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For Today's Calendar

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 1 (Finance)

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 08.34.010).

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) The termination, dissolution, continuation or reestablish-  
4 ment of a regulatory board shall be governed by the legislative over-  
5 sight procedures of AS 44.66.050.

6 (e) A board scheduled for termination under this chapter may be  
7 continued or reestablished by the legislature for a period not to exceed  
8 four years.

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

10 CHAPTER 66. REVIEW OF THE ACTIVITIES OF AGENCIES,  
11 BOARDS AND COMMISSIONS.

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

15 (1) Alcoholic Beverage Control Board (AS 04.05.010) --  
16 June 30, 1979;

17 (2) Alaska Transportation Commission (AS 42.07.011) --  
18 June 30, 1979;

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

20 (4) Alaska Public Utilities Commission (AS 42.05.010) --  
21 June 30, 1980;

22 (5) Alaska Pipeline Commission (AS 42.05.010) -- June 30,  
23 1981.

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

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

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

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

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

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

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

14          (b) An agency program or activity designated in (a) of this sec-  
15          tion shall be subject to termination during the regular legislative  
16          session convening four years after the preceding review and may be sub-  
17          ject to termination at any time upon the recommendation of the Legisla-  
18          tive Budget and Audit Committee and the concurrence of the legislature  
19          as if under sec. 30 of this chapter.

20          Sec. 44.66.030. PROGRAM IDENTIFICATION. During the legislative  
21          session preceding each of the years set out in sec. 20 of this chapter,  
22          the Legislative Budget and Audit Committee shall designate, not later  
23          than March 1 of those years, the programs and activities within each  
24          program category which shall be subject to termination in the next  
25          fiscal year. The recommendations of the Legislative Budget and Audit  
26          Committee shall be submitted to the respective houses of the legislature  
27          in the form of a bill which, if enacted into law, would terminate those  
28          designated programs and activities on or before July 1 of the following  
29          year.

1           Sec. 44.66.050. LEGISLATIVE OVERSIGHT. (a) Before the termina-  
2           tion, dissolution, continuation or reestablishment of a board or com-  
3           mission under AS 08.03.010 or sec. 10 of this chapter, or of an agency  
4           program under secs. 20 and 30 of this chapter, a committee of reference  
5           of each house, which shall be the standing committee of legislative  
6           jurisdiction as provided in the Uniform Rules of the Legislature, shall  
7           hold one or more hearings to receive testimony from the public, the  
8           commissioner of the department having administrative responsibility for  
9           each named board, commission, or agency program, and the members of the  
10          board or commission involved. The hearings may be joint hearings. The  
11          committee shall also consider the proposed budget of the board, commis-  
12          sion, or agency program, prepared in accordance with AS 37.07.050(f),  
13          and the performance audit of the activities of the board, commission, or  
14          agency program, prepared by the legislative audit division as prescribed  
15          in AS 24.20.271(1). The committee may consider any other report of the  
16          activities of the board, commission or program, including but not  
17          limited to annual reports, summaries prepared by the Legislative Affairs  
18          Agency, and any evaluation or general report of the manner of conduct of  
19          activities of the board, commission, or agency program prepared by the  
20          office of the ombudsman.

21           (b) During a public hearing, the board, commission or agency shall  
22           have the burden of demonstrating a public need for its continued exist-  
23           tence or the continuation of the program, and the extent to which any  
24           change in the manner of exercise of its functions or activities may  
25           increase efficiency of administration or operation consistent with the  
26           public interest.

27           (c) A determination as to whether a board or commission or agency  
28           program has demonstrated a public need for its continued existence shall  
29           take into consideration the following factors:

1 (1) the extent to which the board, commission or program has  
2 operated in the public interest;

3 (2) the extent to which the operation of the board, com-  
4 mission, or agency program has been impeded or enhanced by existing  
5 statutes, procedures, and practices which it has adopted, and any other  
6 matter, including budgetary, resource, and personnel matters;

7 (3) the extent to which the board, commission or agency has  
8 recommended statutory changes which are generally of benefit to the  
9 public interest;

10 (4) the extent to which the board, commission or agency has  
11 encouraged interested persons to report to it concerning the effect of  
12 its regulations and decisions on the effectiveness of service, economy  
13 of service, and availability of service which it has provided;

14 (5) the extent to which the board, commission or agency has  
15 encouraged public participation in the making of its regulations and  
16 decisions;

17 (6) the efficiency with which public inquiries or complaints  
18 regarding the activities of the board, commission or agency filed with  
19 it, with the department to which a board or commission is administratively  
20 assigned, or with the office of the ombudsman have been processed and  
21 resolved;

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

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

29 (9) the extent to which statutory, regulatory, budgeting or

1 other changes are necessary to enable the agency, board or commission to  
2 better serve the interests of the public and to comply with the factors  
3 enumerated in this subsection.

4 (d) As to each board, commission, or agency program assigned to it  
5 for purposes of review, the committee of reference shall, not later than  
6 the 60th day of the legislative session, submit a report to the pre-  
7 siding officer of the house. The report shall contain a summary of the  
8 findings of the committee as to the compliance of the board, commission  
9 or program with the factors enumerated in (c) of this section, together  
10 with a summary or recommendations of the committee as to each of the  
11 following:

12 (1) an identification of the problems or the needs that the  
13 programs and activities of the board, commission or agency are intended  
14 to address;

15 (2) a statement, to the extent practicable, of the objectives  
16 of the program of the board, commission, or agency program, and its  
17 anticipated accomplishments;

18 (3) an identification of any other programs having similar,  
19 conflicting or duplicate objectives;

20 (4) an assessment of alternative methods of achieving the  
21 purposes of the program;

22 (5) an assessment of the consequences of eliminating the  
23 board, commission or program and consolidating its activities with  
24 another program, or of funding it at a lower level;

25 (6) a justification for the recommended continuation or ex-  
26 tension of the board, commission or program, and an explanation of the  
27 manner in which it avoids duplication of or conflict with other efforts;  
28 and

29 (7) any other information which, in the opinion of the

1 committee, would improve the performance of the board, commission or  
2 agency with respect to its representation of and responsiveness to the  
3 public interest.

4 (e) The committee of reference may introduce a bill providing for  
5 the reorganization or continuation of the board, commission or agency  
6 program. No more than one board, commission, or agency program shall  
7 be continued or reestablished in any legislative bill, and the board,  
8 commission, or agency program shall be mentioned in the title of the  
9 bill.

10 Sec. 44.66.060. EXISTING CLAIMS. This chapter shall not cause the  
11 termination or dismissal of a claim or right of a citizen against a  
12 board, commission or program of an agency terminated under this chapter  
13 which is subject to litigation. Claims and rights shall be assumed by  
14 the department to which the board or commission terminated under this  
15 chapter was attached for administrative purposes.

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

17 (1) conduct a performance postaudit of boards and commissions  
18 designated in AS 44.66.010 and of those programs and activities of  
19 agencies subject to zero-base review and termination as determined in  
20 the manner set out in AS 44.66.020 - 44.66.040, and submit the audit,  
21 together with a written report, not later than the first day of the  
22 regular session of the legislature convening in each year set out with  
23 reference to boards, commissions or agency programs whose activities are  
24 subject to termination as prescribed in AS 44.66;

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

26 (f) Budget requests for boards and commissions and for those  
27 agency programs for the fiscal year following termination under AS  
28 44.66.010 - 44.66.070 shall be prepared and submitted in a zero-based  
29 format. The recommended appropriation request shall include:

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

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

8 (3) a statement of the performance and accomplishments of the  
9 program in each of the last four completed fiscal years and of the costs  
10 incurred in the operation of the program;

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

13 (5) a summary statement, for each of the last three completed  
14 fiscal years, of the number of personnel employed in carrying out the  
15 program and a summary of the cost of personnel employed under contract  
16 in carrying out the program;

17 (6) an assessment of the effect of the program on the economy  
18 of the state;

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

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

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

27 Sec. 37.07.090. PERFORMANCE REPORTING. (a) Each state agency  
28 shall submit a performance report to the division no later than  
29 September 1 for the preceding fiscal year. These reports shall be in

1 the form prescribed by the division after consultation with the legis-  
2 lative finance division, and shall include

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

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

10 (3) a statement of the performance and accomplishments of the  
11 program in each of the last four completed fiscal years and of the costs  
12 incurred in the operation of the program;

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

15 (5) a summary statement, for each of the last three completed  
16 fiscal years, of the number of personnel employed in carrying out the  
17 program and a summary of the cost of personnel employed under contract  
18 in carrying out the program;

19 (6) an assessment of the effect of the program on the economy  
20 of the state;

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

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

28 (1) THE WORK ACCOMPLISHED AND THE SERVICES PROVIDED IN THE  
29 PRECEDING FISCAL YEAR OR OTHER MEANINGFUL WORK PERIOD, RELATING ACTUAL

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ACCOMPLISHMENTS TO THOSE PLANNED UNDER SEC. 80(b) OF THIS CHAPTER;

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

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

(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.]

(b) The division shall summarize the performance reports and forward copies to each member of the legislature.

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