

1 IN THE SENATE

BY PALMER

2 SENATE BILL NO. 3

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 AS 24.20.150 - 24.20.370 are repealed.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.

19 Sec. 24.20.161. MEMBERSHIP. The legislative budget and audit
20 committee is composed of the chairmen of the senate and house finance
21 committees, elected at each session of the legislature, and three
22 members each from the senate and from the house appointed by the
23 president of the senate and the speaker of the house, respectively.
24 The membership from each house shall include at least one member from
25 each of the two major political parties.

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

1 of their successor.

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

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

16 Sec. 24.20.201. POWERS. 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 Sec. 24.20.211. LEGISLATIVE FINANCE DIVISION. The legislative
10 finance division is established as a permanent staff agency responsible
11 to the legislative budget and audit committee for performance of
12 fiscal analysis and budget review functions.

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

20 (b) The fiscal analyst and members of the professional and
21 clerical staff shall not join or support any partisan political
22 organization. This prohibition does not prevent the fiscal analyst
23 or members of the staff from joining social organizations, expressing
24 private opinion, registering as to party or voting.

25 Sec. 24.20.231. DUTIES. The legislative finance division shall

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

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

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

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

7 (5) complete studies and prepare reports, memoranda or
8 other materials as directed by the legislative budget and audit commit-
9 tee.

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 legis-
27 lature. However, when the legislature is not in session, the auditor
28 may be removed for cause by a majority vote of the legislative budget
29 and audit committee after notice by, and a hearing before, the

1 committee.

2 Sec. 24.20.261. STAFF. (a) The legislative auditor shall serve
3 as head of the audit division and, within the limits of the budget
4 approved by the committee, shall employ and determine the compensation
5 of the professional and clerical staff of the division. The legis-
6 lative budget and audit committee shall determine the salary of the
7 legislative auditor.

8 (b) The auditor and members of the professional and clerical
9 staff may not join or support any partisan political organization.
10 This prohibition does not prevent the auditor or members of the staff
11 from joining social organizations, expressing private opinion, regis-
12 tering as to party or voting.

13 Sec. 24.20.271. POWERS AND DUTIES. The legislative audit divi-
14 sion shall

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

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

22 (3) at the direction of the legislative budget and audit
23 committee, conduct performance post-audits on any agency of state
24 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 sub-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. Should
13 a majority of the committee vote to approve the request, the legisla-
14 tive audit division shall make the audit.

15 Sec. 24.20.291. CONFLICT OF INTEREST. The legislative auditor,
16 the legislative fiscal analyst and members of the staff of the legis-
17 lative finance and audit divisions shall not serve in ex officio or
18 other capacity on any board, commission or other administrative agency
19 of state government; nor shall they have a financial interest in tran-
20 sactions involving any agency of state government.

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

27 (b) The legislative finance division shall keep a complete file
28 of all budget reports and other reports or releases issued by the
29 division and a complete and accurate record of all fiscal transactions

1 involving the division.

2 Sec. 24.20311. REPORTS. The committee shall file copies of its
3 approved audit reports including any committee recommendations with
4 the governor, the agency concerned and the legislature. An annual
5 report summarizing the audit reports and committee recommendations
6 made during the year shall be filed with the governor and with the
7 legislature within the first five days of each regular session of the
8 legislature. Reports shall be approved by a majority of the committee
9 prior to their release and shall be open to public inspection after
10 their release to the legislature.

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

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

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

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

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

20 (2) its proposed plans to implement the goals and objectives,
21 including estimates of future service needs, planned methods of admini-
22 stration, proposed modification of existing program services and estab-
23 lishment of new program services, and the estimated resources needed
24 to carry out the proposed plan;

25 (3) the budget requested to carry out ~~is~~ proposed plans in
26 the succeeding fiscal year, including information reflecting the
27 expenditures during the last fiscal year, those authorized for the
28 current fiscal year, those proposed for the succeeding fiscal year, an
29 explanation of the services to be provided, the need for the services,

1 the cost of the services, and any other information requested by the
2 division;

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

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

8 (6) an evaluation of the advantages and disadvantages of
9 specific alternatives to existing or proposed program policies or
10 administrative methods.

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

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

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

20 (2) the relationship of accomplishments and services to the
21 policy decisions and budget determinations of the governor and the
22 legislature;

23 (3) the costs of accomplishing the work and providing the
24 services, and, to the extent feasible, citing meaningful measures of
25 program effectiveness and cost;

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

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

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