

SCS CS HB 14
is same as
CSSB 3

Original sponsor: Bradner

Offered: 2/22/71
Referred: Rules

AMS

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 14

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 BILL

6 For an Act entitled: "An Act creating a legislative budget and audit com-
7 mittee and providing for the reorganization and
8 establishment of legislative fiscal support services;
9 and providing for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. AS 24.20.150 - 24.20.370 are repealed.

12 * Sec. 2. AS 24.20 is amended by adding new sections to read:

13 Sec. 24.20.151. LEGISLATIVE BUDGET AND AUDIT COMMITTEE. The
14 Alaska Legislative Budget and Audit Committee is established as a
15 permanent interim committee of the legislature. The establishment of
16 the committee recognizes the need of the legislature for full-time
17 technical assistance in accomplishing the fiscal analysis, budget
18 review and post-audit functions.

19 Sec. 24.20.162. MEMBERSHIP. The legislative budget and audit
20 committee is composed of five members each from the senate and the
21 house appointed by the president of the senate and the speaker of the
22 house, respectively. The membership from each house shall include
23 at least two members from each of the two major political parties.

24 Sec. 24.20.171. TERM OF MEMBERSHIP. Members serve for the duration of
25 the legislature during which they are appointed. If they are re-elected
26 or their term of office extends into the next succeeding legislature, they
27 continue to serve until reappointed or the appointment of their successor.

28 Sec. 24.20.181. VACANCIES. When a vacancy occurs in the member-
29 ship of the committee, the presiding officer of the house incurring

1 the vacancy shall choose a successor. If the office of the president
2 of the senate or speaker of the house of representatives becomes
3 vacant and a vacancy from the affected house occurs among the member-
4 ship of the committee, the remaining committee members from the house
5 incurring the vacancy shall appoint a new member.

6 Sec. 24.20.191. MEETINGS. The budget and audit committee may
7 meet during sessions of the legislature and during the interim between
8 sessions at such times and places inside the state as the chairman
9 may determine. Members may receive, for the minimum time required to
10 get to and from meetings and for the period while attending meetings,
11 the same travel and per diem allowances provided by law for members of
12 the legislature when attending sessions.

13 Sec. 24.20.201. POWERS. The legislative budget and audit
14 committee has the power to:

15 (1) organize, adopt rules for the conduct of its business
16 and prescribe procedures for the comprehensive fiscal analysis,
17 budget review and post-audit functions;

18 (2) hold public hearings, administer oaths, issue subpoenas,
19 compel the attendance of witnesses and production of papers, books,
20 accounts, documents and testimony, and to have the deposition of
21 witnesses taken in a manner prescribed by court rule or law for
22 taking depositions in civil actions;

23 (3) require all state officials and agencies of state
24 government to give full cooperation to the committee or its staff in
25 assembling and furnishing requested information;

26 (4) review revenue projections, state agency appropriation
27 requests, the expenditure of state funds, including the relationship
28 between state agency program accomplishments and legislative intent,
29 and the fiscal policies and procedures of state government;

1 (5) make recommendations concerning appropriations, their
2 expenditure and the fiscal policies and procedures of state government
3 to the governor where appropriate, and the legislature;

4 (6) prepare and distribute reports, memoranda or other
5 necessary materials.

6 Sec. 24.20.211. LEGISLATIVE FINANCE DIVISION. The legislative
7 finance division is established as a permanent staff agency responsible
8 to the legislative budget and audit committee for performance of
9 fiscal analysis and budget review functions.

10 Sec. 24.20.221. STAFF. (a) The committee shall hire and
11 determine the salary of the legislative fiscal analyst who shall serve
12 both at the direction and pleasure of the committee. The fiscal
13 analyst shall serve as head of the finance division and, within the
14 limits of the budget approved by the committee, shall employ and
15 determine the compensation of the professional and clerical staff of
16 the division.

17 (b) The fiscal analyst and members of the professional and
18 clerical staff shall not join or support a partisan political organi-
19 zation. This prohibition does not prevent the fiscal analyst or
20 members of the staff from joining social organizations, expressing
21 private opinion, registering as to party or voting.

22 Sec. 24.20.231. DUTIES. The legislative finance division
23 shall

24 (1) analyze the budget and appropriation requests of each
25 department, institution, bureau, board, commission or other agency of
26 state government;

27 (2) analyze the revenue requirements of the state;

28 (3) provide the finance committees of the legislature with
29 comprehensive budget review and fiscal analysis services;

1 (4) cooperate with the division of budget and management
2 in establishing a comprehensive system for state program budgeting
3 and financial management as set out in the Executive Budget Act
4 (AS 37.07);

5 (5) complete studies and prepare reports, memoranda or other
6 materials as directed by the legislative budget and audit committee.

7 (6) with the governor's permission, designate the legislative
8 fiscal analyst to serve ex officio on the governor's budget review
9 committee.

10 Sec. 24.20.241. LEGISLATIVE AUDIT DIVISION. The legislative
11 audit division is established as a permanent staff agency responsible
12 to the legislative budget and audit committee for completion of the
13 post-audit function.

14 Sec. 24.20.251. QUALIFICATIONS AND APPOINTMENT OF LEGISLATIVE
15 AUDITOR. (a) The legislative auditor shall be a certified public
16 accountant of this state, or of another state having requirements
17 equivalent to those of this state, with at least five years of practice
18 in the profession, or the equivalent, before his appointment.

19 (b) The legislative budget and audit committee shall examine
20 persons to serve as legislative auditor and, upon completion of the
21 examination, place the name of the person selected in nomination before
22 the legislature. If the legislature is not in session, the person
23 nominated shall carry out the duties of the office until the next
24 session of the legislature at which time the name of the person
25 nominated shall be presented to the legislature for appointment.

26 (c) The legislative auditor serves at the pleasure of the legisla-
27 ture. However, when the legislature is not in session, the auditor may
28 be removed for cause by a majority vote of the legislative budget and
29 audit committee after notice by, and a hearing before, the committee.

1 Sec. 24.20.261. STAFF. (a) The legislative budget and audit com-
2 mittee shall hire a supervisor of audit who shall serve both at the
3 direction and pleasure of the committee. The supervisor of audit shall
4 serve as head of the audit division and, within the limits of the budget
5 approved by the committee, shall employ and determine the compensation
6 of the other professional and clerical staff of the division until such
7 time as the position of legislative auditor becomes a full-time position
8 at which time the legislative auditor shall become the head of the
9 audit division.

10 (b) The auditor, the supervisor of audit and members of the
11 professional and clerical staff may not join or support a partisan
12 political organization. This prohibition does not prevent the auditor
13 or members of the staff from joining social organizations, expressing
14 private opinion, registering as to party or voting.

15 Sec. 24.20.271. POWERS AND DUTIES. The legislative audit divi-
16 sion shall

17 (1) perform an audit, complete with a written report, at least
18 once every three years on the books and accounts of every department, in-
19 stitution, bureau, board, commission or other agency of state government;

20 (2) audit, at least once every three years the books and
21 accounts of all custodians of public funds and all disbursing officers
22 of the state;

23 (3) at the direction of the legislative budget and audit commit-
24 tee, conduct performance post-audits on any agency of state government;

25 (4) cooperate with state agencies by offering advice and
26 assistance as requested in establishing or improving the accounting
27 systems used by state agencies;

28 (5) require the assistance and cooperation of all state
29 officials and other state employees in the inspection, examination

1 and audit of state agency books and accounts;

2 (6) have access at all times to the books, accounts, reports
3 or other records, whether confidential or not, of every state agency;

4 (7) ascertain, as necessary for audit verification, the
5 amount of agency funds on deposit in any bank as shown on the books of
6 the bank; no bank may be held liable for making information required
7 under this paragraph available to the legislative audit division;

8 (8) complete studies and prepare reports, memoranda or other
9 materials as directed by the legislative budget and audit committee.

10 Sec. 24.20.281. SPECIAL AUDIT. A member of the legislature may,
11 in writing and with at least six days notice, request that the budget
12 and audit committee direct a special audit of any state agency or
13 determine the propriety of any expenditure of state funds received by
14 any political subdivision or other entity obtaining state funds. Should a
15 majority of the committee vote to approve the request, the legislative
16 audit division shall make the audit.

17 Sec. 24.20.291. CONFLICT OF INTEREST. The legislative auditor,
18 the supervisor of audit, the legislative fiscal analyst and members of
19 the staff of the legislative finance and audit divisions shall not
20 serve in ex officio or other capacity on any board (except as
21 authorized in sec. 231(6) of this chapter), commission or other
22 administrative agency of state government; nor shall they have a
23 financial interest in transactions involving any agency of state
24 government.

25 Sec. 24.20.301. RECORDS. (a) The legislative audit division
26 shall keep a complete file of all audit reports and other reports or
27 releases issued by the division, and a complete file of audit work
28 papers and other related supportive material. The division shall also
29 keep a complete and accurate record of all fiscal transactions

1 involving the division.

2 (b) The legislative finance division shall keep a complete file
3 of all budget reports and other reports or releases issued by the
4 division and a complete and accurate record of all fiscal transactions
5 involving the division.

6 Sec. 24.20.311. REPORTS. The committee shall file copies of its
7 approved audit reports including any committee recommendations with the
8 governor, the agency concerned and the legislature. An annual report
9 summarizing the audit reports and committee recommendations made during
10 the year shall be filed with the governor and with the legislature
11 within the first five days of each regular session of the legislature.
12 Reports shall be approved by a majority of the committee before their
13 release and shall be open to public inspection after their release to
14 the legislature.

15 * Sec. 3. AS 37.07.040(5) is amended to read:

16 (5) provide the legislative finance division [LEGISLATIVE
17 AFFAIRS AGENCY] with the budget information it may request.

18 * Sec. 4. AS 37.07.050(a) is amended to read:

19 (a) Each state agency, on the date and in the form and content
20 prescribed by the division, shall prepare and forward to the division
21 and the legislative finance division [LEGISLATIVE AFFAIRS AGENCY]

22 (1) the goals and objectives of the agency programs,
23 together with proposed supplements, deletions and revision;

24 (2) its proposed plans to implement the goals and objectives,
25 including estimates of future service needs, planned methods of admini-
26 stration, proposed modification of existing program services and
27 establishment of new program services, and the estimated resources
28 needed to carry out the proposed plan;

29 (3) the budget requested to carry out its proposed plans in

1 the succeeding fiscal year, including information reflecting the
2 expenditures during the last fiscal year, those authorized for the
3 current fiscal year, those proposed for the succeeding fiscal year,
4 an explanation of the services to be provided, the need for the
5 services, the cost of the services, and any other information requested
6 by the division;

7 (4) a report of the receipts during the last fiscal year,
8 an estimate of the receipts during the current fiscal year, and an
9 estimate for the succeeding fiscal year;

10 (5) a statement of legislation required to implement the
11 proposed programs and financial plans;

12 (6) an evaluation of the advantages and disadvantages of
13 specific alternatives to existing or proposed program policies or
14 administrative methods.

15 * Sec. 5. AS 37.07.090(a) is amended to read:

16 (a) Each state agency shall submit a performance report to the
17 division no later than September 1 for the preceding fiscal year.
18 These reports shall be in the form prescribed by the division after
19 consultation with the legislative finance division [LEGISLATIVE AFFAIRS
20 AGENCY], and shall include statements concerning

21 (1) the work accomplished and the services provided in the
22 preceding fiscal year or other meaningful work period, relating actual
23 accomplishments to those planned under sec. 80(b) of this chapter;

24 (2) the relationship of accomplishments and services to the
25 policy decisions and budget determinations of the governor and the
26 legislature;

27 (3) the costs of accomplishing the work and providing the
28 services, and, to the extent feasible, citing meaningful measures of
29 program effectiveness and cost;

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(4) the administrative improvements made in the preceding year, potential improvements in future years, and suggested changes in legislation or administrative procedures to make further improvements.

* Sec. 6. AS 24.20.060(4)(D) is repealed.

* Sec. 7. This Act takes effect on July 1, 1971.