of or changes to state entities; relating to the powers and duties of the Alaska Sunset Commission; and providing for an effective date."

He stated this was the first hearing and the intention was to hear the introduction, take invited and public testimony, and hold the bill for future consideration.

[4:45:28 PM](#)

SENATOR SHELLEY HUGHES, District M, Alaska State Legislature, Juneau, Alaska, sponsor of SB 9, introduced the legislation speaking to the following sponsor statement:

SB 9 "The Alaska Sunset Commission Act" will help ensure transparency, efficiency, cost effectiveness, statutory adherence, and constitutional alignment in the operation of our state government.

The bill 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. 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. 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.

The size and scope of government can be difficult 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 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 aid legislators in appropriating public dollars wisely.

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SENATOR HUGHES delivered a PowerPoint titled "Alaska Sunset Commission." She began on slide 2 that consisted of a color coded map of the US that showed that blue states have appointed state auditors and red states have elected state auditors. The color coded US map depicted on slide 3 shows who appoints the state auditors. Alaska is a gold state which indicates the state auditor is appointed by the legislature. Slide 4, "Alaska Would Be In Good Company," is another color coded map of the US that shows the other states that have a sunset commission.

SENATOR HUGHES displayed slide 5, "What Would Alaska's Sunset Commission Do?" She summarized that the commission would review each department by division, section, and office; make determinations about modifications or consolidations; and draft the recommended improvements into legislation for the legislature to consider.

SENATOR HUGHES advanced to slide 6, "Composition of Commission," and described the proposed nine-member commission. The slide read:

Public-member team of nine must have the following combination of credentials

- 2 certified public accountants
- 1 budget analyst
- 1 controller/comptroller
- 1 with financial management experience
- 2 with experience as business owner, CEO, or COO based in-stat
- 2 with experience in finance, investment, or business management

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SENATOR HUGHES directed attention to slide 7, "Sunset Commission: How It Would Work." She explained that the table describes the analysis and evaluation process the commission follows throughout the year with the end product being the bill that is submitted to the legislature.

SENATOR HUGHES displayed slide 8, "Proposed Audit Cycle Re-initiated Every 12 Years. The table shows the audits of executive branch departments start in 2024 and that the legislature would be audited in 2034, the University of Alaska in 2035, and the Alaska Court System and agencies in the judicial branch in 2036.

SENATOR HUGHES turned to slide 9, "Impact of Sunset Commission Within the State of Texas Since 1977." She summarized the following outcomes:

Streamlining Government

- 42 agencies and programs abolished
- 52 agencies and programs abolished and transferred or consolidated

Saving Taxpayer Money

- \$1 billion in state and federal savings and revenue gains
- Return of \$18 for every \$1 appropriated to the Sunset Commission since 1985

Providing Effective Oversight

- \$570 reviews of state agencies and programs conducted
- 80 percent of Sunset recommendations to the legislature have become state law since 2001

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SENATOR HUGHES turned to slide 10, "The Impact of a Sunset Commission Within the State of Alaska," and spoke to the potential outcomes:

- Higher level of government accountability and performance
- Dissolved state entities that are redundant, ineffective, or inefficient
- Improved policies and procedures for public services
- Millions of dollars in savings that can be reallocated toward other budget areas where needed
- Targeted revenue resources to ensure efficient and effective government services
- Encourage greater participation and public input

SENATOR HUGHES acknowledged that the bill needed some work but she had worked with Legislative Legal Services to resolve potential constitutional issues. She noted that the commission would reside within the executive branch but the governor would not have oversight. The members would serve on a rotating five-year schedule to avoid the politics associated with a four-year cycle.

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CHAIR KAWASAKI turned to invited testimony.

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BRIAN FRANCIS, Executive Director for the Texas Sunset Advisory Commission (TSAC), Austin, Texas, stated that he was neutral on SB 9. He described TSAC as a nonpartisan legislative agency created in 1977 whose goal is to objectively analyze and improve state government. He spoke enthusiastically about the importance of accountability in public service.

MR. FRANCIS described the three phases of the sunset process.

Evaluation Phase Commission staff gathers information from the agency being reviewed, the stakeholders, and the public. This

information is used to generate a staff report that includes findings and recommendations.

Deliberation Phase The staff report goes to the Commission for evaluation and additional stakeholder and public input. The commission will approve, deny, or modify each recommendation. Based on the input, additional recommendations may also be added in this phase. The two types of recommendations are for statutory changes or management actions. The latter can be done within the existing authority of the agency. Recommendations for statutory changes advance to the Action Phase.

Action Phase Sunset bills are generated and will go through the normal legislative process.

MR. FRANCIS stated that there is no doubt that the Commission has streamlined and improved the government in Texas. He recounted the streamlining and revenue-saving data that the sponsor presented in slide 9 of the PowerPoint for SB 9. He also spoke about the improvements that have been initiated in Texas as a result of the Commission's process. He cited recommendations related to juvenile justice and the public utility commission. He continued that a key element in the sunset process is including the sunset date in the enabling statute for each agency. It creates a sense of urgency for action by both the agency and the legislature.

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STEVEN OGLE, Deputy Director & General Counsel for the Texas Sunset Advisory Commission (TSAC), Austin, Texas, stated he was neutral on SB 9. He said he was available as a resource; he'd been with TSAC for 16 years and had reviewed nearly every facet of state government. He relayed that the Texas Legislature meets for 140 days every two years, so it has to be efficient. He continued that when a bill comes to the legislature from the Sunset Commission, members know that agency has undergone a year and one-half of thorough review and analysis. Each agency goes through this process every 12 years so it is routinely improved. The result is that the people of Texas get better service. When the legislature doesn't meet fulltime, the process only works because the Sunset Commission is a dedicated agency whose staff works fulltime.

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MEAD TREADWELL, former Lieutenant Governor, Anchorage, Alaska, stated that he had worked for a long time to have appropriate, limited government in Alaska. He is president of Alaskans for

Tax Reform and has worked with other organizations to improve transparency and efficiency in state government. He said none of these organizations have taken a position on SB 9, but they believe it's important for the legislature to consider measures like this. He opined that the need for government is perpetual but not every government program. He spoke about the impact of changing technologies and recalled his first sunset exercise in the Alaska Legislature. He opined that what stands out as different in SB 9 is that it sets out a regular schedule for agency reviews in a more public process.

He recommended the committee give serious consideration to both SB 9 and Senator Kaufman's bill on strategic planning.

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CHAIR KAWASAKI opened public testimony on SB 9.

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PAMELA SAMASH, representing self, Nenana, Alaska, testified in support of SB 9. She mentioned inflation and offered her perspective that anything that saves money for the state and the people has merit. She opined that SB 9 will save money for everyone and create an honest environment.

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CHAIR KAWASAKI closed public testimony on SB 9. He asked the sponsor if she had final comments.

SENATOR HUGHES reminded the committee that the performance audits that the legislative auditor has been conducting since 2013 will end July 1 of this year. She suggested the members think about whether those audits were used to their full potential. The difference that SB 9 offers is that the result of the analysis and review would come before the legislature in the form of legislation. She opined that it would help the administration and the legislature. She expressed hope that the committee would seriously consider SB 9 and Senator Kaufman's bill on strategic planning.

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CHAIR KAWASAKI held SB 9 in committee.

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There being no further business to come before the committee, Chair Kawasaki adjourned the Senate State Affairs Standing Committee meeting at 5:15 p.m.