

Original sponsors: Gruening, Lethin,  
Gardiner, et al

Offered: 4/22/77  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 1

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the termination, continuation, or  
7 reestablishment of certain boards and commissions, and  
8 establishing a procedure for zero-base periodic review  
9 and evaluation of agency programs and activities."

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

11 \* Section 1. The legislature finds that the substantial increase in the  
12 number of state agencies, boards and commissions, and the proliferation of  
13 rules and regulations which each has adopted have contributed to a public  
14 disenchantment with the operation of state government, and that there is need  
15 for an effective and regular system of scrutiny of the programs and activi-  
16 ties of all agencies, boards and commissions. The legislature further finds  
17 that the establishment of a system for periodic review by the public and the  
18 executive and legislative branches of certain state agencies, boards and  
19 commissions will help the governor and the legislature to determine the need  
20 for the continued existence of each of the agencies, boards and commissions.

21 \* Sec. 2. AS 08 is amended by adding a new chapter to read:

22 CHAPTER 03. TERMINATION, CONTINUATION

23 AND REESTABLISHMENT OF REGULATORY BOARDS.

24 Sec. 08.03.010. TERMINATION, CONTINUATION AND REESTABLISHMENT OF  
25 REGULATORY BOARDS. (a) Boards listed in this subsection have a termi-  
26 nation date of June 30, 1979:

27 (1) Board of Chiropractic Examiners (AS 08.20.010);

28 (2) Board of Dental Examiners (AS 08.36.010);

29 (3) State Medical Board (AS 08.64.010);

- 1 (4) Board of Nursing (AS 08.68.010);
- 2 (5) Board of Dispensing Opticians (AS 08.71.010);
- 3 (6) Board of Examiners in Optometry (AS 08.72.010);
- 4 (7) Board of Pharmacy (AS 08.80.010);
- 5 (8) Board of Veterinary Examiners (AS 08.98.010);
- 6 (9) Board of Psychologist and Psychological Associate Exami-
- 7 ners (AS 08.86.010);
- 8 (10) Board of Nursing Home Administrators (AS 08.70.010);
- 9 (11) Physical Therapy Board (AS 08.84.010).

10 (b) Boards listed in this subsection have a termination date of  
11 June 30, 1980:

- 12 (1) Board of Public Accountancy (AS 08.04.010);
- 13 (2) Board of Barber Examiners (AS 08.12.010);
- 14 (3) Collection Agency Board (AS 08.24.011);
- 15 (4) Board of Hairdressing and Beauty Culture Examiners  
16 (AS 08.28.010);
- 17 (5) Board of Electrical Examiners (AS 08.40.010);
- 18 (6) State Board of Registration for Architects, Engineers and  
19 Land Surveyors (AS 08.48.011);
- 20 (7) Guide Licensing and Control Board (AS 08.54.010);
- 21 (8) Board of Marine Pilots (AS 08.62.010);
- 22 (9) Real Estate Commission (AS 08.88.011);
- 23 (10) Board of Welding Examiners (AS 08.99.010);
- 24 (11) Board of Governors of the Alaska Bar Association (AS 08.-  
25 08.040).

26 (c) Upon termination, each board listed in (a) and (b) of this  
27 section shall continue in existence until June 30 of the next succeeding  
28 year for the purpose of concluding its affairs. During this period,  
29 termination does not reduce or otherwise limit the powers or authority

1 of each board. One year after the date of termination, a board not  
2 continued shall cease all activities.

3 (d) A board scheduled for termination under this chapter may be  
4 continued or reestablished by the legislature for a period not to exceed  
5 four years.

6 (e) Before the termination, continuation or reestablishment of a  
7 board, a committee of reference in each house of the legislature shall  
8 hold a public hearing, receiving testimony from the public and from the  
9 members of the board. At the public hearing a board subject to termina-  
10 tion has the burden of demonstrating a public need for its continued  
11 existence.

12 (f) No more than one board may be continued or reestablished in  
13 any legislative bill, and the name of the board to be continued or  
14 reestablished shall be mentioned in the title of the bill.

15 \* Sec. 3. AS 44 is amended by adding a new chapter to read:

16 CHAPTER 66. REVIEW OF THE ACTIVITIES OF AGENCIES,  
17 BOARDS AND COMMISSIONS.

18 Sec. 44.66.010. TERMINATION OF STATE BOARDS AND COMMISSIONS. (a)  
19 Boards and commissions listed in this subsection expire on the date set  
20 out after each:

21 (1) Alcoholic Beverage Control Board (AS 04.05.010) -- June  
22 30, 1979;

23 (2) Alaska Transportation Commission (AS 42.07.011) --  
24 June 30, 1979;

25 (3) State Board of Parole (AS 33.15.010) -- June 30, 1980;

26 (4) Alaska Public Utilities Commission (AS 42.05.010) --  
27 June 30, 1980;

28 (5) Alaska Pipeline Commission (AS 42.05.010) -- June 30,  
29 1981.

1 (b) Upon termination, a commission listed in (a) of this section  
2 shall continue in existence until June 30 of the next succeeding year  
3 for the purpose of concluding its affairs.

4 (c) A commission scheduled for termination under this chapter may  
5 be continued or reestablished by the legislature for a period not to  
6 exceed four years.

7 (d) Before the termination, continuation or reestablishment of a  
8 commission, a committee of reference in each house of the legislature  
9 shall hold a public hearing, receiving testimony from the public and  
10 from the members of the commission. At the public hearing a commission  
11 subject to termination has the burden of demonstrating a public need for  
12 its continued existence.

13 (e) No more than one commission may be continued or reestablished  
14 in any legislative bill, and the name of the commission to be continued  
15 or reestablished shall be mentioned in the title of the bill.

16 Sec. 44.66.020. AGENCY PROGRAMS. (a) Agency programs and acti-  
17 vities listed in this subsection which are specifically designated as  
18 provided in sec. 30 of this chapter are subject to termination during  
19 the regular legislative session convening in the month and year set out  
20 after each:

21 (1) programs in the budget categories of general government,  
22 public protection, and administration of justice -- January, 1980;

23 (2) programs in the budget categories of education and the  
24 University of Alaska -- January, 1981;

25 (3) programs in the budget categories of health and social  
26 services -- January, 1982;

27 (4) programs in the budget categories of natural resources  
28 management, development and transportation -- January, 1983.

29 (b) An agency program or activity designated in (a) of this sec-

1 tion shall be subject to termination during the regular legislative  
2 session convening four years after the preceding review and may be sub-  
3 ject to termination at any time upon the recommendation of the Legisla-  
4 tive Budget and Audit Committee and the concurrence of the legislature  
5 as if under sec. 30 of this chapter.

6 Sec. 44.66.030. PROGRAM IDENTIFICATION. During the legislative  
7 session preceding each of the years set out in sec. 20 of this chapter,  
8 the Legislative Budget and Audit Committee shall designate, not later  
9 than March 1 of those years, the programs and activities within each  
10 program category which shall be subject to termination in the next  
11 fiscal year. The recommendations of the Legislative Budget and Audit  
12 Committee shall be submitted to the respective houses of the legislature  
13 in the form of a bill which, if enacted into law, would terminate those  
14 designated programs and activities on or before July 1 of the following  
15 year.

16 Sec. 44.66.050. LEGISLATIVE OVERSIGHT. (a) Before the termina-  
17 tion, dissolution, continuation or reestablishment of a board or com-  
18 mission under sec. 10 of this chapter, a committee of reference of each  
19 house, which shall be the standing committee of legislative jurisdiction  
20 as provided in the Uniform Rules of the Legislature, shall hold one or  
21 more hearings to receive testimony from the public, the commissioner of  
22 the department having administrative responsibility for each named board  
23 or commission and the members of the board or commission involved. The  
24 hearings may be joint hearings. The committee shall also consider the  
25 proposed budget of the board or commission, prepared in accordance with  
26 AS 37.07.050(f), and the performance audit of the activities of the  
27 board or commission, prepared by the legislative audit division as  
28 prescribed in AS 24.20.271(1). The committee may consider any other  
29 report of the activities of the board or commission, including but not

1 limited to annual reports, summaries prepared by the Legislative Affairs  
2 Agency, and any evaluation or general report of the manner of conduct of  
3 activities of the board or commission prepared by the office of the  
4 ombudsman.

5 (b) During a public hearing, the board or commission shall have  
6 the burden of demonstrating a public need for its continued existence.  
7 and the extent to which any change in the manner of exercise of its  
8 functions or activities may increase efficiency of administration or  
9 operation consistent with the public interest.

10 (c) A determination as to whether a board or commission has  
11 demonstrated a public need for its continued existence shall take into  
12 consideration the following factors:

13 (1) the extent to which the board or commission has operated  
14 in the public interest;

15 (2) the extent to which the operation of the board or com-  
16 mission has been impeded or enhanced by existing statutes, procedures,  
17 and practices which it has adopted, and any other matter, including  
18 budgetary, resource, and personnel matters;

19 (3) the extent to which the board or commission has recom-  
20 mended statutory changes which are generally of benefit to the public  
21 interest;

22 (4) the extent to which the board or commission has encour-  
23 aged interested persons to report to it concerning the effect of its  
24 regulations and decisions on the effectiveness of service, economy of  
25 service, and availability of service which it has provided;

26 (5) the extent to which the board or commission has encour-  
27 aged public participation in the making of its regulations and deci-  
28 sions;

29 (6) the efficiency with which public inquiries or complaints

1 regarding the activities of the board or commission filed with it, with  
2 the department to which a board or commission is administratively  
3 assigned, or with the office of the ombudsman have been processed and  
4 resolved;

5 (7) the extent to which a board or commission which regulates  
6 entry into an occupation or profession has presented qualified appli-  
7 cants to serve the public;

8 (8) the extent to which state personnel practices, including  
9 affirmative action requirements, have been complied with by the board or  
10 commission to its own activities and the area of activity or interest;  
11 and

12 (9) the extent to which statutory, regulatory, budgeting or  
13 other changes are necessary to enable the board or commission to better  
14 serve the interests of the public and to comply with the factors enu-  
15 merated in this subsection.

16 (d) As to each board or commission assigned to it for purposes of  
17 review, the committee of reference shall, not later than the 60th day of  
18 the legislative session, submit a report to the presiding officer of the  
19 house. The report shall contain a summary of the findings of the com-  
20 mittee as to the compliance of the board or commission program with the  
21 factors enumerated in (c) of this section, together with a summary or  
22 recommendations of the committee as to each of the following:

23 (1) an identification of the problems or the needs that the  
24 programs and activities of the board or commission are intended to  
25 address;

26 (2) a statement, to the extent practicable, of the objectives  
27 of the program of the board or commission, and its anticipated accom-  
28 plishments;

29 (3) an identification of any other programs having similar,

1 conflicting or duplicate objectives;

2 (4) an assessment of alternative methods of achieving the  
3 purposes of the program;

4 (5) an assessment of the consequences of eliminating the  
5 board or commission and consolidating its activities with another pro-  
6 gram, or of funding it at a lower level;

7 (6) a justification for the recommended continuation or ex-  
8 tension of the board or commission, and an explanation of the manner in  
9 which it avoids duplication of or conflict with other efforts; and

10 (7) any other information which, in the opinion of the com-  
11 mittee, would improve the performance of the board or commission with  
12 respect to its representation of and responsiveness to the public  
13 interest.

14 (e) The committee of reference may introduce a bill providing for  
15 the reorganization or continuation of the board or commission program.  
16 No more than one board or commission shall be continued or reestablished  
17 in any legislative bill, and the board or commission shall be mentioned  
18 in the title of the bill.

19 Sec. 44.66.060. EXISTING CLAIMS. This chapter shall not cause the  
20 termination or dismissal of a claim or right of a citizen against a  
21 board, commission or program of an agency terminated under this chapter  
22 which is subject to litigation. Claims and rights shall be assumed by  
23 the department to which the board or commission terminated under this  
24 chapter was attached for administrative purposes.

25 \* Sec. 4. AS 24.20.271(1) is repealed and re-enacted to read:

26 (1) conduct a performance postaudit of boards and commissions  
27 designated in AS 44.66.010 and of those programs and activities of  
28 agencies subject to zero-base review and termination as determined in  
29 the manner set out in AS 44.66.020 - 44.66.040, and submit the audit,

1 together with a written report, not later than the first day of the  
2 regular session of the legislature convening in each year set out with  
3 reference to boards, commissions or agency programs whose activities are  
4 subject to termination as prescribed in AS 44.66;

5 \* Sec. 5. AS 37.07.050 is amended by adding a new subsection to read:

6 (f) Budget requests for boards and commissions and for those  
7 agency programs for the fiscal year following termination under AS  
8 44.66.010 - 44.66.070 shall be prepared and submitted in a zero-based  
9 format. The recommended appropriation request shall include:

10 (1) an identification of the objectives intended for the  
11 program and the problem or need which the activities and operations of  
12 the board, commission or program is intended to address;

13 (2) an assessment of the degree to which the original objec-  
14 tives of the program have been achieved expressed in terms of perfor-  
15 mance, effects, or accomplishments of the program and of the program or  
16 need which it was intended to address;

17 (3) a statement of the performance and accomplishments of the  
18 program in each of the last four completed fiscal years and of the costs  
19 incurred in the operation of the program;

20 (4) a statement of the number and types of persons affected  
21 by operation of the program;

22 (5) a summary statement, for each of the last three completed  
23 fiscal years, of the number of personnel employed in carrying out the  
24 program and a summary of the cost of personnel employed under contract  
25 in carrying out the program;

26 (6) an assessment of the effect of the program on the economy  
27 of the state;

28 (7) an assessment of the degree to which the overall policies  
29 of the program, as expressed in regulations adopted by the agency, board

1 or commission and its decisions, meet the objectives of the legislature  
2 in establishing the program; and

3 (8) an analysis of the services and performance estimated to  
4 be achieved if the life of the agency, board or commission were to be  
5 continued.

6 \* Sec. 6. AS 37.07.090 is amended to read:

7 Sec. 37.07.090. PERFORMANCE REPORTING. (a) Each state agency  
8 shall submit a performance report to the division no later than Septem-  
9 ber 1 for the preceding fiscal year. These reports shall be in the form  
10 prescribed by the division after consultation with the legislative  
11 finance division, and shall include

12 (1) an identification of the objectives intended for the  
13 program and the problem or need which the activities and operations of  
14 the board, commission or program is intended to address;

15 (2) an assessment of the degree to which the original objec-  
16 tives of the program have been achieved expressed in terms of perfor-  
17 mance, effects, or accomplishments of the program and of the program or  
18 need which it was intended to address;

19 (3) a statement of the performance and accomplishments of the  
20 program in each of the last four completed fiscal years and of the costs  
21 incurred in the operation of the program;

22 (4) a statement of the number and types of persons affected  
23 by operation of the program;

24 (5) a summary statement, for each of the last three completed  
25 fiscal years, of the number of personnel employed in carrying out the  
26 program and a summary of the cost of personnel employed under contract  
27 in carrying out the program;

28 (6) an assessment of the effect of the program on the economy  
29 of the state;

1                   (7) an assessment of the degree to which the overall policies  
2 of the program, as expressed in regulations adopted by the agency, board  
3 or commission and its decisions, meet the objectives of the legislature  
4 in establishing the program; and

5                   (8) an analysis of the services and performance estimated to  
6 be achieved if the life of the agency, board or commission were to be  
7 continued. [STATEMENTS CONCERNING

8                   (1) THE WORK ACCOMPLISHED AND THE SERVICES PROVIDED IN THE  
9 PRECEDING FISCAL YEAR OR OTHER MEANINGFUL WORK PERIOD, RELATING ACTUAL  
10 ACCOMPLISHMENTS TO THOSE PLANNED UNDER SEC. 80(b) OF THIS CHAPTER;

11                   (2) THE RELATIONSHIP OF ACCOMPLISHMENTS AND SERVICES TO THE  
12 POLICY DECISIONS AND BUDGET DETERMINATIONS OF THE GOVERNOR AND THE  
13 LEGISLATURE;

14                   (3) THE COSTS OF ACCOMPLISHING THE WORK AND PROVIDING THE  
15 SERVICES, AND, TO THE EXTENT FEASIBLE, CITING MEANINGFUL MEASURES OF  
16 PROGRAM EFFECTIVENESS AND COSTS;

17                   (4) THE ADMINISTRATIVE IMPROVEMENTS MADE IN THE PRECEDING  
18 YEAR, POTENTIAL IMPROVEMENTS IN FUTURE YEARS, AND SUGGESTED CHANGES IN  
19 LEGISLATION OR ADMINISTRATIVE PROCEDURES TO MAKE FURTHER IMPROVEMENTS.]

20                   (b) The division shall summarize the performance reports and for-  
21 ward copies to each member of the legislature.  
22  
23  
24  
25  
26  
27  
28  
29