

Original sponsor: Palmer

Offered: 2/4/71  
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR SENATE BILL NO. 3

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act providing for reorganization and establishment  
7 of legislative fiscal support services; and providing  
8 for an effective date."

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

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 AS 24.20.150 - 24.20.370 are repealed.

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

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

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Sec. 24.20.161. MEMBERSHIP. The legislative budget and audit  
19 committee is composed of four members each from the senate and the  
20 house appointed by the president of the senate and the speaker of the  
21 house, respectively. The membership from each house shall include  
22 at least one member from each of the two major political parties.

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

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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.