

Original sponsor: Bradner

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1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL ~~NO. 14~~ *AmS*

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A 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 AS 24.20.150 - 24.20.370 are repealed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. *AmS*

19 Sec. 24.20.161. 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
25 of the legislature during which they are appointed. If they are re-elect-
26 ed or their term of office extends into the next succeeding legislature,
27 they continue to serve until reappointed or the appointment of their
28 successor. *FLCS-SES-CS*

29 Sec. 24.20.181. VACANCIES. When a vacancy occurs in the member-
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1 ship of the committee, the presiding officer of the house incurring
2 the vacancy shall choose a successor. If the office of the president
3 of the senate or speaker of the house of representatives becomes
4 vacant and a vacancy from the affected house occurs among the member-
5 ship of the committee, the remaining committee members from the house
6 incurring the vacancy shall appoint a new member.

7 Sec. 24.20.191. MEETINGS. The budget and audit committee may
8 meet during sessions of the legislature and during the interim between
9 sessions at such times and places inside the state as the chairman
10 may determine. Members may receive, for the minimum time required to
11 get to and from meetings and for the period while attending meetings,
12 the same travel and per diem allowances provided by law for members of
13 the legislature when attending sessions, except that members of the
14 committee receive no per diem during legislative sessions other than
15 the per diem allowance paid to other members of the legislature.

16 Sec. 24.20.201. POWERS. (a) The legislative budget and audit
17 committee has the power to:

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

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

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

29 (4) review revenue projections, state agency appropriation

1 requests, the expenditure of state funds, including the relationship
2 between state agency program accomplishments and legislative intent,
3 and the fiscal policies and procedures of state government;

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

7 (6) prepare and distribute reports, memoranda or other
8 necessary materials.

9 (b) Nothing in this chapter shall be so construed as to
10 authorize the referral by the presiding officer of legislation to
11 the committee at regular or special sessions of the legislature.

12 Sec. 24.20.211. LEGISLATIVE FINANCE DIVISION. The legislative
13 finance division is established as a permanent staff agency responsible
14 to the legislative budget and audit committee for performance of
15 fiscal analysis and budget review functions.

16 Sec. 24.20.211. STAFF. (a) The committee shall hire and
17 determine the salary of the legislative fiscal analyst who shall serve
18 both at the direction and pleasure of the committee. The fiscal
19 analyst shall serve as head of the finance division and, within the
20 limits of the budget approved by the committee, shall employ and
21 determine the compensation of the professional and clerical staff of
22 the division.

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

28 Sec. 24.20.231. DUTIES. The legislative finance division
29 shall

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

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

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

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

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

13 (6) with the governor's permission, designate the legislative
14 fiscal analyst to serve ex officio on the governor's budget review
15 committee.

16 Sec. 24.20.241. LEGISLATIVE AUDIT DIVISION. The legislative
17 audit division is established as a permanent staff agency responsible
18 to the legislative budget and audit committee for completion of the
19 post-audit function.

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

25 (b) The legislative budget and audit committee shall examine
26 persons to serve as legislative auditor and, upon completion of the
27 examination, place the name of the person selected in nomination before
28 the legislature. If the legislature is not in session, the person
29 nominated shall carry out the duties of the office until the next

1 session of the legislature at which time the name of the person
2 nominated shall be presented to the legislature for appointment.

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

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

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

21 Sec. 24.20.271. POWERS AND DUTIES. The legislative audit divi-
22 sion shall

23 (1) perform an audit, complete with a written report, at least
24 once every three years on the books and accounts of every department,
25 institution, bureau, board, commission or other agency of state govern-
26 ment;

27 (2) audit at least once every three years the books and
28 accounts of all custodians of public funds and all disbursing officers
29 of the state;

1 (3) at the direction of the legislative budget and audit com-
2 mittee, conduct performance post-audits on any agency of state govern-
3 ment;

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

7 (5) require the assistance and cooperation of all state
8 officials and other state employees in the inspection, examination
9 and audit of state agency books and accounts;

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

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

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

18 Sec. 24.20.281. SPECIAL AUDIT. A member of the legislature may,
19 in writing and with at least six days notice, request that the budget
20 and audit committee direct a special audit of any state agency or
21 determine the propriety of any expenditure of state funds received by
22 any political subdivision or other entity obtaining state funds. Should
23 a majority of the committee vote to approve the request, the legislative
24 audit division shall make the audit.

25 Sec. 24.20.291. CONFLICT OF INTEREST. The legislative auditor,
26 the supervisor of audit, the legislative fiscal analyst and members of
27 the staff of the legislative finance and audit divisions shall not
28 serve in ex officio or other capacity on any board (except as
29 authorized in sec 231(6) of this chapter), commission or other

1 administrative agency of state government; nor shall they have a
2 financial interest in transactions involving any agency of state
3 government.

4 Sec. 24.20.301. RECORDS. (a) The legislative audit division
5 shall keep a complete file of all audit reports and other reports or
6 releases issued by the division, and a complete file of audit work
7 papers and other related supportive material. The division shall also
8 keep a complete and accurate record of all fiscal transactions
9 involving the division.

10 (b) The legislative finance division shall keep a complete file
11 of all budget reports and other reports or releases issued by the
12 division and a complete and accurate record of all fiscal transactions
13 involving the division.

14 Sec. 24.20.311. REPORTS. The committee shall file copies of its
15 approved audit reports including any committee recommendations with the
16 governor, the agency concerned and the legislature. An annual report
17 summarizing the audit reports and committee recommendations made during
18 the year shall be filed with the governor and with the legislature
19 within the first five days of each regular session of the legislature.
20 Reports shall be approved by a majority of the committee before their
21 release and shall be open to public inspection after their release to
22 the legislature.

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

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

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

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

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

3 (2) its proposed plans to implement the goals and objectives,
4 including estimates of future service needs, planned methods of admini-
5 stration, proposed modification of existing program services and
6 establishment of new program services, and the estimated resources
7 needed to carry out the proposed plan;

8 (3) the budget requested to carry out its proposed plans in
9 the succeeding fiscal year, including information reflecting the
10 expenditures during the last fiscal year, those authorized for the
11 current fiscal year, those proposed for the succeeding fiscal year,
12 an explanation of the services to be provided, the need for the
13 services, the cost of the services, and any other information requested
14 by the division;

15 (4) a report of the receipts during the last fiscal year,
16 an estimate of the receipts during the current fiscal year, and an
17 estimate for the succeeding fiscal year;

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

20 (6) an evaluation of the advantages and disadvantages of
21 specific alternatives to existing or proposed program policies or
22 administrative methods.

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

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

29 (1) the work accomplished and the services provided in the

1 preceding fiscal year or other meaningful work period, relating actual
2 accomplishments to those planned under sec. 80(b) of this chapter;

3 (2) the relationship of accomplishments and services to the
4 policy decisions and budget determinations of the governor and the
5 legislature;

6 (3) the costs of accomplishing the work and providing the
7 services, and, to the extent feasible, citing meaningful measures of
8 program effectiveness and cost;

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

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

13 * Sec. 7. (a) AS 24.20.151 - 24.20.191 in sec. 2 of this act, take
14 effect on the day after passage and approval of this act or on the
15 day it becomes law without approval.

16 (b) Secs. 1, 3 - 6, and AS 24.20.201 - 24.20.311, in sec. 2
17 of this act, take effect July 1, 1971.

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