

HB

166

<TARGET><BILL>HB 166</BILL><SUBJECT>HB
166</SUBJECT><COMM>HFIN27</COMM></TARGET>

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number _____
 Bill Version HB166
 () Publish Date _____

Identifier (file name) HB166 - Leg Audit Dept. Affected Legislature
 Title Performance Reviews Appropriation Budget and Audit Committee
 Allocation Legislative Audit Division

Sponsor Representative Chenault
 Requester House Finance OMB Component Number 773

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
OPERATING EXPENDITURES								
Personal Services	332.1			373.6	373.6	373.6	373.6	373.6
Travel	37.1			46.2	46.2	46.2	46.2	46.2
Services	270.4			915.4	1,020.4	770.4	470.4	650.4
Commodities	20.0			10.0	10.0	10.0	10.0	10.0
Capital Outlay								
Grants								
Miscellaneous								
TOTAL OPERATING	659.6	0.0	1,345.2	1,450.2	1,200.2	900.2	1,080.2	

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF	659.6		1,345.2	1,450.2	1,200.2	900.2	1,080.2	
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other (please identify)								
TOTAL	659.6	0.0	1,345.2	1,450.2	1,200.2	900.2	1,080.2	

Estimate of any current year (FY2011) cost _____

POSITIONS

Full-time	3.0		3	3	3	3	3
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by Pat Davidson
 Division Legislative Audit Division
 Approved by Pat Davidson
Legislative Audit Division

Phone 465-3814
 Date/Time 3/7/11 3:31 PM
 Date 3/7/2011

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. HB 166

Analysis

71000 - Personal Services

In FY 12 the \$332.1 will pay for: two (2) full-time staff (salary & benefits), range 24, step A for 12 months and one (1) full time staff, range 24, step A for 8 months. Starting in FY 13 the \$373.6 will pay for three (3) full time positions at the same range/step for the full 12 months.

72000 - Travel

Anticipate 6 in-state trips and 1 out of state trip for each of the review team members.

73000 - Contractual

The amounts include \$10.4 annually for telecommunications, software licenses, space costs, deliver services and utilities. The largest portion is the expected contractual costs associated with consultants. A detail break down of these costs are as follows: (Note The review year of the legislative is on a calendar year and the budget is prepared on a fiscal year. So 80% of the consultants costs are expected in the fical year with the same date as the review year and 20% of the consultant's costs will be in the fiscal year with a date one year after the review year.)

Review Year	Department	Consultant Costs
2012	Department of Corrections	\$325.0
2013	Department of Law	\$350.0
2013	Department of Public Safety	\$300.0
2013	Court System	\$400.0
2014	DHSS	\$1,000.0
2015	DEED	\$700.0
2016	University of Alaska	\$700.0
2017	DOTPF	\$700.0
2018	Department of Administration	\$500.0
2018	DCCED	\$500.0
2019	Department of Fish and Game	\$450.0
2019	Department of Enviornmental Cons	\$450.0
2019	Department of Natural Resources	\$450.0
2020	Department of Revenue	\$500.0
2020	Governor's Office Agencies	\$200.0
2020	Legislative Agencies	\$200.0
2021	DMVA	\$250.0
2021	DLWD	\$350.0

74000 - Commodities

Includes office supplies and equipment under \$5,000. FY 12 costs are higher because of the need to purchase computers, monitors, desks and other first year start up costs.

FISCAL NOTE

**STATE OF ALASKA
2011 LEGISLATIVE SESSION**

Fiscal Note Number _____
 Bill Version HB 166- version I
 () Publish Date _____

Identifier (file name) HB166-GOV-OMB-02-26-11 Dept. Affected Office of the Governor
 Title State Agency Performance Audits Appropriation Office of Management and Budget
 Allocation Office of Management and Budget
 Sponsor _____ Representative Chenault
 Requester _____ House Finance OMB Component Number 2144

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
OPERATING EXPENDITURES							
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please identify)							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2011) cost _____

POSITIONS

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable, initial version

Prepared by John Boucher, Senior Economist
 Division Office of Management and Budget
 Approved by Karen J. Rehfeld, Director
Office of Management and Budget

Phone 907-465-4677
 Date/Time 2/26/11 1:00pm
 Date 2/26/2011

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. HB 166 version I

Analysis

HB 166 initiates annual performance audits and reviews of Executive Branch agencies beginning with fiscal year 2012, and continuing annually on a 10-year cycle based on the schedule proposed on page 3, Section 2 lines 2-21 of the I version of the bill.

For purposes of this fiscal note it is assumed that all additional resources contemplated by the bill to perform the performance audits and reviews would come from outside of the Executive Branch, and that the agency or agencies that are under review would not be charged an administrative fee or fees by the review team in order to fund the costs of the reviews. It is also assumed that the agency or agencies under review would not need to expend additional resources or create new systems or data to support the review team's effort.

The Office of Management and Budget would be statutorily required to provide the performance review team the following documentation:

- (1) a 10-year growth history and a 10-year projection of agency expenses by funding source,
- (2) organizational charts, personnel charts by location that show the number of positions and the functions of each position, and a list of transfers of personal services funding to or from other line items within the agency during the preceding 10 years. (See page 4 Section 3, lines 22-27 of version I)

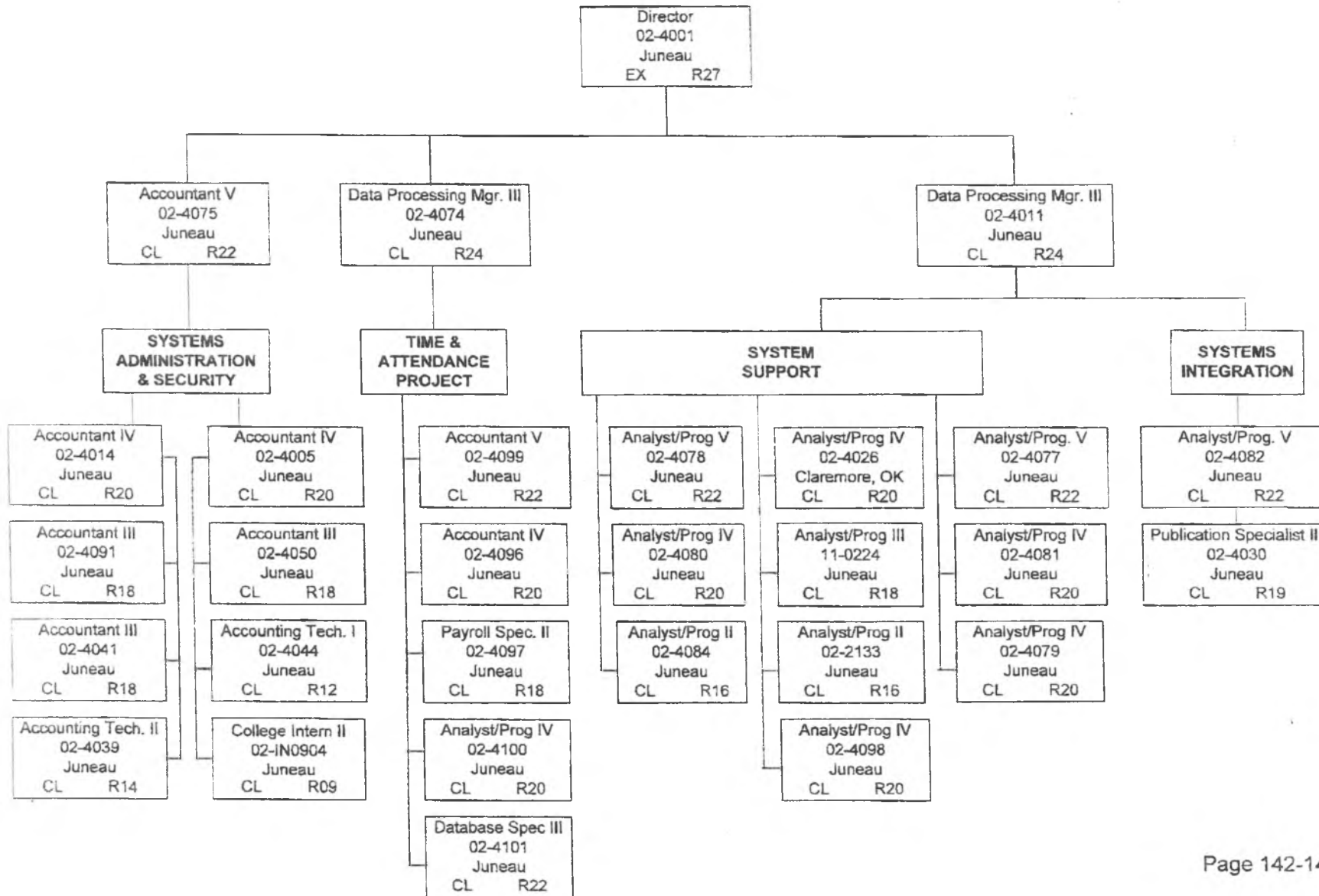
For the purposes of this fiscal note, it is assumed that these requirements would be met through the provision of information and documentation that is routinely provided to the legislature by the Office of Management and Budget and that no unusual or extraordinary use of resources are required.

The requirements of (1) above are assumed to be satisfied through the provision of historical data available from either the Alaska Budget System (ABS) or in a cooperative effort between the Office of Management and Budget and the Legislative Finance Division. Agency 10-year expenditure projections are assumed to be the same projections that are provided to OMB as part of the annual 10-year planning process. It should be noted that it is highly probable that some level of OMB staff time would need to be devoted to providing assistance to the review team staff or contractors in order for them to best interpret the historical and projected data that is available for the agencies from these sources.

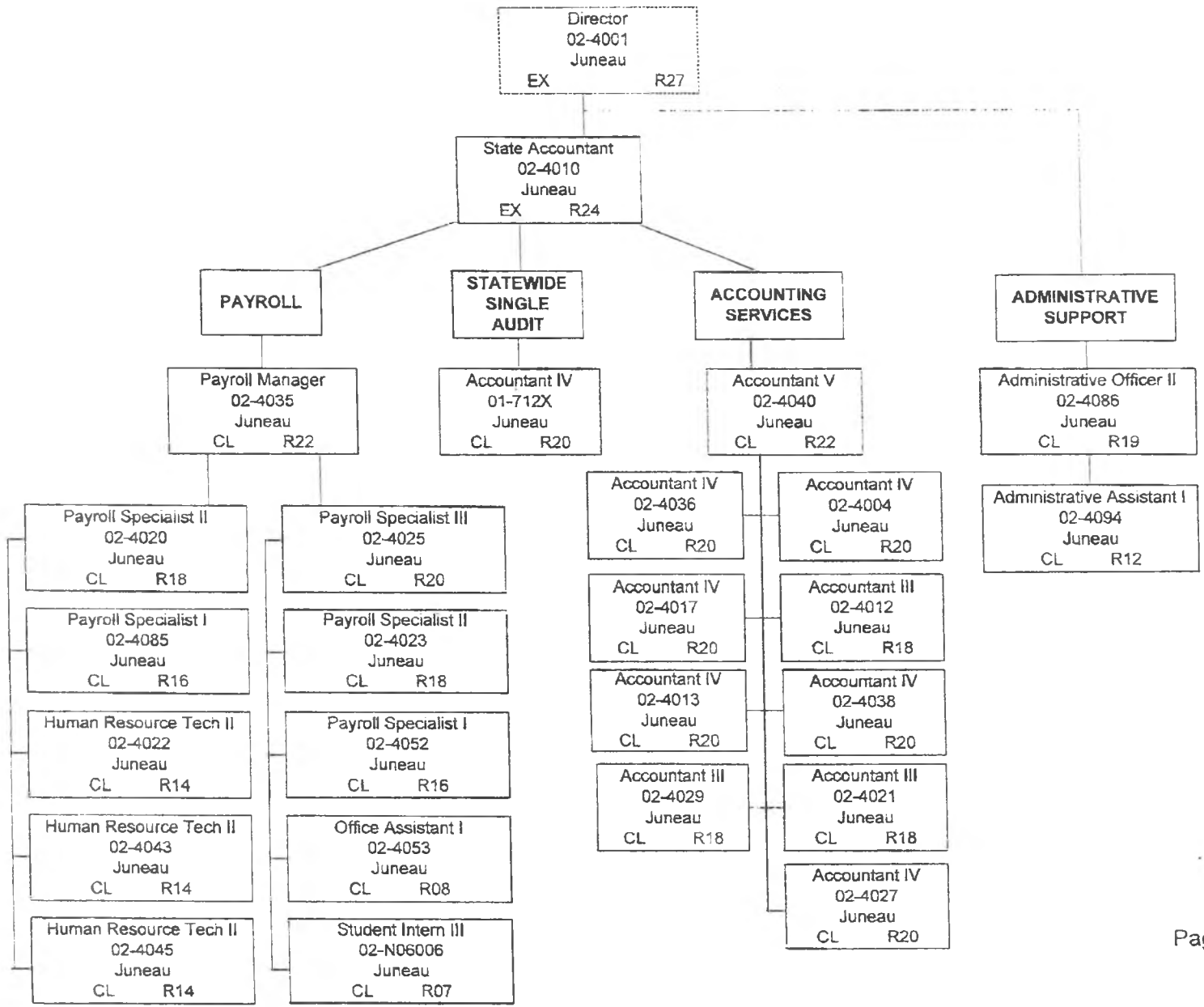
The requirements of (2) above are assumed to be satisfied through the provision of organizational charts that are routinely published by the Office of Management and Budget as part of the annual publication of the agency budgets. Please see the attached example for the type of staffing charts currently produced. If these do not provide adequate information to the review team, additional effort would be required that is not reflected in this analysis. The requirement to provide the review team with a list of transfers of personal services funding to or from other line items within the agency during the preceding 10 years is assumed to be met by the semi-annual reports that have been required through appropriation bill language since 2009. Information on this item is not available from the Office and Management and Budget prior to that date. It is assumed that OMB would not be required to construct this information prior to FY2010.

As further information becomes available regarding the implementation of this legislation, it is possible that the fiscal note would need to be revised to reflect costs that are not identified at this time.

Department of Administration
 Centralized Administrative Services
 Division of Finance



Department of Administration
 Centralized Administrative Services
 Division of Finance



CS FOR HOUSE BILL NO. 166(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES CHENAULT, Johnson, Costello, Feige, Gatto, Olson, Pruitt, Tammie Wilson, Millett, Guttentberg, Johansen, Gruenberg, Stoltze, Austerman, Tuck, Keller, Neuman, Thompson, Joule

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to performance reviews and audits of executive and legislative branch
2 agencies, the University of Alaska, and the Alaska Court System; and providing for an
3 effective date."

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

5 * **Section 1.** AS 24.20.271 is amended to read:

6 **Sec. 24.20.271. Powers and duties.** The legislative audit division shall

7 (1) conduct a performance post-audit of boards and commissions
8 designated in AS 44.66.010 [AND OF THOSE PROGRAMS AND ACTIVITIES OF
9 AGENCIES SUBJECT TO TERMINATION AS DETERMINED IN THE MANNER
10 SET OUT IN AS 44.66.020 AND 44.66.030,] and make the audit, together with a
11 written report, available to the legislature not later than the first day of the regular
12 session of the legislature convening in each year set out with reference to boards **and**
13 [,] commissions [, OR AGENCY PROGRAMS] whose activities are subject to
14 termination as prescribed in AS 44.66; the division shall notify the legislature that the

1 audit and report are available;

2 (2) conduct a performance review of the agencies listed in
 3 AS 44.66.020(a) and make the final review report available to the legislature not
 4 later than the first day of the regular session convening in the year after the year
 5 designated for each agency performance review in AS 44.66.020(a);

6 (3) audit at least once every three years the books and accounts of all
 7 custodians of public funds and all disbursing officers of the state;

8 (4) [(3)] at the direction of the Legislative Budget and Audit
 9 Committee, conduct performance post-audits on any agency of state government;

10 (5) [(4)] cooperate with state agencies by offering advice and
 11 assistance as requested in establishing or improving the accounting systems used by
 12 state agencies;

13 (6) [(5)] require the assistance and cooperation of all state officials and
 14 other state employees in the inspection, examination, and audit of state agency books
 15 and accounts;

16 (7) [(6)] have access at all times to the books, accounts, reports, or
 17 other records, whether confidential or not, of every state agency;

18 (8) [(7)] ascertain, as necessary for audit verification, the amount of
 19 agency funds on deposit in any bank as shown on the books of the bank; no bank may
 20 be held liable for making information required under this paragraph available to the
 21 legislative audit division;

22 (9) [(8)] complete studies and prepare reports, memoranda, or other
 23 materials as directed by the Legislative Budget and Audit Committee;

24 (10) [(9)] have direct access to any information related to the
 25 management of the University of Alaska and have the same right of access as exists
 26 with respect to every other state agency;

27 (11) [(10)] conduct an audit every two years of information found in
 28 the annual reports required under AS 42.05.211 and AS 42.06.220 regarding
 29 compliance by the Regulatory Commission of Alaska with the requirements of
 30 AS 42.05.175(a) - (e) and of the timeline extensions made by the commission under
 31 AS 42.05.175(f), and of other performance measures adopted by the commission.

1 * **Sec. 2.** AS 24.20.301(a) is amended to read:

2 (a) The legislative audit division shall keep a complete file of all audit reports
3 and other reports or releases issued by the division, and a complete file of audit work
4 papers and other related supportive material. The division shall also keep a complete
5 and accurate record of all fiscal transactions involving the division. Audit records are
6 confidential and audit reports **and performance review reports** are confidential
7 unless the report has been approved for release under AS 24.20.311.

8 * **Sec. 3.** AS 44.66.020 is repealed and reenacted to read:

9 **Sec. 44.66.020. Agency programs.** (a) Every year, the legislative audit
10 division shall ensure that the review team conducts a performance review of the
11 appropriate programs of the agencies listed in this subsection. Programs that are
12 administered by more than one agency shall be reviewed with the agency that the
13 Legislative Budget and Audit Committee designates. Reviews may be conducted
14 before the dates set out in this subsection at the discretion of the Legislative Budget
15 and Audit Committee. The first review shall occur in the calendar year set out after
16 each agency's name, as follows, and subsequent reviews of each agency, or part of an
17 agency, shall occur every 10 years:

- 18 (1) Department of Corrections, 2012;
19 (2) Department of Law, 2013;
20 (3) Department of Public Safety, 2013;
21 (4) Alaska Court System, 2013;
22 (5) the Department of Health and Social Services, 2014;
23 (6) Department of Education and Early Development, including the
24 foundation formula, 2015;
25 (7) University of Alaska, 2016;
26 (8) Department of Transportation and Public Facilities, 2017;
27 (9) Department of Administration, 2018;
28 (10) Department of Commerce, Community, and Economic
29 Development, 2018;
30 (11) Department of Fish and Game, 2019;
31 (12) Department of Environmental Conservation, 2019;

1 (13) Department of Natural Resources, 2019;

2 (14) Department of Revenue, 2020;

3 (15) Office of the Governor, 2020;

4 (16) agencies of the legislative branch, 2020;

5 (17) Department of Military and Veterans' Affairs, 2021;

6 (18) Department of Labor and Workforce Development, 2021.

7 (b) Subject to appropriation, the legislative audit division shall hire individuals
8 and contract with individuals or firms to form a review team or teams to complete the
9 reviews under this section.

10 (c) In the year before the year designated as the year for review in (a) of this
11 section, the agency shall provide to the review team, before November 1,

12 (1) citations to the agency's authority under the Constitution of the
13 State of Alaska or the Alaska Statutes to administer its programs;

14 (2) a list of programs or elements of programs that compose at least 10
15 percent of the general funds in the agency's budget appropriated from the general fund
16 that could be reduced or eliminated; the agency shall consider first those programs or
17 elements of programs that

18 (A) do not serve a current need;

19 (B) are not authorized by the Constitution of the State of
20 Alaska or the Alaska Statutes; or

21 (C) are not essential;

22 (3) a list of active encumbrances and an explanation of the continuing
23 need for any encumbrance unsatisfied more than one year after it was incurred;

24 (4) all information submitted to the legislature in the agency's most
25 recent submission under AS 37.07.050, including agency proposed programs and
26 financial plans and agency priorities from the most important to the least important.

27 * **Sec. 4.** AS 44.66 is amended by adding a new section to read:

28 **Sec. 44.66.040. Duties of the review team.** (a) During a review year set out in
29 AS 44.66.020(a), the legislative audit division shall determine the scope of the
30 performance review subject to approval by the Legislative Budget and Audit
31 Committee, and the review team shall

1 (1) collaborate with the legislative audit division and the legislative
2 finance division to identify any earlier audit findings or budgetary issues for the
3 agency;

4 (2) through the Legislative Budget and Audit committee or the senate
5 or house finance committees of the state legislature, schedule public hearings in
6 Juneau, Anchorage, Fairbanks, and other locations as determined by the committees to
7 review agency activities and identify problems or concerns;

8 (3) consult with other states and appropriate public policy
9 organizations to establish best practices for the agency;

10 (4) analyze the agency priorities reported to the legislature under
11 AS 37.07.050(a)(13); and

12 (5) evaluate the agency process for development of capital projects.

13 (b) The review team shall analyze materials relevant to the performance of the
14 agency, including

15 (1) a 10-year growth history and a 10-year projection of agency
16 expenses by funding source, prepared by the office of management and budget;

17 (2) organizational charts, personnel charts by location that show the
18 number of positions and the functions of each position, and a list of transfers of
19 personal services funding to or from other line items within the agency during the
20 preceding 10 years, prepared by the office of management and budget;

21 (3) audit information, including a list of agency audit
22 recommendations, prepared by the legislative audit division;

23 (4) a list of any financial issues relating to the agency's operating or
24 capital expenditures, prepared by the legislative finance division;

25 (5) an explanation of the function and procedure for dedicated funds or
26 any other special funds in the agency, prepared by the legislative finance division;

27 (6) a 10-year history of any budget ratifications or supplemental
28 budget requests, prepared by the legislative finance division; and

29 (7) analysis and summary of confidential information that the review
30 team may request, through the Legislative Budget and Audit Committee, from the
31 legislative audit division, if necessary to complete the team's review.

1 (c) Before December 16 of the review year set out in AS 44.66.020(a), the
2 review team shall provide a confidential preliminary report to the Legislative Budget
3 and Audit Committee.

4 (d) One week before the first day of the regular session of the legislature in the
5 year following the review year set out in AS 44.66.020(a), the review team shall
6 provide to the chairs or cochairs of the senate and house finance committees a final
7 report that

8 (1) evaluates the efficiency and effectiveness of the agency's programs;

9 (2) evaluates the appropriateness of the budget reductions proposed
10 under AS 44.66.020(c);

11 (3) determines if the agency acted in good faith to correct problems
12 identified in any previous audit or review;

13 (4) evaluates the success of the agency in achieving its mission, goals,
14 and objectives and recommends appropriate changes to the agency's missions and
15 measures;

16 (5) lists agency programs or actions not authorized by statute and
17 identifies other authority for those actions;

18 (6) identifies agency authority to collect fees, conduct inspections,
19 enforce state law, or impose penalties;

20 (7) recommends improvements to agency practices and procedures,
21 including means to decrease regulatory burdens or restrictions without decreasing
22 public service and safety;

23 (8) identifies areas in which programs and jurisdiction of agencies
24 overlap and assesses the quality of interagency cooperation in those areas;

25 (9) evaluates whether the agency promptly and effectively addresses
26 complaints;

27 (10) evaluates to what extent the agency encourages and uses public
28 participation in rulemaking and other decision making;

29 (11) evaluates the agency's process for implementing technology and
30 recommends new types or uses of technology to improve agency efficiency and
31 effectiveness;

1 (12) identifies programs and functions duplicated by another
2 government agency or private entity and recommends a single entity to perform those
3 programs and functions;

4 (13) evaluates whether the agency priorities reported to the legislature
5 under AS 37.07.050(a)(13), and the list of programs or elements of programs provided
6 under AS 44.66.020(c)(2) are consistent with the results of the performance review;

7 (14) identifies agencies that could be terminated or consolidated,
8 reductions in costs, and potential program or cost reductions based on policy changes;

9 (15) identifies reductions recommended as a result of a review
10 conducted under this section;

11 (16) identifies the extent to which statutory, regulatory, budgetary, or
12 other changes are necessary to enable the agency to better serve the interests of the
13 public and to correct problems identified during the review;

14 (17) analyzes how the review team's recommendation to terminate the
15 agency or to terminate any program within the agency would affect federal funding or
16 instigate federal intervention;

17 (18) includes draft legislation to correct problems identified in the
18 report that shall be introduced by the senate and house finance committees of the state
19 legislature during the current legislative session;

20 (19) identifies areas that need in-depth review in order to provide
21 complete information to the Legislative Budget and Audit Committee for
22 consideration in the audit process; and

23 (20) identifies any other elements appropriate to a performance
24 management review.

25 (e) The Legislative Budget and Audit Committee shall track annually and
26 publish in its annual report under AS 24.20.311 actual reductions in state expenditures
27 as a result of a review conducted under this section.

28 (f) The senate and house finance committee chairs, cochairs, and
29 subcommittees may incorporate the recommendations of a report submitted under (d)
30 of this section into the budget for the fiscal year following the report.

31 * **Sec. 5.** AS 44.66.050 is amended to read:

1 **Sec. 44.66.050. Legislative oversight.** (a) Before the termination, dissolution,
2 continuation, or reestablishment of a board or commission under AS 08.03.010 or
3 AS 44.66.010 [, OR OF AN AGENCY PROGRAM UNDER AS 44.66.020 AND
4 44.66.030,] a committee of reference of each house, which shall be the standing
5 committee of legislative jurisdiction as provided in the Uniform Rules of the
6 Legislature, shall hold one or more hearings to receive testimony from the public, the
7 commissioner of the department having administrative responsibility for each named
8 board or [,] commission [, OR AGENCY PROGRAM,] and the members of the board
9 or commission involved. The hearings may be joint hearings. The committee shall also
10 consider the proposed budget of the board or [,] commission, [OR AGENCY
11 PROGRAM,] prepared in accordance with AS 37.07.050(f) [,] and the performance
12 audit of the activities of the board or [,] commission, [OR AGENCY PROGRAM,]
13 prepared by the legislative audit division as prescribed in AS 24.20.271(1). The
14 committee may consider any other report of the activities of the board or [,]
15 commission [OR PROGRAM], including [BUT NOT LIMITED TO] annual reports,
16 summaries prepared by the Legislative Affairs Agency, and any evaluation or general
17 report of the manner of conduct of activities of the board or [,] commission [, OR
18 AGENCY PROGRAM] prepared by the office of the ombudsman.

19 (b) During a public hearing, the board or [,] commission [OR AGENCY] shall
20 have the burden of demonstrating a public need for its continued existence or the
21 continuation of the program, and the extent to which any change in the manner of
22 exercise of its functions or activities may increase efficiency of administration or
23 operation consistent with the public interest.

24 (c) A determination as to whether a board or commission [OR AGENCY
25 PROGRAM] has demonstrated a public need for its continued existence must take into
26 consideration the following factors:

27 (1) the extent to which the board or [,] commission [, OR PROGRAM]
28 has operated in the public interest;

29 (2) the extent to which the operation of the board or [,] commission [,
30 OR AGENCY PROGRAM] has been impeded or enhanced by existing statutes,
31 procedures, and practices that it has adopted, and any other matter, including

1 budgetary, resource, and personnel matters;

2 (3) the extent to which the board or [,] commission [, OR AGENCY]
3 has recommended statutory changes that are generally of benefit to the public interest;

4 (4) the extent to which the board or [,] commission [, OR AGENCY]
5 has encouraged interested persons to report to it concerning the effect of its regulations
6 and decisions on the effectiveness of service, economy of service, and availability of
7 service that it has provided;

8 (5) the extent to which the board or [,] commission [, OR AGENCY]
9 has encouraged public participation in the making of its regulations and decisions;

10 (6) the efficiency with which public inquiries or complaints regarding
11 the activities of the board or [,] commission [, OR AGENCY] filed with it, with the
12 department to which a board or commission is administratively assigned, or with the
13 office of victims' rights or the office of the ombudsman have been processed and
14 resolved;

15 (7) the extent to which a board or commission that regulates entry into
16 an occupation or profession has presented qualified applicants to serve the public;

17 (8) the extent to which state personnel practices, including affirmative
18 action requirements, have been complied with by the board or [,] commission in [, OR
19 AGENCY TO] its own activities and in the area of activity or interest;

20 (9) the extent to which statutory, regulatory, budgetary
21 [BUDGETING], or other changes are necessary to enable the [AGENCY,] board or [,]
22 or commission to better serve the interests of the public and to comply with the factors
23 enumerated in this subsection;

24 (10) the extent to which the board or [,] commission [, OR AGENCY]
25 has effectively attained its objectives and purposes and the efficiency with which the
26 board or [,] commission [, OR AGENCY] has operated; and

27 (11) the extent to which the board or [,] commission [, OR AGENCY]
28 duplicates the activities of another governmental agency or the private sector.

29 (d) As to each board or [,] commission [, OR AGENCY PROGRAM]
30 assigned to it for purposes of review, the committee of reference shall, not later than
31 the 60th day of the legislative session, submit a report to the presiding officer of the

1 house. The report must contain a summary of the findings of the committee as to the
2 compliance of the board or [,] commission [, OR PROGRAM] with the factors
3 enumerated in (c) of this section, together with a summary or recommendations of the
4 committee as to each of the following:

5 (1) an identification of the problems or the needs that the programs and
6 activities of the board or [,] commission [, OR AGENCY] are intended to address;

7 (2) a statement, to the extent practicable, of the objectives of the
8 program of the board or [,] commission [, OR AGENCY PROGRAM,] and its
9 anticipated accomplishments;

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

12 (4) an assessment of alternative methods of achieving the purposes of
13 the program;

14 (5) an assessment of the consequences of eliminating the board or [,]
15 commission [, OR PROGRAM] and consolidating its activities with another program,
16 or of funding it at a lower level;

17 (6) a justification for the recommended continuation or extension of
18 the board or [,] commission [, OR PROGRAM,] and an explanation of the manner in
19 which it avoids duplication of or conflict with other efforts; and

20 (7) any other information that, in the opinion of the committee, would
21 improve the performance of the board or [,] commission [, OR AGENCY] with
22 respect to its representation of and responsiveness to the public interest.

23 (e) The committee of reference may introduce a bill providing for the
24 reorganization or continuation of the board or [,] commission. Not [, OR AGENCY
25 PROGRAM. NO] more than one board or [,] commission [, OR AGENCY
26 PROGRAM] may be continued or reestablished in any legislative bill, and the board
27 or [,] commission [, OR AGENCY PROGRAM] must be mentioned in the title of the
28 bill.

29 * **Sec. 6.** AS 44.66.060 is amended to read:

30 **Sec. 44.66.060. Existing claims.** This chapter does not cause the termination
31 or dismissal of a claim or right of a citizen against a board, commission, or program of

1 an agency terminated by legislative action or under this chapter that is subject to
2 litigation. Claims and rights shall be assumed by the department to which the board or
3 commission terminated under this chapter was attached for administrative purposes.

4 * **Sec. 7.** AS 44.66 is amended by adding a new section to read:

5 **Sec. 44.66.070. Definitions.** In this chapter,

6 (1) "agency" means a state department or agency, whether in the
7 legislative, judicial, or executive branch, and includes the University of Alaska;

8 (2) "review team" means appropriate professionals hired by or under
9 contract with the legislative audit division to complete a performance review under
10 AS 44.66.020 - 44.66.040.

11 * **Sec. 8.** AS 44.66.030 is repealed.

12 * **Sec. 9.** AS 24.20.271(2); AS 44.66.020, and 44.66.040 are repealed July 1, 2022.

13 * **Sec. 10.** This Act takes effect July 1, 2011.

27-LS0492\IX
Kirsch
2/18/11

CS FOR HOUSE BILL NO. 166(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

~~BY REPRESENTATIVES CHENAULT, Johnson, Costello, Feige, Gatto, Olson, Pruitt, Tammie Wilson~~

~~Introduced~~ **BY THE HOUSE FINANCE COMMITTEE**

Offered:
Referred:

Sponsor(s): REPRESENTATIVES CHENAULT, Johnson, Costello, Feige, Gatto, Olson, Pruitt, Tammie Wilson, Millett, Guttenberg, Johansen, Gruenberg, Stoltze, Austerman, Tuck, Keller, Neuman, Thompson, Joule

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to performance reviews and audits of executive and legislative branch**
2 **agencies, the University of Alaska, and the Alaska Court System; and providing for an**
3 **effective date."**

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

5 * **Section 1.** AS 24.20.271 is amended to read:

6 **Sec. 24.20.271. Powers and duties.** The legislative audit division shall

7 (1) conduct a performance post-audit of boards and commissions
8 designated in AS 44.66.010 [AND OF THOSE PROGRAMS AND ACTIVITIES OF
9 AGENCIES] ~~subject to termination as determined in the manner set out in~~ SUBJECT
10 TO TERMINATION AS DETERMINED IN THE MANNER SET OUT IN
11 AS 44.66.020 [AND 44.66.030], and make the audit, together with a written report,
12 available to the legislature not later than the first day of the regular session of the
13 legislature convening in each year set out with reference to boards **and** [.]

1 commissions [, OR AGENCY PROGRAMS] whose activities are subject to
2 termination as prescribed in AS 44.66; the division shall notify the legislature that the
3 audit and report are available;

4 ~~(2)~~ conduct a performance review of the agencies listed in
5 AS 44.66.020(a) and make the final review report available to the legislature not
6 later than the first day of the regular session convening in the year after the year
7 designated for each agency performance review in AS 44.66.020(a);

8 (3) audit at least once every three years the books and accounts of all
9 custodians of public funds and all disbursing officers of the state;

10 (4) ~~[(3)]~~ at the direction of the Legislative Budget and Audit
11 Committee, conduct performance post-audits on any agency of state government;

12 (5) ~~[(4)]~~ cooperate with state agencies by offering advice and
13 assistance as requested in establishing or improving the accounting systems used by
14 state agencies;

15 (6) ~~[(5)]~~ require the assistance and cooperation of all state officials
16 and other state employees in the inspection, examination, and audit of state agency
17 books and accounts;

18 (7) ~~[(6)]~~ have access at all times to the books, accounts, reports, or
19 other records, whether confidential or not, of every state agency;

20 (8) ~~[(7)]~~ ascertain, as necessary for audit verification, the amount of
21 agency funds on deposit in any bank as shown on the books of the bank; no bank may
22 be held liable for making information required under this paragraph available to the
23 legislative audit division;

24 (9) ~~[(8)]~~ complete studies and prepare reports, memoranda, or other
25 materials as directed by the Legislative Budget and Audit Committee;

26 (10) ~~[(9)]~~ have direct access to any information related to the
27 management of the University of Alaska and have the same right of access as exists
28 with respect to every other state agency;

29 (11) ~~[(10)]~~ conduct an audit every two years of information found in
30 the annual reports required under AS 42.05.211 and AS 42.06.220 regarding
31 compliance by the Regulatory Commission of Alaska with the requirements of

1 AS 42.05.175(a) - (e) and of the timeline extensions made by the commission under
2 AS 42.05.175(f), and of other performance measures adopted by the commission.

3 * **Sec. 2.** AS 24.20.301(a) is amended to read:

4 (a) The legislative audit division shall keep a complete file of all audit reports
5 and other reports or releases issued by the division, and a complete file of audit work
6 papers and other related supportive material. The division shall also keep a complete
7 and accurate record of all fiscal transactions involving the division. Audit records are
8 confidential and audit reports and performance review reports are confidential
9 unless the report has been approved for release under AS 24.20.311.

10 * **Sec. 3.** AS 44.66.020 is repealed and reenacted to read:

11 **Sec. 44.66.020. Agency programs.** (a) Every year, the ~~Legislative Budget and~~
12 ~~Audit Committee~~ legislative audit division shall ensure that the review team conducts
13 a performance review of the ~~–~~appropriate programs of the agencies listed in this
14 subsection. Programs that are administered by more than one agency shall be reviewed
15 with the agency that the Legislative Budget and Audit Committee designates. Reviews
16 may be conducted before the dates set out in this subsection at the discretion of the
17 Legislative Budget and Audit Committee. The first review shall occur in the calendar
18 year set out after each agency's name, as follows, and subsequent reviews of each
19 agency, or part of an agency, shall occur every 10 years:

20 (1) Department of Corrections, 2012;

21 (2) Department of ~~Military and Veterans' Affairs~~ Law, 2013;

22 (3) Department of ~~Revenue~~ Public Safety, 2013;

23 (4) Alaska Court System, 2013;

24 (5) ~~the divisions in the~~ Department of Health and Social Services
25 ~~responsible for health care services~~, 2014;

26 (6) ~~Department of Health and Social Services, all programs other than~~
27 ~~those administered by the divisions in the department responsible for health care~~
28 ~~services~~, 2015;

29 (7) ~~Department of Education and Early Development, 2016;~~ including
30 the foundation formula, 2015;

31 (~~8~~) University of Alaska, 2016;

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- (8) Department of Transportation and Public Facilities, 2017;
- (9) Department of Administration, 2017~~2018~~;
- (10) Department of Commerce, Community, and Economic Development, 2017~~2018~~;
- (11) Department of Fish and Game, 2018~~2019~~;
- (12) Department of Environmental Conservation, 2018~~2019~~;
- (13) Department of Natural Resources, 2018~~2019~~;
- (14) Department of Transportation and Public Facilities, 2019~~Revenue, 2020~~;
- (15) Department~~Office of Law~~the Governor, 2020;
- (16) Department~~agencies of Public Safety~~the legislative branch, 2020;
- (17) Department of Military and Veterans' Affairs, 2021;
- (18) Department of Labor and Workforce Development, 2021.

(b) Subject to appropriation, the ~~Legislative Budget and Audit Committee~~legislative audit division shall hire ~~or~~individuals and contract with individuals or firms to form a review team or teams to complete the reviews under this section.

(c) In the year before the year designated as the year for review in (a) of this section, the agency shall;

- (1) ~~before February 1, provide to the review team, before November 1,~~
 - (1) citations to the agency's authority under the Constitution of the State of Alaska or the Alaska Statutes to administer its programs;
 - (2) ~~before April 1, provide to the review team~~ a list of programs or elements of programs comprising that compose at least 10 percent of the general funds in the agency's budget appropriated from the general fund that could be reduced or eliminated; the agency shall consider first those programs or elements of programs that

- (A) do not serve a current need;
- (B) are not authorized by the Constitution of the State of Alaska or the Alaska Statutes; or
- (C) are not essential;

1 ~~(3) before April 1, provide to the review team~~(3) a list of active
2 encumbrances and an explanation of the continuing need for any encumbrance
3 unsatisfied more than ~~four years~~one year after it was incurred;

4 (4) all information submitted to the legislature in the agency's most
5 recent submission under AS 37.07.050, including agency proposed programs and
6 financial plans and agency priorities from the most important to the least important.

7 * **Sec. 34.** AS 44.66 is amended by adding a new section to read:

8 **Sec. 44.66.040. Duties of the review team.** (a) During a review year set out in
9 AS 44.66.020(a), ~~the review team shall~~legislative audit division shall determine the
10 scope of the performance review subject to approval by the Legislative Budget and
11 Audit Committee, and the review team shall

12 (1) collaborate with the legislative audit division and the legislative
13 finance division to identify any earlier audit findings or budgetary issues for the
14 agency;

15 (2) through the Legislative Budget and Audit committee or the senate
16 or house finance committees of the state legislature, schedule public hearings in
17 Juneau, Anchorage, ~~and Fairbanks,~~ and other locations as determined by the
18 committees to review agency activities and identify problems or concerns; and

19 (3) consult with other states and appropriate public policy
20 organizations to establish best practices for the agency;

21 (4) analyze the agency priorities reported to the legislature under
22 AS 37.07.050(a)(13); and

23 (5) evaluate the agency process for development of capital projects.

24 (b) The review team shall analyze ~~all~~ materials relevant to the performance of
25 the agency, including

26 (1) a 10-year growth history and a 10-year projection of agency
27 expenses by funding source, prepared by the office of management and budget;

28 (2) organizational charts, personnel charts by location that show the
29 number of positions and the functions of each position, and a list of transfers of
30 personal services funding to or from other line items within the agency during the
31 preceding 10 years, prepared by the office of management and budget;

1 (3) audit information, including a list of agency audit
2 recommendations, prepared by the legislative audit division;

3 (4) a list of any financial issues relating to the agency's operating or
4 capital expenditures, prepared by the legislative finance division;

5 (5) an explanation of the function and procedure for dedicated funds or
6 any other special funds in the agency, prepared by the legislative finance division;

7 (6) a 10-year history of any budget ratifications or supplemental
8 budget requests, prepared by the legislative finance division; and

9 (7) analysis and summary of confidential information that the review
10 team may request, through the Legislative Budget and Audit Committee, from the
11 legislative audit division, if necessary to complete the team's review.

12 (c) Before December 16 of the review year set out in AS 44.66.020(a), the
13 review team shall provide a confidential preliminary report to the Legislative Budget
14 and Audit Committee.

15 ~~(d) Before January 6 of~~ (d) One week before the first day of the regular
16 session of the legislature in the year following the review year set out in
17 AS 44.66.020(a), the review team shall provide to the chairs or cochairs of the senate
18 and house finance committees a final report that

19 (1) evaluates the efficiency and effectiveness of the agency's programs;

20 (2) evaluates the appropriateness of the budget reductions proposed
21 under AS 44.66.020(c);

22 (3) determines if the agency acted in good faith to correct problems
23 identified in any previous audit or review;

24 (4) evaluates the success of the agency in achieving its mission, goals,
25 and objectives and recommends appropriate changes to the agency's missions and
26 measures;

27 (5) lists agency programs or actions not authorized by statute and
28 identifies other authority for those actions;

29 (6) identifies agency authority to collect fees, conduct inspections,
30 enforce state law, or impose penalties;

31 (7) recommends improvements to agency practices and procedures,

1 including means to decrease regulatory burdens or restrictions without decreasing
2 public service and safety;

3 (8) identifies areas in which programs and jurisdiction of agencies
4 overlap and assesses the quality of interagency cooperation in those areas;

5 (9) evaluates whether the agency promptly and effectively addresses
6 complaints;

7 (10) evaluates to what extent the agency encourages and uses public
8 participation in rulemaking and other decision making;

9 ~~(11) analyzes how the review team's recommendation to terminate the~~
10 ~~agency or to terminate any program within the agency would affect federal funding or~~
11 ~~instigate federal intervention;~~

12 ~~(11)~~ (11) evaluates the agency's process for implementing technology
13 and recommends new types or uses of technology to improve agency efficiency and
14 effectiveness;

15 ~~(12)~~ (12) identifies programs and functions duplicated by another
16 government agency or private entity and recommends a single entity to perform those
17 programs and functions;

18 ~~(14) recommends a reduction in appropriations for~~ (13) evaluates
19 whether the agency based on priorities reported to the review legislature under this
20 section AS 37.07.050(a)(13), and the agency's participation in list of programs or
21 elements of programs provided under AS 44.66.020(c)(2) are consistent with the
22 review process, including results of the agency's responses to requests for
23 information performance review;

24 (14) identifies agencies that could be terminated or consolidated,
25 reductions in costs, and the agency's timely implementation of previous
26 recommendations potential program or cost reductions based on policy changes;

27 (15) identifies reductions recommended as a result of a review
28 conducted under this section;

29 (16) identifies the extent to which statutory, regulatory, budgetary, or
30 other changes are necessary to enable the agency to better serve the interests of the
31 public and to correct problems identified during the review;

1 (17) analyzes how the review team's recommendation to terminate
2 the agency or to terminate any program within the agency would affect federal funding
3 or instigate federal intervention;

4 (18) includes draft legislation to correct problems identified in the
5 report that shall be introduced by the senate and house finance committees of the state
6 legislature during the current legislative session;

7 (19) identifies areas that need in-depth review in order to provide
8 complete information to the Legislative Budget and Audit Committee for
9 consideration in the audit process; and

10 (20) identifies any other elements appropriate to a performance
11 management review.

12 (e) The Legislative Budget and Audit Committee shall track annually and
13 publish in its annual report under AS 24.20.311 actual reductions in state expenditures
14 as a result of a review conducted under this section.

15 (f) The senate and house finance committee chairs, cochairs, and
16 subcommittees may incorporate the recommendations of a report submitted under (d)
17 of this section into the budget for the fiscal year following the report.

18 * **Sec. 45.** AS 44.66.050 is amended to read:

19 **Sec. 44.66.050. Legislative oversight.** (a) Before the termination, dissolution,
20 continuation, or reestablishment of a board or commission under AS 08.03.010 or
21 AS 44.66.010 [, OR OF AN AGENCY PROGRAM UNDER AS 44.66.020 AND
22 44.66.030,] a committee of reference of each house, which shall be the standing
23 committee of legislative jurisdiction as provided in the Uniform Rules of the
24 Legislature, shall hold one or more hearings to receive testimony from the public, the
25 commissioner of the department having administrative responsibility for each named
26 board or [,] commission [, OR AGENCY PROGRAM,] and the members of the board
27 or commission involved. The hearings may be joint hearings. The committee shall also
28 consider the proposed budget of the board or [,] commission, [OR AGENCY
29 PROGRAM,] prepared in accordance with AS 37.07.050(f) [,] and the performance
30 audit of the activities of the board or [,] commission, [OR AGENCY PROGRAM,]
31 prepared by the legislative audit division as prescribed in AS 24.20.271(1). The

1 committee may consider any other report of the activities of the board or [,]
2 commission [OR PROGRAM], including [BUT NOT LIMITED TO] annual reports,
3 summaries prepared by the Legislative Affairs Agency, and any evaluation or general
4 report of the manner of conduct of activities of the board or [,] commission [, OR
5 AGENCY PROGRAM] prepared by the office of the ombudsman.

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

11 (c) A determination as to whether a board or commission [OR AGENCY
12 PROGRAM] has demonstrated a public need for its continued existence must take into
13 consideration the following factors:

14 (1) the extent to which the board or [,] commission [, OR PROGRAM]
15 has operated in the public interest;

16 (2) the extent to which the operation of the board or [,] commission [,
17 OR AGENCY PROGRAM] has been impeded or enhanced by existing statutes,
18 procedures, and practices that it has adopted, and any other matter, including
19 budgetary, resource, and personnel matters;

20 (3) the extent to which the board or [,] commission [, OR AGENCY]
21 has recommended statutory changes that are generally of benefit to the public interest;

22 (4) the extent to which the board or [,] commission [, OR AGENCY]
23 has encouraged interested persons to report to it concerning the effect of its regulations
24 and decisions on the effectiveness of service, economy of service, and availability of
25 service that it has provided;

26 (5) the extent to which the board or [,] commission [, OR AGENCY]
27 has encouraged public participation in the making of its regulations and decisions;

28 (6) the efficiency with which public inquiries or complaints regarding
29 the activities of the board or [,] commission [, OR AGENCY] filed with it, with the
30 department to which a board or commission is administratively assigned, or with the
31 office of victims' rights or the office of the ombudsman have been processed and

1 resolved;

2 (7) the extent to which a board or commission that regulates entry into
3 an occupation or profession has presented qualified applicants to serve the public;

4 (8) the extent to which state personnel practices, including affirmative
5 action requirements, have been complied with by the board or [,] commission in [, OR
6 AGENCY TO] its own activities and in the area of activity or interest;

7 (9) the extent to which statutory, regulatory, budgetary
8 [BUDGETING], or other changes are necessary to enable the [AGENCY,] board or [,]
9 or commission to better serve the interests of the public and to comply with the factors
10 enumerated in this subsection;

11 (10) the extent to which the board or [,] commission [, OR AGENCY]
12 has effectively attained its objectives and purposes and the efficiency with which the
13 board or [,] commission [, OR AGENCY] has operated; and

14 (11) the extent to which the board or [,] commission [, OR AGENCY]
15 duplicates the activities of another governmental agency or the private sector.

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

23 (1) an identification of the problems or the needs that the programs and
24 activities of the board or [,] commission [, OR AGENCY] are intended to address;

25 (2) a statement, to the extent practicable, of the objectives of the
26 program of the board or [,] commission [, OR AGENCY PROGRAM,] and its
27 anticipated accomplishments;

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

30 (4) an assessment of alternative methods of achieving the purposes of
31 the program;

1 (5) an assessment of the consequences of eliminating the board or [,]
2 commission [, OR PROGRAM] and consolidating its activities with another program,
3 or of funding it at a lower level;

4 (6) a justification for the recommended continuation or extension of
5 the board or [,] commission [, OR PROGRAM,] and an explanation of the manner in
6 which it avoids duplication of or conflict with other efforts; and

7 (7) any other information that, in the opinion of the committee, would
8 improve the performance of the board or [,] commission [, OR AGENCY] with
9 respect to its representation of and responsiveness to the public interest.

10 (e) The committee of reference may introduce a bill providing for the
11 reorganization or continuation of the board or [,] commission, Not [, OR AGENCY
12 PROGRAM. NO] more than one board or [,] commission [, OR AGENCY
13 PROGRAM] may be continued or reestablished in any legislative bill, and the board
14 or [,] commission [, OR AGENCY PROGRAM] must be mentioned in the title of the
15 bill.

16 * **Sec. 56.** AS 44.66.060 is amended to read:

17 **Sec. 44.66.060. Existing claims.** This chapter does not cause the termination
18 or dismissal of a claim or right of a citizen against a board, commission, or program of
19 an agency terminated by legislative action or under this chapter that is subject to
20 litigation. Claims and rights shall be assumed by the department to which the board or
21 commission terminated under this chapter was attached for administrative purposes.

22 * **Sec. 67.** AS 44.66 is amended by adding a new section to read:

23 **Sec. 44.66.070. Definitions.** In this chapter,

24 (1) "agency" means a state department or agency, whether in the
25 legislative, judicial, or executive branch, and includes the University of Alaska;

26 (2) "review team" means appropriate professionals hired by or under
27 contract with the ~~Legislative Budget and Audit Committee~~ legislative audit division to
28 complete a performance review under AS 44.66.020 - 44.66.040.

29 * **Sec. 78.** AS 44.66.030 is repealed.

30 * **Sec. 89.** AS 24.20.271(2); AS 44.66.020, and 44.66.040 are repealed July 1, 2022.

31 * **Sec. 10.** This Act takes effect July 1, 2011.

*Adopted
3/16/11*

27-LS0492\X
Kirsch
3/14/11

CS FOR HOUSE BILL NO. 166(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES CHENAULT, Johnson, Costello, Feige, Gatto, Olson, Pruitt, Tammie Wilson, Millett, Guttenberg, Johansen, Gruenberg, Stoltze, Austerman, Tuck, Keller, Neuman, Thompson, Joule

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7 (1) conduct a performance post-audit of boards and commissions
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9 AGENCIES SUBJECT TO TERMINATION AS DETERMINED IN THE MANNER
10 SET OUT IN AS 44.66.020 AND 44.66.030,] and make the audit, together with a
11 written report, available to the legislature not later than the first day of the regular
12 session of the legislature convening in each year set out with reference to boards **and**
13 [.] commissions [, OR AGENCY PROGRAMS] whose activities are subject to
14 termination as prescribed in AS 44.66; the division shall notify the legislature that the

1 audit and report are available;

2 (2) conduct a performance review of the agencies listed in
3 AS 44.66.020(a) and make the final review report available to the legislature not
4 later than the first day of the regular session convening in the year after the year
5 designated for each agency performance review in AS 44.66.020(a);

6 (3) audit at least once every three years the books and accounts of all
7 custodians of public funds and all disbursing officers of the state;

8 (4) [(3)] at the direction of the Legislative Budget and Audit
9 Committee, conduct performance post-audits on any agency of state government;

10 (5) [(4)] cooperate with state agencies by offering advice and
11 assistance as requested in establishing or improving the accounting systems used by
12 state agencies;

13 (6) [(5)] require the assistance and cooperation of all state officials and
14 other state employees in the inspection, examination, and audit of state agency books
15 and accounts;

16 (7) [(6)] have access at all times to the books, accounts, reports, or
17 other records, whether confidential or not, of every state agency;

18 (8) [(7)] ascertain, as necessary for audit verification, the amount of
19 agency funds on deposit in any bank as shown on the books of the bank; no bank may
20 be held liable for making information required under this paragraph available to the
21 legislative audit division;

22 (9) [(8)] complete studies and prepare reports, memoranda, or other
23 materials as directed by the Legislative Budget and Audit Committee;

24 (10) [(9)] have direct access to any information related to the
25 management of the University of Alaska and have the same right of access as exists
26 with respect to every other state agency;

27 (11) [(10)] conduct an audit every two years of information found in
28 the annual reports required under AS 42.05.211 and AS 42.06.220 regarding
29 compliance by the Regulatory Commission of Alaska with the requirements of
30 AS 42.05.175(a) - (e) and of the timeline extensions made by the commission under
31 AS 42.05.175(f), and of other performance measures adopted by the commission.

1 * **Sec. 2.** AS 24.20.301(a) is amended to read:

2 (a) The legislative audit division shall keep a complete file of all audit reports
3 and other reports or releases issued by the division, and a complete file of audit work
4 papers and other related supportive material. The division shall also keep a complete
5 and accurate record of all fiscal transactions involving the division. Audit records are
6 confidential and audit reports and performance review reports are confidential
7 unless the report has been approved for release under AS 24.20.311.

8 * **Sec. 3.** AS 44.66.020 is repealed and reenacted to read:

9 **Sec. 44.66.020. Agency programs.** (a) Every year, the legislative audit
10 division shall ensure that the review team conducts a performance review of the
11 appropriate programs of the agencies listed in this subsection. Programs that are
12 administered by more than one agency shall be reviewed with the agency that the
13 Legislative Budget and Audit Committee designates. Reviews may be conducted
14 before the dates set out in this subsection at the discretion of the Legislative Budget
15 and Audit Committee. The first review shall occur in the calendar year set out after
16 each agency's name, as follows, and subsequent reviews of each agency, or part of an
17 agency, shall occur every 10 years:

- 18 (1) Department of Corrections, 2012;
19 (2) Department of Law, 2013;
20 (3) Department of Public Safety, 2013;
21 (4) Alaska Court System, 2013;
22 (5) the Department of Health and Social Services, 2014;
23 (6) Department of Education and Early Development, including the
24 foundation formula, 2015;
25 (7) University of Alaska, 2016;
26 (8) Department of Transportation and Public Facilities, 2017;
27 (9) Department of Administration, 2018;
28 (10) Department of Commerce, Community, and Economic
29 Development, 2018;
30 (11) Department of Fish and Game, 2019;
31 (12) Department of Environmental Conservation, 2019;

1 (13) Department of Natural Resources, 2019;

2 (14) Department of Revenue, 2020;

3 (15) Office of the Governor, 2020;

4 (16) agencies of the legislative branch, 2020;

5 (17) Department of Military and Veterans' Affairs, 2021;

6 (18) Department of Labor and Workforce Development, 2021.

7 (b) Subject to appropriation, the legislative audit division shall hire individuals
8 and contract with individuals or firms to form a review team or teams to complete the
9 reviews under this section.

10 (c) In the year before the year designated as the year for review in (a) of this
11 section, the agency shall provide to the review team, before November 1,

12 (1) citations to the agency's authority under the Constitution of the
13 State of Alaska or the Alaska Statutes to administer its programs;

14 (2) a list of programs or elements of programs that compose at least 10
15 percent of the general funds in the agency's budget appropriated from the general fund
16 that could be reduced or eliminated; the agency shall consider first those programs or
17 elements of programs that

18 (A) do not serve a current need;

19 (B) are not authorized by the Constitution of the State of
20 Alaska or the Alaska Statutes; or

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22 (3) a list of active encumbrances and an explanation of the continuing
23 need for any encumbrance unsatisfied more than one year after it was incurred;

24 (4) all information submitted to the legislature in the agency's most
25 recent submission under AS 37.07.050, including agency proposed programs and
26 financial plans and agency priorities from the most important to the least important.

27 * **Sec. 4.** AS 44.66 is amended by adding a new section to read:

28 **Sec. 44.66.040. Duties of the review team.** (a) During a review year set out in
29 AS 44.66.020(a), the legislative audit division shall determine the scope of the
30 performance review subject to approval by the Legislative Budget and Audit
31 Committee, and the review team shall

1 (1) collaborate with the legislative audit division and the legislative
2 finance division to identify any earlier audit findings or budgetary issues for the
3 agency;

4 (2) through the Legislative Budget and Audit committee or the senate
5 or house finance committees of the state legislature, schedule public hearings in
6 Juneau, Anchorage, Fairbanks, and other locations as determined by the committees to
7 review agency activities and identify problems or concerns;

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9 organizations to establish best practices for the agency;

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14 agency, including

15 (1) a 10-year growth history and a 10-year projection of agency
16 expenses by funding source, prepared by the office of management and budget;

17 (2) organizational charts, personnel charts by location that show the
18 number of positions and the functions of each position, and a list of transfers of
19 personal services funding to or from other line items within the agency during the
20 preceding 10 years, prepared by the office of management and budget;

21 (3) audit information, including a list of agency audit
22 recommendations, prepared by the legislative audit division;

23 (4) a list of any financial issues relating to the agency's operating or
24 capital expenditures, prepared by the legislative finance division;

25 (5) an explanation of the function and procedure for dedicated funds or
26 any other special funds in the agency, prepared by the legislative finance division;

27 (6) a 10-year history of any budget ratifications or supplemental
28 budget requests, prepared by the legislative finance division; and

29 (7) analysis and summary of confidential information that the review
30 team may request, through the Legislative Budget and Audit Committee, from the
31 legislative audit division, if necessary to complete the team's review.

1 (c) Before December 16 of the review year set out in AS 44.66.020(a), the
2 review team shall provide a confidential preliminary report to the Legislative Budget
3 and Audit Committee.

4 (d) One week before the first day of the regular session of the legislature in the
5 year following the review year set out in AS 44.66.020(a), the review team shall
6 provide to the chairs or cochairs of the senate and house finance committees a final
7 report that

8 (1) evaluates the efficiency and effectiveness of the agency's programs;

9 (2) evaluates the appropriateness of the budget reductions proposed
10 under AS 44.66.020(c);

11 (3) determines if the agency acted in good faith to correct problems
12 identified in any previous audit or review;

13 (4) evaluates the success of the agency in achieving its mission, goals,
14 and objectives and recommends appropriate changes to the agency's missions and
15 measures;

16 (5) lists agency programs or actions not authorized by statute and
17 identifies other authority for those actions;

18 (6) identifies agency authority to collect fees, conduct inspections,
19 enforce state law, or impose penalties;

20 (7) recommends improvements to agency practices and procedures,
21 including means to decrease regulatory burdens or restrictions without decreasing
22 public service and safety;

23 (8) identifies areas in which programs and jurisdiction of agencies
24 overlap and assesses the quality of interagency cooperation in those areas;

25 (9) evaluates whether the agency promptly and effectively addresses
26 complaints;

27 (10) evaluates to what extent the agency encourages and uses public
28 participation in rulemaking and other decision making;

29 (11) evaluates the agency's process for implementing technology and
30 recommends new types or uses of technology to improve agency efficiency and
31 effectiveness;

1 (12) identifies programs and functions duplicated by another
2 government agency or private entity and recommends a single entity to perform those
3 programs and functions;

4 (13) evaluates whether the agency priorities reported to the legislature
5 under AS 37.07.050(a)(13), and the list of programs or elements of programs provided
6 under AS 44.66.020(c)(2) are consistent with the results of the performance review;

7 (14) identifies agencies that could be terminated or consolidated,
8 reductions in costs, and potential program or cost reductions based on policy changes;

9 (15) identifies reductions recommended as a result of a review
10 conducted under this section;

11 (16) identifies the extent to which statutory, regulatory, budgetary, or
12 other changes are necessary to enable the agency to better serve the interests of the
13 public and to correct problems identified during the review;

14 (17) analyzes how the review team's recommendation to terminate the
15 agency or to terminate any program within the agency would affect federal funding or
16 instigate federal intervention;

17 (18) includes draft legislation to correct problems identified in the
18 report that shall be introduced by the senate and house finance committees of the state
19 legislature during the current legislative session;

20 (19) identifies areas that need in-depth review in order to provide
21 complete information to the Legislative Budget and Audit Committee for
22 consideration in the audit process; and

23 (20) identifies any other elements appropriate to a performance
24 management review.

25 (e) The Legislative Budget and Audit Committee shall track annually and
26 publish in its annual report under AS 24.20.311 actual reductions in state expenditures
27 as a result of a review conducted under this section.

28 (f) The senate and house finance committee chairs, cochairs, and
29 subcommittees may incorporate the recommendations of a report submitted under (d)
30 of this section into the budget for the fiscal year following the report.

31 * **Sec. 5.** AS 44.66.050 is amended to read:

1 **Sec. 44.66.050. Legislative oversight.** (a) Before the termination, dissolution,
2 continuation, or reestablishment of a board or commission under AS 08.03.010 or
3 AS 44.66.010 [, OR OF AN AGENCY PROGRAM UNDER AS 44.66.020 AND
4 44.66.030,] a committee of reference of each house, which shall be the standing
5 committee of legislative jurisdiction as provided in the Uniform Rules of the
6 Legislature, shall hold one or more hearings to receive testimony from the public, the
7 commissioner of the department having administrative responsibility for each named
8 board or [,] commission [, OR AGENCY PROGRAM,] and the members of the board
9 or commission involved. The hearings may be joint hearings. The committee shall also
10 consider the proposed budget of the board or [,] commission, [OR AGENCY
11 PROGRAM,] prepared in accordance with AS 37.07.050(f) [,] and the performance
12 audit of the activities of the board or [,] commission, [OR AGENCY PROGRAM,]
13 prepared by the legislative audit division as prescribed in AS 24.20.271(1). The
14 committee may consider any other report of the activities of the board or [,]
15 commission [OR PROGRAM], including [BUT NOT LIMITED TO] annual reports,
16 summaries prepared by the Legislative Affairs Agency, and any evaluation or general
17 report of the manner of conduct of activities of the board or [,] commission [, OR
18 AGENCY PROGRAM] prepared by the office of the ombudsman.

19 (b) During a public hearing, the board or [,] commission [OR AGENCY] shall
20 have the burden of demonstrating a public need for its continued existence or the
21 continuation of the program, and the extent to which any change in the manner of
22 exercise of its functions or activities may increase efficiency of administration or
23 operation consistent with the public interest.

24 (c) A determination as to whether a board or commission [OR AGENCY
25 PROGRAM] has demonstrated a public need for its continued existence must take into
26 consideration the following factors:

27 (1) the extent to which the board or [,] commission [, OR PROGRAM]
28 has operated in the public interest;

29 (2) the extent to which the operation of the board or [,] commission [,
30 OR AGENCY PROGRAM] has been impeded or enhanced by existing statutes,
31 procedures, and practices that it has adopted, and any other matter, including

1 budgetary, resource, and personnel matters;

2 (3) the extent to which the board or [,] commission [, OR AGENCY]
3 has recommended statutory changes that are generally of benefit to the public interest;

4 (4) the extent to which the board or [,] commission [, OR AGENCY]
5 has encouraged interested persons to report to it concerning the effect of its regulations
6 and decisions on the effectiveness of service, economy of service, and availability of
7 service that it has provided;

8 (5) the extent to which the board or [,] commission [, OR AGENCY]
9 has encouraged public participation in the making of its regulations and decisions;

10 (6) the efficiency with which public inquiries or complaints regarding
11 the activities of the board or [,] commission [, OR AGENCY] filed with it, with the
12 department to which a board or commission is administratively assigned, or with the
13 office of victims' rights or the office of the ombudsman have been processed and
14 resolved;

15 (7) the extent to which a board or commission that regulates entry into
16 an occupation or profession has presented qualified applicants to serve the public;

17 (8) the extent to which state personnel practices, including affirmative
18 action requirements, have been complied with by the board or [,] commission in [, OR
19 AGENCY TO] its own activities and in the area of activity or interest;

20 (9) the extent to which statutory, regulatory, budgetary
21 [BUDGETING], or other changes are necessary to enable the [AGENCY,] board or [,]
22 or commission to better serve the interests of the public and to comply with the factors
23 enumerated in this subsection;

24 (10) the extent to which the board or [,] commission [, OR AGENCY]
25 has effectively attained its objectives and purposes and the efficiency with which the
26 board or [,] commission [, OR AGENCY] has operated; and

27 (11) the extent to which the board or [,] commission [, OR AGENCY]
28 duplicates the activities of another governmental agency or the private sector.

29 (d) As to each board or [,] commission [, OR AGENCY PROGRAM]
30 assigned to it for purposes of review, the committee of reference shall, not later than
31 the 60th day of the legislative session, submit a report to the presiding officer of the

1 house. The report must contain a summary of the findings of the committee as to the
2 compliance of the board or [,] commission [, OR PROGRAM] with the factors
3 enumerated in (c) of this section, together with a summary or recommendations of the
4 committee as to each of the following:

5 (1) an identification of the problems or the needs that the programs and
6 activities of the board or [,] commission [, OR AGENCY] are intended to address;

7 (2) a statement, to the extent practicable, of the objectives of the
8 program of the board or [,] commission [, OR AGENCY PROGRAM,] and its
9 anticipated accomplishments;

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

12 (4) an assessment of alternative methods of achieving the purposes of
13 the program;

14 (5) an assessment of the consequences of eliminating the board or [,]
15 commission [, OR PROGRAM] and consolidating its activities with another program,
16 or of funding it at a lower level;

17 (6) a justification for the recommended continuation or extension of
18 the board or [,] commission [, OR PROGRAM,] and an explanation of the manner in
19 which it avoids duplication of or conflict with other efforts; and

20 (7) any other information that, in the opinion of the committee, would
21 improve the performance of the board or [,] commission [, OR AGENCY] with
22 respect to its representation of and responsiveness to the public interest.

23 (e) The committee of reference may introduce a bill providing for the
24 reorganization or continuation of the board or [,] commission, Not [, OR AGENCY
25 PROGRAM. NO] more than one board or [,] commission [, OR AGENCY
26 PROGRAM] may be continued or reestablished in any legislative bill, and the board
27 or [,] commission [, OR AGENCY PROGRAM] must be mentioned in the title of the
28 bill.

29 * **Sec. 6.** AS 44.66.060 is amended to read:

30 **Sec. 44.66.060. Existing claims.** This chapter does not cause the termination
31 or dismissal of a claim or right of a citizen against a board, commission, or program of

1 an agency terminated by legislative action or under this chapter that is subject to
2 litigation. Claims and rights shall be assumed by the department to which the board or
3 commission terminated under this chapter was attached for administrative purposes.

4 * **Sec. 7.** AS 44.66 is amended by adding a new section to read:

5 **Sec. 44.66.070. Definitions.** In this chapter,

6 (1) "agency" means a state department or agency, whether in the
7 legislative, judicial, or executive branch, and includes the University of Alaska;

8 (2) "review team" means appropriate professionals hired by or under
9 contract with the legislative audit division to complete a performance review under
10 AS 44.66.020 - 44.66.040.

11 * **Sec. 8.** AS 44.66.030 is repealed.

12 * **Sec. 9.** AS 24.20.271(2); AS 44.66.020, and 44.66.040 are repealed July 1, 2022.

13 * **Sec. 10.** This Act takes effect July 1, 2011.

Alaska State Legislature

3/1/11

State Capitol, Room 208
Juneau, AK 99801-1182
Phone: 465-3779
Fax: 465-2833
Toll Free (800) 465-3779
Representative_Mike_Chenault@legis.state.ak.us



145 Main St. Loop
Second Floor
Kenai, Alaska 99611
Phone: 907-283-7223
Fax: 907-283-7184

Representative Mike Chenault
Speaker of the House
District 34

Sectional Analysis House Bill 166

“An Act relating to performance reviews and audits of executive branch agencies, the University of Alaska, and the Alaska Court System; and providing for an effective date.”

This is a summary only. Note that this sectional analysis should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1. **Repeals** references to agency programs in existing law that give the legislative audit division authority to audit and terminate agency programs. Legislative audit division authority to audit and terminate boards and commissions remains intact.

Section 2. **Adds a new section** that requires the Legislative Budget and Audit Committee to ensure that every year a review team conducts an audit of the agency program or programs listed; grants the committee authority to contract with review team members if it receives an appropriation; and sets a schedule for agencies to provide specific information to the review team.

Section 3. **Adds a new section** that sets out the duties of the review team including scheduling hearings, collaborating with other agencies, consulting other states and organizations, analyzing material relevant to the performance review of the agency, and providing preliminary and final reports to legislative committees by specific dates. Tasks the Legislative Budget and Audit Committee with tracking and publishing actual reductions in state expenditures as a result of the review team’s audit. Allows the house and senate finance committees to incorporate the recommendations of the review team into the budget.

Section 4. **Repeals** reference to agency programs in existing law that set out the procedures for audit and termination of agency programs. The procedure for audit and termination of boards and commissions remains the same.

Section 5. **Repeals** references to agency programs to conform with the changes in Section 1 and Section 5.

Section 6. **Amends** definitions to include “agency” and “review team” in AS 44.66.

Section 7. **Repeals** AS 44.66.030 which currently sets the procedures for designating programs subject to review and termination. It is replaced by the new section created in Section 2.

Section 8. **Provides for** an effective date of July 1, 2011.

TEXAS SUNSET FREQUENTLY ASKED QUESTIONS (FAQ) Sheet

Frequently Asked Questions (FAQ)

The Texas Legislature created the Sunset Advisory Commission in 1977 to identify and eliminate waste, duplication, and inefficiency in government agencies. The 12-member Commission reviews the policies and programs of more than 150 state agencies and questions the need for each agency; looks for duplication of other public services or programs; and considers changes to improve each agency's operations and activities. The Commission seeks public input through hearings on every agency under Sunset review and recommends actions on each agency to the full Legislature. In most cases, agencies under Sunset review are automatically abolished unless legislation is enacted to continue them.

What Law Created and Governs the Sunset Advisory Commission?

The Texas Sunset Act can be found at [Section 325.001](#) of the Texas Government Code.

What is Sunset?

Sunset is the regular assessment of the need for a state agency to exist. While standard legislative oversight is concerned with agency compliance with legislative policies, Sunset asks a more basic question: Do the agency's functions continue to be needed? The Sunset process works by setting a date on which an agency will be abolished unless legislation is passed to continue its functions. This creates a unique opportunity for the Legislature to look closely at each agency and make fundamental changes to an agency's mission or operations if needed.

The Sunset process is guided by a 12-member body appointed by the Lieutenant Governor and the Speaker of the House of Representatives. Assisting the Commission is a staff whose reports provide an assessment of an agency's programs, giving the Legislature information needed to draw conclusions about program necessity and workability.

How is an Agency Scheduled for Review Under Sunset?

About 150 state agencies are subject to the Texas Sunset Act. The Sunset Act, which became effective in August 1977, specifies each agency's review date. Agencies under Sunset typically undergo review once every twelve years. Certain agencies, such as universities and courts, are not subject to the Sunset Act. Some constitutionally created agencies, such as the Board of Pardons and Paroles and the Board of Trustees of the Teacher Retirement System of Texas, are subject to Sunset review but not abolishment.

Generally, the Legislature groups and schedules agencies for review by function to allow the examination of all major state policies related to a particular function at once, such as health and human services, natural resources, and financial regulation. About 20 to 30 agencies go through the Sunset process each legislative session. The Legislature may change the review schedule to enable a close look at certain agencies. By using the Sunset process to examine agencies that are of special legislative interest, the Legislature further strengthens the accountability of state agencies.

How are Agencies Reviewed?

Staff of the Sunset Commission work extensively with each agency under review to evaluate the need for the agency, propose needed statutory or management changes, and develop legislation necessary to implement any proposed changes. Sunset staff uses specific standards set by the Legislature to evaluate each of the programs and functions of a state agency placed under Sunset review. These standards are located at [§325.011](#) of the Government Code. The staff review of an agency typically takes from three to eight months depending on the size and complexity of the agency. Sunset staff gathers information from a broad range of sources. As a part of the review process, each agency submits a Self-Evaluation Report (SER) to the Sunset Commission. The SER identifies problems, opportunities, and issues that the agency feels should be considered in the Sunset review. Sunset staff also solicits input from interest groups and professional organizations and encourages public input and discussion of agency functions. Once the evaluation phase of the review is completed, Sunset staff publishes a report containing statutory and management recommendations.

The Sunset Commission conducts a public hearing on each agency under review after publication of the staff report. The public hearing provides an opportunity for Sunset staff to discuss its recommendations, for the agency to formally respond to the staff recommendations, and for the public to comment on the report and agency operations and policies. This allows for broad public input into the Sunset process and begins the Commission's consideration of potential changes to recommend to the Legislature in the form of Sunset legislation. All information presented to the Commission at the public hearing, whether submitted orally or in writing, is reviewed and compiled. The Commission meets to review the input received and to make decisions on whether to abolish an agency or continue it with changes.

Persons interested in being placed on Sunset's mailing list and receiving the review schedule, meeting schedule, meeting agendas, staff reports, or decision materials should contact the Sunset Commission staff.

What Changes Can Be Made Through Sunset??

The Commission's report on an agency must include a recommendation to abolish or continue the agency and may

also contain recommendations. If the Commission recommends continuation of an agency, the Commission must provide draft legislation to the Legislature to continue for up to 12 years, and correct other problems identified during the Sunset review. Although not required by law, the Commission's legislative members traditionally introduce and carry Sunset legislation.

The Sunset Commission has also developed a set of standard recommendations that are applied to agencies. These Across-the-Board recommendations (ATBs) reflect an effort by the Legislature to place policy directives on agencies to prevent problems from occurring, instead of reacting to problems after the fact. The Commission's ATBs are an outgrowth of review standards contained in the Sunset Act and are designed to ensure open, responsive, and effective government. Examples of ATBs include increasing public representation on the agency's policy board, improving responsiveness to complaints filed by the public, and implementing a standard approach to equal employment opportunity.

An agency is automatically abolished unless the Legislature passes legislation to continue the agency. If an agency is abolished, the Sunset Act provides for a one-year wind-down period to conclude its operations. The agency retains full authority and responsibility until the end of that year, when all property and records are transferred to an appropriate state agency.

How Does Sunset Coordinate with Other Oversight Agencies?

The Sunset Commission is one of several agencies charged with monitoring state agency performance. These other oversight agencies include the [State Auditor](#), [Legislative Budget Board](#), [Governor's Office of Budget and Planning](#), and [Legislative Committees](#). Sunset regularly coordinates with these agencies to reduce the possibility of duplication of effort and to assist in identifying issues that may be addressed by Sunset or another agency.

How Many Agencies Have Been Abolished Since the Beginning of Sunset?

The Sunset process has streamlined and changed state government. Since Sunset's inception in 1978, 58 agencies have been abolished and another 12 agencies have been consolidated. In addition, even as the scope of reviews has expanded, the Legislature has approved a large majority of the recommendations of the Sunset Commission. The most significant changes resulting from Sunset reviews are summarized in the [Guide to the Sunset Process](#).

Has Sunset Saved the State Any Money?

The fiscal impact of Sunset recommendations over time can be estimated through fiscal note data. Estimates from reviews conducted between 1982 and 2009 indicate a potential 27-year revenue savings of approximately \$783.7 million, compared with expenditures of \$28.6 million for the Sunset Commission. Based on these estimates, for every dollar spent on the Sunset process, the State has received \$27 in return.

How Can I Get More Information About Sunset?

If you would like more detailed information you may download a copy of the [Guide to the Sunset Process \(PDF\)](#) here. Please be sure that you have installed the [Adobe Acrobat Reader](#) on your computer. If you prefer a hard copy, please call (512) 463-1300 or write to sunset@sunset.state.tx.us to request a copy. The Guide provides lists of all agencies that have undergone Sunset review, the results of those reviews, dates of future reviews as well as specific information on how certain agencies were affected by their Sunset legislation.

For information on how to participate in the Sunset process, including information on accessibility for the disabled, please read [How to Participate in the Sunset Process](#).

[What's New](#) | [Sunset Guide](#) | [Review Schedule](#) | [Publications](#) | [Sunset Agencies](#) | [Members](#) |
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Alaska State Legislature

3/1/11

State Capitol, Room 208
Juneau, AK 99801-1182
Phone: 465-3779
Fax: 465-2833
Toll Free (800) 465-3779
Representative_Mike_Chenault@legis.state.ak.us



145 Main St. Loop
Second Floor
Kenai, Alaska 99611
Phone: 907-283-7223
Fax: 907-283-7184

Representative Mike Chenault
Speaker of the House
District 34

SPONSOR STATEMENT HB 166

In 1977 the Alaska State Legislature found there was a need for an effective and regular system of scrutinizing the programs and activities of all State agencies, boards and commissions. The legislature further found that the establishment of a system for periodic review by the public, the executive and legislative branches of certain state agencies, boards and commissions would help the governor and the legislature determine the need for the continued existence of each. Under AS 44.66, this review has continued since 1977 for boards and commissions. The dates to review programs and activities of the state ended in 1983 and were never reenacted.

Low oil revenues contained budget growth from the early Eighties through to 2004. State revenues grew dramatically when the price of oil rose in 2004, and the budget grew accordingly. The current legislative budget process mainly looks at increments and without a regular system of scrutiny, annual budgets continue to grow. Other states have incorporated performance reviews that have resulted in significant budgetary savings.

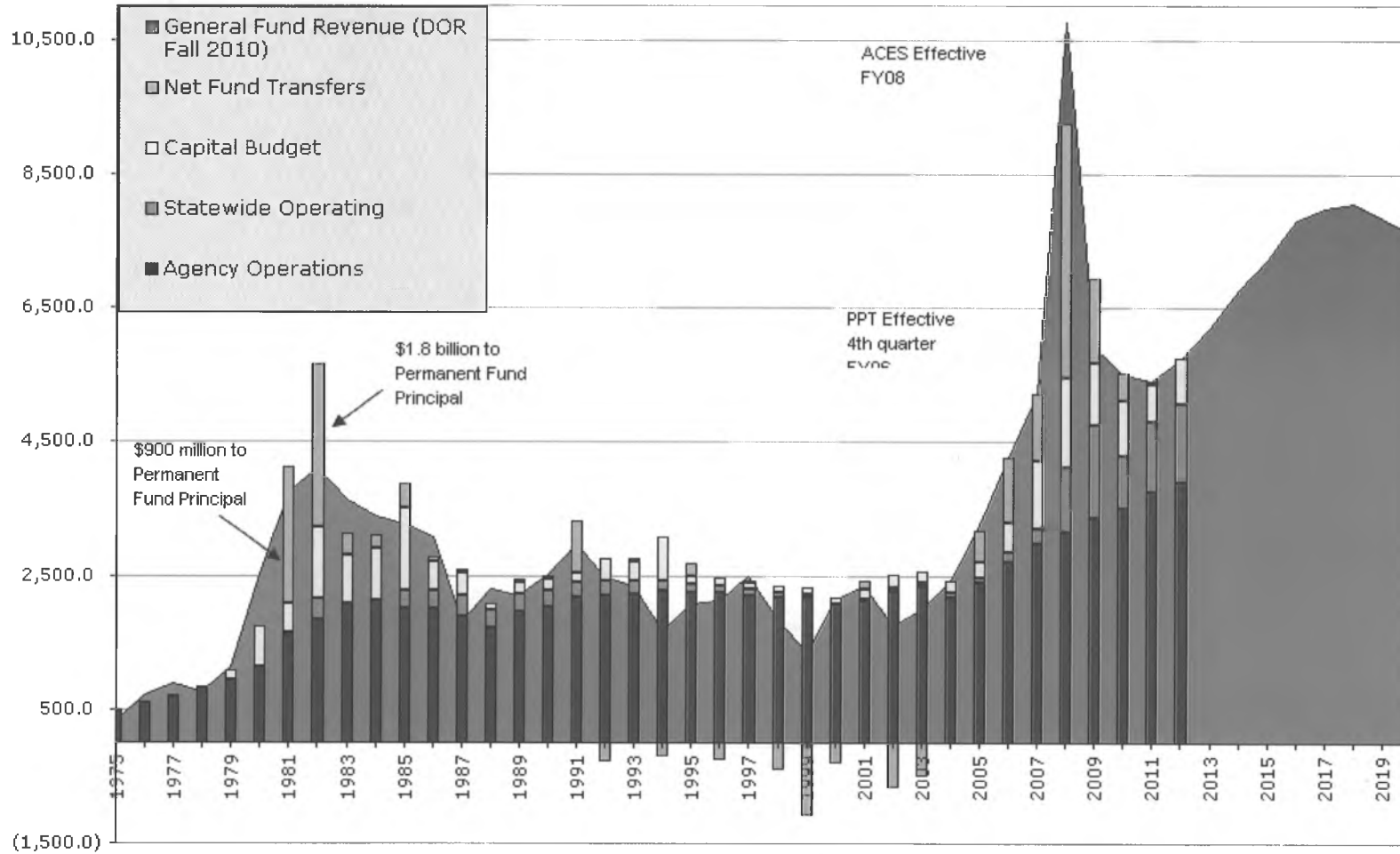
This legislation will renew the effective and regular system of scrutiny of our departments by authorizing performance reviews. The legislation has been crafted to model some of the aspects of the Texas Sunset Commission reviews, but utilizes minimal staff and outsourced independent contract work to complete the process under the auspices of the Legislative Budget and Audit Committee.

The information provided by these reviews will include authority, accountability, effectiveness, efficiency and necessity of departments and their programs. The report, along with draft legislation to fix issues, will provide the House and Senate finance committees with in-depth information needed to fund state budgets appropriately.

The ultimate benefit of these reviews will be for Alaskans. It will ensure Alaska government is working for Alaskans in an effective and efficient manner.

3/1/11

Unrestricted General Fund Revenue/ Budget History (millions)

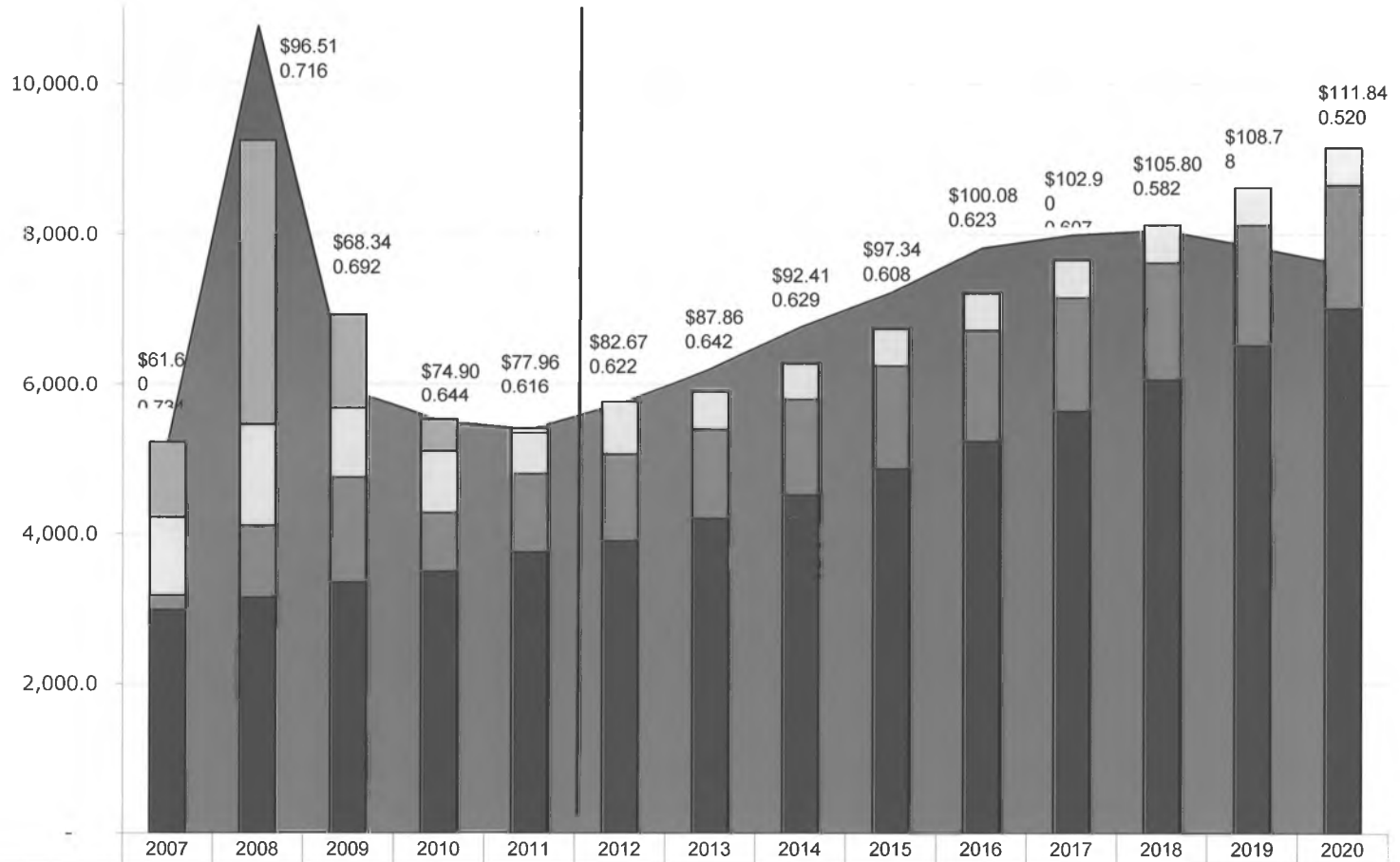


3/1/11

Growth in Agency Operating Budgets (UGF)-- FY06MP to FY11MP						
Agency	FY06 Mgmt. Plan	FY11 Mgmt. Plan	Growth	Annual Growth Rate	Share of Growth	Cumulative Share of Growth
Department of Health and Social Services	608,356.0	930,456.1	322,100.1	8.9%	28%	28%
Department of Education and Early Development	891,623.0	1,173,368.2	281,745.2	5.6%	24%	52%
Department of Transportation & Public Facilities	169,715.4	276,235.3	106,519.9	10.2%	9%	62%
University of Alaska	245,443.7	338,983.4	93,539.7	6.7%	8%	70%
Department of Corrections	169,865.4	231,033.5	61,168.1	6.3%	5%	75%
Department of Public Safety	93,766.5	137,029.6	43,263.1	7.9%	4%	79%
Department of Commerce, Community and Economic Development	8,736.7	43,592.3	34,855.6	37.9%	3%	82%
Department of Revenue	17,954.7	51,912.8	33,958.1	23.7%	3%	85%
Department of Fish and Game	33,980.1	65,414.0	31,433.9	14.0%	3%	88%
Alaska Court System	64,000.9	94,841.3	30,840.4	8.2%	3%	90%
Department of Administration	51,970.3	76,651.2	24,680.9	8.1%	2%	92%
Legislature	49,768.7	68,472.8	18,704.1	6.6%	2%	94%
Department of Law	42,074.6	59,264.7	17,190.1	7.1%	1%	95%
Department of Labor and Workforce Development	15,796.6	29,367.3	13,570.7	13.2%	1%	98%
Office of the Governor	19,640.3	31,245.5	11,605.2	9.7%	1%	99%
Department of Natural Resources	65,283.5	72,077.0	6,793.5	2.0%	1%	99%
Department of Environmental Conservation	12,994.3	18,895.4	5,901.1	7.8%	1%	100%
Department of Military and Veterans Affairs	12,801.4	12,735.5	(65.9)	-0.1%	0%	100%
TOTAL	2,573,772.1	3,711,575.9	1,152,303.8	7.6%		

3/1/11

Unrestricted General Fund Revenue/ Budget (millions)



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GF Revenue (DOR Fall 2010)	5,215.7	10,764.3	5,918.8	5,512.7	5,395.0	5,732.4	6,207.7	6,767.8	7,233.1	7,822.4	7,992.7	8,060.4	7,845.7	7,610.7
Net Fund Transfers	1,003.3	3,788.3	1,260.0	426.1	62.2	(25.5)								
Capital Budget	1,035.1	1,351.7	924.1	826.2	549.7	691.7	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
Statewide Operating	196.1	961.1	1,388.7	771.0	1,036.4	1,157.0	1,188.0	1,260.0	1,382.0	1,484.0	1,526.0	1,565.0	1,601.0	1,640.0
Agency Operations-7.6% Growth	2,986.5	3,150.6	3,360.0	3,506.6	3,761.6	3,909.2	4,206.3	4,526.0	4,870.0	5,240.1	5,638.3	6,066.8	6,527.9	7,024.0