

**ALASKA STATE LEGISLATURE**  
**SENATE STATE AFFAIRS STANDING COMMITTEE**

March 19, 2024

3:31 p.m.

**MEMBERS PRESENT**

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

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE BILL NO. 195

"An Act relating to the office of management and budget; and providing for an effective date."

- MOVED SB 195 OUT OF COMMITTEE

SENATE JOINT RESOLUTION NO. 15

Proposing an amendment to the Constitution of the State of Alaska relating to actions upon veto.

- MOVED SJR 15 OUT OF COMMITTEE

PRESENTATION: ONLINE CHECKBOOK

- HEARD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 195

SHORT TITLE: STATE AGENCY PERFORMANCE IMPROVEMENT

SPONSOR(S): SENATOR(S) KAUFMAN

01/18/24	(S)	READ THE FIRST TIME - REFERRALS
01/18/24	(S)	STA, FIN
02/13/24	(S)	STA AT 3:30 PM BELTZ 105 (TSBldg)
02/13/24	(S)	Heard & Held
02/13/24	(S)	MINUTE(STA)

03/19/24 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)

BILL: SJR 15

SHORT TITLE: CONST. AM: VOTES NEEDED FOR VETO OVERRIDE

SPONSOR(S): SENATOR(S) CLAMAN

02/19/24 (S) READ THE FIRST TIME - REFERRALS  
02/19/24 (S) STA  
02/29/24 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)  
02/29/24 (S) Heard & Held  
02/29/24 (S) MINUTE(STA)  
03/19/24 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)

#### **WITNESS REGISTER**

SENATOR JAMES KAUFMAN, District F

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Sponsor of SB 195.

DAVID DUNSMORE, Staff

Senator Bill Wielechowski

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Delivered a presentation on the Alaska Online Checkbook Act Goals and Implementation.

ERIC DEMOULIN, Director

Division of Administrative Services

Department of Administration (DOA)

Juneau, Alaska

**POSITION STATEMENT:** Co-presented an overview of Checkbook Online.

STEPHANIE ALLISION, Director

Division of Finance

Department of Administration (DOA)

Juneau, Alaska

**POSITION STATEMENT:** Co-presented an overview of Checkbook Online.

#### **ACTION NARRATIVE**

3:31:59 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 Claman, Bjorkman, Wielechowski, Merrick, and Chair Kawasaki.

**SB 195-STATE AGENCY PERFORMANCE IMPROVEMENT**

[3:33:45 PM](#)

At ease

[3:35:12 PM](#)

CHAIR KAWASAKI reconvened the meeting and announced the consideration of SENATE BILL NO. 195 "An Act relating to the office of management and budget; and providing for an effective date."

[3:35:57 PM](#)

SENATOR KAUFMAN, District F, Alaska State Legislature, Juneau, Alaska, sponsor of SB 195. He noted that SB 195 has no fiscal note and listed three provisions under SB 195:

Key provisions of the bill include:

- Expand the statutory duties of the OMB director to collect and analyze data on performance of agencies, to advise the governor on matters of improvement of business processes and increasing accountability, and to publish regularly updated progress updates on a website.
- Empower OMB to collaborate with state agencies to enhance responsiveness, improve customer service quality, and implement cost optimization strategies.
- Establish a framework for state agencies to cooperate fully with the OMB, ensuring timely responses to inquiries and the provision of necessary information for performance evaluation and improvement.

[3:37:23 PM](#)

CHAIR KAWASAKI opened public testimony on SB 195; finding none, he closed public testimony.

[3:37:50 PM](#)

CHAIR KAWASAKI solicited the will of the committee.

[3:38:11 PM](#)

SENATOR MERRICK moved to report SB 195, work order 33-LS1015\B, from committee with individual recommendations and attached fiscal note(s).

[3:38:25 PM](#)

CHAIR KAWASAKI found no objection and SB 195 was reported from the Senate State Affairs Standing Committee.

[3:38:37 PM](#)

At ease

**SJR 15-CONST. AM: VOTES NEEDED FOR VETO OVERRIDE**

[3:40:36 PM](#)

CHAIR KAWASAKI reconvened the meeting and announced the consideration of SENATE JOINT RESOLUTION NO. 15 "Proposing an amendment to the Constitution of the State of Alaska relating to actions upon veto."

[3:41:13 PM](#)

At ease

[3:41:47 PM](#)

CHAIR KAWASAKI reconvened the meeting.

[3:42:04 PM](#)

SENATOR CLAMAN expressed appreciation for the support of SJR 15.

[3:42:13 PM](#)

CHAIR KAWASAKI solicited the will of the committee.

[3:42:18 PM](#)

SENATOR MERRICK moved to report SJR 15, work order 33-LS1373\A, from committee with individual recommendations and attached fiscal note(s).

[3:42:32 PM](#)

CHAIR KAWASAKI found no objection and SJR 15 was reported from the Senate State Affairs Standing Committee.

[3:42:45 PM](#)

At ease

**PRESENTATION: ALASKA ONLINE CHECKBOOK ACT**  
**GOALS AND IMPLEMENTATION**

[3:44:21 PM](#)

CHAIR KAWASAKI reconvened the meeting and announced the consideration of a presentation on the Alaska Online Checkbook Act Goals and Implementation.

[3:45:16 PM](#)

DAVID DUNSMORE, Staff, Senator Bill Wielechowski, Alaska State Legislature, Juneau, Alaska, delivered a presentation on the Alaska Online Checkbook Act Goals and Implementation. He moved to slide 2 and outlined the history and current status of the Alaska Online Checkbook Act:

[Original punctuation provided.]

**The Alaska Online Checkbook Act Was Passed by the 32nd Legislature in 2022**

- Sponsored by Sen. Wielechowski, 10 Senate co-sponsors, and 19 House cross-sponsors
- Passed the Senate 20- 0 and the House 40-0
- Heard by the State Affairs and Finance Committees in both bodies
- The sponsor worked with the Department of Administration and other agencies to make changes to make the bill easier to implement.

[3:46:11 PM](#)

MR. DUNSMORE moved to slide 3 and spoke to the timeline of the Alaska Online Checkbook Act:

[Original punctuation provided.]

**The Alaska Online Checkbook Act: 16 Years in**

- Sen. Wielechowski introduced the first version of this bill in 2008.
- After the bill was introduced, the Palin administration launched the "Checkbook Online" website using existing authority.
- In 2020, the website was taken offline for almost a year.
- Sen. Wielechowski reintroduced this bill to codify the requirement for an Online Checkbook in statute and expand the information available.

[3:46:45 PM](#)

MR. DUNSMORE moved to slide 4 and spoke to the anticipated benefits of the Online Checkbook Act:

[Original punctuation provided.]

**Alaska Online Checkbook Act Anticipated Benefits**

- Increased accountability by making state financial data available to the public in a searchable and easy to understand format.
- Making data available for legislators, staff, and other policy makers in a central location.
- Saving state agencies money on public records requests.

[3:47:11 PM](#)

MR. DUNSMORE moved to slide 5 and spoke to online transparency:

[Original punctuation provided.]

**When it was first launched the "Checkbook Online" made Alaska a leader in transparency of government finances, but as technology advanced Alaska hasn't kept pace.**

In 2019, the U.S. Public Interest Research Group gave Alaska an "F" for online transparency.

*Source: U.S. PIRG "Following the Money 2019"*

[3:48:01 PM](#)

MR. DUNSMORE moved to slide 7 and spoke to revenue data reporting requirements:

[Original punctuation provided.]

**The Alaska Online Checkbook Act Requires More Information Be Available Online**

- The previous website only provided expenditure data and did not provide information for state corporations.
- Requires data from state corporations be included.
- The Alaska Online Checkbook Act requires data for expenditures, income, number of employees and

contractors, debt, and account balances be available online.

- Requires that the data be searchable online, unlike the previous website which required downloading spreadsheets.

[3:48:17 PM](#)

MR. DUNSMORE moved to slide 8 and highlighted expenditure reporting requirements:

[Original punctuation provided.]

#### **Revenue Data Reporting Requirements**

- RECEIPTS OR DEPOSITS
- PROCEEDS FROM TAXES
- AGENCY EARNINGS (SALES, SERVICES, LICENSES, PERMITS, ETC.).
- OTHER REVENUES (INTEREST, LEASE, GIFTS, DONATIONS, ETC.).
- SOME DATA CAN BE AGGREGATED TO PROTECT CONFIDENTIALITY.

[3:48:33 PM](#)

MR. DUNSMORE moved to slide 9 and spoke to employee and contractor reporting requirements:

[Original punctuation provided.]

#### **Employee and Contractor Reporting Requirements**

- 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.

[3:48:49 PM](#)

MR. DUNSMORE moved to slide 10 and spoke to debt reporting requirements:

[Original punctuation provided.]

#### **Account Balances and Debt Reporting Requirements**

- STATUTORY BUDGET RESERVE (SBR)

- CONSTITUTIONAL BUDGET RESERVE (CBR)
- PERMANENT FUND EARNINGS RESERVE ACCOUNT (ERA)
- TOTAL LONG-TERM DEBT BY AGENCY

[3:49:04 PM](#)

MR. DUNSMORE moved to slide 11 and spoke to an image illustrating a sample online checkbook. He noted that during the committee process, the sponsor and committees examined how other states use data visualization software to enhance their online checkbooks. He provided a screenshot from Ohio's online checkbook website as an example of how data can be made more accessible to the public.

[3:49:29 PM](#)

MR. DUNSMORE moved to slide 12 and spoke to the timeline for implementation:

[Original punctuation provided.]

**The Alaska Online Checkbook Act Set a Timeline for Implementation**

- Existing "Checkbook Online" website to remain online during transition.
- New website to launch October 1, 2024, and begin being updated monthly.
- The sponsor would have preferred a shorter timeline, but the Department of Administration testified that this delayed implementation was necessary.

MR. DUNSMORE corrected the website launch date to October 1, 2023.

[3:50:03 PM](#)

MR. DUNSMORE moved to slide 13 and spoke to the fiscal note:

[Original punctuation provided.]

**Alaska Online Checkbook Act Fiscal Note**

- The Legislature fully funded the fiscal note submitted by the Department of Administration.
- Added \$65,000 in operating funds to the base budget for the Division of Finance.

- Included \$250,000 in one-time capital funding to "procure outward-facing presentation software, server capacity, design expertise, and contractor assistance with interface design, programming, and reporting.

[3:50:34 PM](#)

MR. DUNSMORE moved to slide 14 and spoke to the implementation of the Online Checkbook:

[Original punctuation provided.]

#### **Actual Implementation So Far**

- In October 2023, a new feature was added to the existing website allowing the spreadsheets to be searched online.
- Added links to documents from the University of Alaska, Legislative Audit, Tax Division, and Department of Labor.
- Does not appear to include any additional information beyond what was available on the previous website.
- Does not use data visualization technology to make the data more accessible.

[3:51:09 PM](#)

MR. DUNSMORE moved to slide 15 and presented a chart outlining the major data requirements and their current availability online. He highlighted that income data is not yet available, while expenditure data and reports required by the Legislative Audit Division are accessible. However, data from state corporations is still missing from the website.

[3:51:58 PM](#)

SENATOR WIELECHOWSKI asked whether it is accurate to say that the administration is in substantial non-compliance with the Online Checkbook Act.

[3:52:07 PM](#)

MR. DUNSMORE replied that there are several areas explicitly listed and required to be posted online by October 1 of last year, which have not been complied with. He confirmed that the statement about substantial non-compliance is accurate.

#### **PRESENTATION: DEPARTMENT OF ADMINISTRATION**

## CHECKBOOK ONLINE

[3:52:44 PM](#)

CHAIR KAWASAKI announced the consideration of a presentation on Checkbook Online.

[3:53:10 PM](#)

At ease

[3:54:06 PM](#)

CHAIR KAWASAKI reconvened the meeting.

[3:54:12 PM](#)

ERIC DEMOULIN, Director, Division of Administrative Services, Department of Administration (DOA), Juneau, Alaska, co-presented an overview of Checkbook Online. He introduced himself.

[3:54:36 PM](#)

STEPHANIE ALLISION, Director, Division of Finance, Department of Administration (DOA), Juneau, Alaska, co-presented an overview of Checkbook Online. She mentioned that she started in her role on March 13th. She moved to slide 2 and said the DOA has not met the statute requirements. Although it provided an improved model of information using Microsoft Power BI (business intelligence), it still does not meet those requirements. The department contracted with Tyler Technologies and have a prototype, which she reviewed yesterday.

[3:55:24 PM](#)

MS. ALLISON moved to slide 3 and spoke to a screenshot of a landing page. She said the prototype has similarities to Ohio's model. From this landing page, users can delve deeper into the product for more detailed financial data.

[3:55:43 PM](#)

MS. ALLISON moved to slides 4 and noted that the snapshot on this slide demonstrates the total spending for Fiscal Year (FY) 24.

[3:55:49 PM](#)

MS. ALLISON moved to slide 5 and spoke to a screenshot of divisions within DOA. She explained that users can filter data by division, name, expense category, vendor, and expense type on the prototype's landing page. She noted that data is likely exported using Microsoft Excel.

[3:56:15 PM](#)

MS. ALLISON moved to slide 6 and briefly showed a screenshot of the pie chart function.

[3:56:41 PM](#)

MS. ALLISON moved to slide 7 and briefly showed a screenshot of the expense detail filter. She stated that this filter allows users to limit the dollar amount and sort data both ascending and descending. She noted that location for the vendor was a requirement and will follow up with the project lead to ensure its inclusion in the prototype.

[3:57:20 PM](#)

MS. ALLISON moved to slide 8 and spoke to a screenshot of a vacancy list as of February 29. She explained that the division currently has a 28 percent vacancy rate, primarily affecting payroll, with recent departures including the division Director and two operations managers. While these staffing issues have contributed to delays, they are not the sole cause. The planned implementation date is April 30, although there is a possibility of going live by April 15. However, she expressed uncertainty in guaranteeing the earlier date.

[3:58:24 PM](#)

MR. DEMOULIN stated that the project is being implemented in phases, with a target to go live towards the end of April. He noted that coordinating with various corporations using separate proprietary accounting systems presents challenges in ensuring all data points are accurately presented. The dashboards currently reflect available expenditure data, with revenue data expected to be added later. The data will come from the state's Integrated Resource Information System (IRIS) system. Director Allison has requested a detailed project plan and roadmap to outline objectives and progress. He highlighted the value of the previous presentation's outline in helping to develop a transparent roadmap for the project's future.

[4:00:12 PM](#)

SENATOR WIELECHOWSKI expressed frustration with the process surrounding Online Checkbook. He noted that despite having fought for the bill for many years and providing over a year for the department to implement it, the result has been disappointing. He compared the outcome unfavorably to a previous instance where a staff member achieved similar results in a fraction of the time and at no cost. He criticized the department for not meeting expectations despite having resources and funding. He acknowledged the improvements being made and highlighted the need for the project to meet the promised

standards. He requested information on whether contractor data, including state and corporate contractors, will be included in Checkbook Online.

[4:01:59 PM](#)

MS. ALLISON acknowledged that including information for quasi-corporations (quasi-corps) presents a challenge. Although these entities provide audited financial statements annually, which are included in the state's audited financial statements, the data is often not easily accessible or understandable for the public. To address this, the Division of Finance is working on developing a method for these entities to provide financial information monthly for inclusion in Checkbook Online. She noted that while some quasi-corps use the state's financial system, Iris, the number of such entities is small, making this a significant hurdle. She asked him to further clarify the remainder of his question.

[4:03:01 PM](#)

SENATOR WIELECHOWSKI asked for information on contractor data and state corporations.

[4:03:05 PM](#)

MS. ALLISON replied that there are some issues with contractor data inclusion. Contractors are identified through contracts within the system, but those using alternative procurement methods without contracts are not tracked. To address this, DOA must identify the departments using these alternative methods and develop a process to capture the relevant data.

[4:03:42 PM](#)

MR. DEMOULIN provided an example of challenges with identifying contractor details, such as National Association of State Procurement Officials (NASPO) agreements. He said a procurement might show expenditures through a company like Sealaska Heritage Institute (SHI), which could be a software reseller or another contractor. The challenge lies in effectively breaking down these bundled contracts to understand their underlying purposes. While these issues may have been identified previously, they still present challenges that need addressing to provide clear and detailed information.

[4:04:34 PM](#)

SENATOR WIELECHOWSKI noted that the legislature had multiple conversations, phone calls, and meetings with the Department of Administration to address issues before passing the bill. He noted that Hans Zigmund, Director of the Division of Finance for

DOA, had previously indicated that the department planned to provide corporations with a spreadsheet template for monthly data submissions. He asked him to elaborate on the status of that plan.

[4:04:58 PM](#)

MR. DEMOULIN stated that he has not seen a spreadsheet or template provided by the previous director. He noted that, as the former Admin Services Director for the Department of Revenue, he worked extensively with quasi-corporations but had not encountered the spreadsheet expectation mentioned. He acknowledged the need for an automated and streamlined process to ensure consistency and minimize user error. He suggested looking into the provided template and deferred to Ms. Allison for additional details.

[4:05:53 PM](#)

MS. ALLISON replied that she had not yet seen the template.

[4:06:07 PM](#)

SENATOR MERRICK wondered how many people have visited the website.

[4:06:15 PM](#)

MR. DEMOULIN replied no, said the department has metered websites, and agreed to follow up with the committee.

[4:06:36 PM](#)

CHAIR KAWASAKI acknowledged agency staffing issues but expressed concern that these resources should be relatively easy to access. He asked what would be required to ensure that the project meets the April 30 deadline, emphasizing the importance of meeting this timeline.

[4:07:17 PM](#)

MS. ALLISON expressed confidence that the basic product would be ready by the April 30 deadline. She noted that the team is confident in meeting this timeline, though she admitted not having had sufficient time to fully assess the status of ongoing projects.

[4:07:44 PM](#)

CHAIR KAWASAKI acknowledged the work being done to ensure the payroll is processed, which he said is a high priority. However, he emphasized the importance of prioritizing compliance with the statute.

[4:07:58 PM](#)

SENATOR WIELECHOWSKI highlighted that failing to meet the requirements could lead to legal action against the state, which would be costly and likely result in a loss. He emphasized the importance of meeting the statutory requirements and warned of the risk of a costly lawsuit if compliance is not achieved. Ensuring the department meets these legal obligations should be a high priority. He asked about the priority level the department is assigning to completing this task and ensuring that it provides the service Alaskans expect.

[4:08:42 PM](#)

MS. ALLISON acknowledged that payroll is a priority and mentioned that she is addressing staffing issues by assigning an accountant to assist the project manager with the project. She noted the challenge of balancing multiple statutory requirements and ongoing financial system updates. While she understands the need to prioritize compliance with the statute, she expressed uncertainty about how it will fit in with other priorities. She committed to making it a top priority as much as possible despite the current hurdles.

[4:10:06 PM](#)

MR. DEMOULIN emphasized that prioritizing the online checkbook project has been a key focus since his time in the Department of Administration. He noted that additional resources are being considered to address current issues. said a contractor has been brought on board, but that was not done at the beginning of the contract, so that has also created uncertainty, but assured that the department is committed to completing it as quickly as possible. The working prototype will soon go live with the current functionalities and data visualizations by the end of April. The project remains a high priority and that efforts are underway to resolve issues and deliver positive results as soon as possible.

[4:11:08 PM](#)

CHAIR KAWASAKI inquired about the nature of the work conducted under the contract with Tyler Technologies, a public sector software provider based in Plano, Texas. He asked if its employees are physically working within the division or if the contract involves providing information to Tyler Technologies for processing and formatting it into a publicly readable format.

[4:11:55 PM](#)

MR. DEMOULIN explained that, currently, Tyler Technologies employees are not working directly within the division. Instead, the company is working externally to assist with data validation and synthesizing information for online posting. He mentioned that he would need to obtain further details on the specifics of how the data is handled and the project's interactions and invited Director Allison to provide additional information.

[4:12:30 PM](#)

MS. ALLISON said that Tyler Technologies meets weekly with the project team, and the internal team holds meetings every other week to address issues. However, she said does not have specifics on the interactions or project details.

[4:12:50 PM](#)

SENATOR WIELECHOWSKI requested a timeline for when the department expects to fully comply with all provisions of the statute.

[4:13:01 PM](#)

MR. DEMOULIN replied yes.

[4:13:04 PM](#)

CHAIR KAWASAKI suggested providing individual timelines for each citation in the law from the spreadsheet shown on page 15 of the slide deck. He acknowledged that some requirements might be easier to meet than others and proposed that if some items can be made available online sooner than others, they should be prioritized. He emphasized that rolling out compliance in phases, if possible, would be preferable and beneficial for both the committee and the public.

[4:14:29 PM](#)

SENATOR MERRICK wished Chair Kawasaki a happy birthday.

[4:15:22 PM](#)

There being no further business to come before the committee, Chair Kawasaki adjourned the Senate State Affairs Standing Committee meeting at 4:15 p.m.