

HOUSE BILL NO. 209

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE THOMPSON

Introduced: 1/21/20

Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to public finance; creating the Department of Management and
2 Budget; transferring the duties of the office of management and budget to the
3 Department of Management and Budget; and providing for an effective date."

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

5 * **Section 1.** AS 06.55.850(d) is amended to read:

6 (d) In January of each year, the department shall report to the **Department of**
7 **Management and Budget** [OFFICE OF MANAGEMENT AND BUDGET] all fee
8 levels and revisions made for the previous year under this section.

9 * **Sec. 2.** AS 06.60.530 is amended to read:

10 **Sec. 06.60.530. Fund report.** Every six months, the department shall provide
11 a written report to the **commissioner** [DIRECTOR OF THE OFFICE] of management
12 and budget on the activities of the fund, the balances in the fund, interest earned on the
13 fund, and interest returned to the fund.

14 * **Sec. 3.** AS 08.01.065(c) is amended to read:

15 (c) Except as provided in (f) - (j) of this section, the department shall establish

1 fee levels under (a) of this section so that the total amount of fees collected for an
 2 occupation approximately equals the actual regulatory costs for the occupation. The
 3 department shall annually review each fee level to determine whether the regulatory
 4 costs of each occupation are approximately equal to fee collections related to that
 5 occupation. If the review indicates that an occupation's fee collections and regulatory
 6 costs are not approximately equal, the department shall calculate fee adjustments and
 7 adopt regulations under (a) of this section to implement the adjustments. In January of
 8 each year, the department shall report on all fee levels and revisions for the previous
 9 year under this subsection to the **Department of Management and Budget** [OFFICE
 10 OF MANAGEMENT AND BUDGET]. If a board regulates an occupation covered by
 11 this chapter, the department shall consider the board's recommendations concerning
 12 the occupation's fee levels and regulatory costs before revising fee schedules to
 13 comply with this subsection. In this subsection, "regulatory costs" means costs of the
 14 department that are attributable to regulation of an occupation plus

15 (1) all expenses of the board that regulates the occupation if the board
 16 regulates only one occupation;

17 (2) the expenses of a board that are attributable to the occupation if the
 18 board regulates more than one occupation.

19 * **Sec. 4.** AS 14.20.020(c) is amended to read:

20 (c) The board may establish by regulation additional requirements for the
 21 issuance of certificates. The board shall require teachers to submit fingerprints and the
 22 fees required by the Department of Public Safety under AS 12.62.160 for criminal
 23 justice information and a national criminal history record check. The board shall
 24 submit the fingerprints and fees to the Department of Public Safety for a report of
 25 criminal justice information under AS 12.62 and a national criminal history record
 26 check under AS 12.62.400. The department shall establish by regulation the fees to be
 27 charged for each certificate and for other charges assessed against teachers as part of
 28 certification. In establishing the fees to be charged, the department shall establish the
 29 fee levels so that the total amount of the fees collected relating to the certification of
 30 teachers approximately equals, when added to the other fees collected from teachers,
 31 the actual regulatory costs for certifying and disciplining teachers in the state. The

department shall annually review each fee level to determine whether the regulatory costs are approximately equal to fee collections. If the review indicates that fee collections and regulatory costs are not approximately equal, the department shall calculate fee adjustments to the fees for certification of teachers and adopt regulations under this subsection to implement the adjustments. In January of each year, the department shall report on all fee levels and revisions for the previous year under this subsection to the Department of Management and Budget [OFFICE OF MANAGEMENT AND BUDGET]. The department shall consider the board's recommendations concerning the fee levels and regulatory costs before revising fee schedules to comply with this subsection. In this subsection, "regulatory costs" means costs of the department that are attributable to regulation of the teaching profession, including the portion of the expenses of the board that are attributable to the regulation of the teaching profession and the expenses of the Professional Teaching Practices Commission.

* **Sec. 5.** AS 14.40.325 is amended to read:

Sec. 14.40.325. Reallocation within state appropriations. Notwithstanding the provisions of AS 37.07.080(e), each appropriation to the University of Alaska is subject to reallocation by the university administration under procedures established by the Board of Regents and the Department of Management and Budget [OFFICE OF MANAGEMENT AND BUDGET IN THE OFFICE OF THE GOVERNOR]. Transfers may not be made between appropriations except as provided in an act making transfers between appropriations.

* **Sec. 6.** AS 23.50.030(a) is amended to read:

(a) The attorney general shall adopt regulations that establish the amount and manner of payment of a registration fee for authorized third parties. The attorney general shall establish the fee level so that the total amount of fees collected from authorized third parties approximately equals the actual regulatory costs for the oversight of joint negotiations between physicians and health benefit plans. The attorney general shall annually review the fee level to determine whether the regulatory costs are approximately equal to fee collections. If the review indicates that the fee collections and regulatory costs are not approximately equal, the attorney

1 general shall calculate fee adjustments and adopt regulations under this subsection to
 2 implement the adjustments. In January of each year, the attorney general shall report
 3 on the fee level and revisions for the previous year under this subsection to the
 4 **Department of Management and Budget** [OFFICE OF MANAGEMENT AND
 5 BUDGET].

6 * **Sec. 7.** AS 24.08.035(a) is amended to read:

7 (a) Before a bill or resolution, except an appropriation bill, is reported from
 8 the committee of first referral, there shall be attached to the bill a fiscal note
 9 containing an estimate of the amount of the appropriation increase or decrease that
 10 would result from enactment of the bill for the current fiscal year and five succeeding
 11 fiscal years or, if the bill has no fiscal impact, a statement to that effect shall be
 12 attached. The fiscal note or statement shall be prepared in conformity with the
 13 requirements of this section by the department or departments affected and may be
 14 reviewed by the **Department of Management and Budget** [OFFICE OF
 15 MANAGEMENT AND BUDGET]. The fiscal note or statement shall be delivered to
 16 the committee requesting it within three days **after** [OF] the request **is made**. If the
 17 bill is presented by the governor for introduction in accordance with AS 24.08.060(b)
 18 and the uniform rules of the legislature, the fiscal note or statement shall be attached to
 19 the bill before the bill is introduced. An amendment or a substitute bill proposed by a
 20 committee of referral that changes the fiscal impact of a bill shall be explained in a
 21 revised fiscal note or statement attached to the bill.

22 * **Sec. 8.** AS 24.08.035(d) is amended to read:

23 (d) The original of a fiscal note shall be submitted to the Division of
 24 Legislative Finance and copies shall be sent to the prime sponsor, the committee
 25 requesting the fiscal note, and the **Department of Management and Budget**
 26 [OFFICE OF MANAGEMENT AND BUDGET].

27 * **Sec. 9.** AS 24.20.231 is amended to read:

28 **Sec. 24.20.231. Duties.** The legislative finance division shall

- 29 (1) analyze the budget and appropriation requests of each department,
 30 institution, bureau, board, commission, or other agency of state government;
 31 (2) analyze the revenue requirements of the state;

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

(4) cooperate with the **Department of Management and Budget** [OFFICE OF MANAGEMENT AND BUDGET] in establishing a comprehensive system for state budgeting and financial management as set out in AS 37.07 (Executive Budget Act);

(5) complete studies and prepare reports, memoranda, or other materials as directed by the Legislative Budget and Audit Committee;

(6) with the governor's permission, designate the legislative fiscal analyst to serve ex officio on the governor's budget review committee;

(7) identify the actual reduction in state expenditures in the first fiscal year following a review under AS 44.66.040 resulting from that review and inform the Legislative Budget and Audit Committee of the amount of the reduction; and

(8) not later than the first legislative day of each first regular session of each legislature, conduct a review in accordance with AS 24.20.235 of the report provided to the division under AS 43.05.095.

* **Sec. 10.** AS 29.05.200(b) is amended to read:

(b) Before August 31 of each fiscal year, the department shall submit a report to the **Department of Management and Budget** [OFFICE OF MANAGEMENT AND BUDGET] indicating

(1) each municipality expected to qualify to receive an organization grant during the next fiscal year;

(2) the amount of money needed to cover all organization grants expected to be awarded during the next fiscal year.

* **Sec. 11.** AS 30.17.130(c) is amended to read:

(c) The authority may not accept transfer by the federal government of title to, an interest in, control over, or responsibility for a facility or other real or personal property located at the Adak Naval Air Facility unless sufficient federal or other money is available to the authority to manage the property or operate the facility at a minimal level for two years after the date of the transfer. The **commissioner** [DIRECTOR OF THE OFFICE] of management and budget shall determine whether

sufficient money is available to the authority with respect to each proposed transfer subject to this subsection, and approve or disapprove the proposed transfer.

* **Sec. 12.** AS 35.10.135 is amended to read:

Sec. 35.10.135. Public facility planning fund. The [THERE IS ESTABLISHED WITHIN THE OFFICE OF THE GOVERNOR, OFFICE OF MANAGEMENT AND BUDGET A] public facility planning fund **is established within the Department of Management and Budget**. The fund is a capital fund and consists of (1) money appropriated by the legislature, (2) money reimbursed to it from the proceeds of the sales of general obligation bonds and revenue bonds issued for projects and (3) money reimbursed to it from appropriations for any projects for which money from the fund has been spent. The fund is available for expenditure, on a reimbursable basis, only for the purposes of providing working capital for facility program planning and for facility procurement planning as specified in this chapter. All expenditures from the fund are subject to an independent audit, which shall be made annually and reported to the governor and the legislature.

* **Sec. 13.** AS 37.07.040 is amended to read:

Sec. 37.07.040. Duties of the Department of Management and Budget [OFFICE OF MANAGEMENT AND BUDGET]. The **Department of Management and Budget** [ALASKA OFFICE OF MANAGEMENT AND BUDGET] shall

(1) assist the governor in meeting the requirements of AS 37.07.020, including the coordination and analysis of state agency goals and objectives, plans, and budget requests;

(2) prepare for submission to the governor an annually updated six-year capital improvements program and the proposed capital improvements budget for the coming fiscal year, the latter to include individual project justification with documentation of estimated project cost;

(3) develop procedures to produce the information needed for effective policy decision making, including procedures to provide for the dissemination of information about plans, programs, and budget requests to be included in the annual budget and opportunity for public review and comment during the period of budget

1 preparation;

2 (4) assist state agencies in their statement of goals and objectives to
3 achieve, among other things, the legislature's mission and desired results, preparation
4 of plans, assessments of the extent to which missions and desired results have been
5 achieved, budget requests, and reporting of program performance; all documents
6 forwarded by the **department** [OFFICE] to a state agency containing instructions for
7 the preparation of program plans and budget requests and the reporting of program
8 performance are public information after the date they are forwarded;

9 (5) administer its responsibilities under the program execution
10 provisions of this chapter so that the policy decisions and budget determinations of the
11 governor and the legislature are implemented;

12 (6) provide the legislative finance division with the budget information
13 it may request;

14 (7) provide the legislative finance division with an advance copy of the
15 governor's budget workbooks at least seven days before the legislature convenes in a
16 regular session;

17 (8) prepare the proposed capital improvements budget for the coming
18 fiscal year evaluating both state and local requests from the standpoint of need, equity,
19 and priorities of the jurisdiction; other factors such as project amounts, population,
20 local financial match, federal funds being used for local match, municipality or
21 unincorporated community acceptance of the facility, and all associated costs of the
22 facility may be considered;

23 (9) for each department in the executive branch, report to the
24 legislature by the 45th day of each regular session the amount of money appropriated
25 to the department that is expected to lapse into the general fund at the end of the
26 current fiscal year;

27 (10) establish and administer a state agency program performance
28 management system involving planning, performance budgeting, performance
29 measurement, and program evaluation; the **department** [OFFICE] shall ensure that
30 information generated under this system is useful for managing and improving the
31 efficiency and effectiveness of agency operations;

(11) by January 15, list each lease-purchase agreement entered into by an agency during the immediately preceding fiscal year for the acquisition of equipment or other personal property, together with a description of the property acquired and financial details, including the purchase price, the term for payments, the amount of each payment, and the amount of interest or financing charges paid;

(12) work with state agencies to develop a standardized methodology to collect and store energy consumption and expense data.

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

(a) The agencies shall assure the development of a statewide system of results-based government designed to increase efficiency and effectiveness of state programs and services. Toward that end, each state agency shall, on a semi-annual basis, identify results-based measures that have been used to work toward achievement of the mission statement and desired results issued by the legislature and of other goals of the agency, and set out the results as measured. Each state agency shall also prepare information that shall be compiled and submitted on December 15 each year to the department [OFFICE], the legislature, and the legislative finance division; this information must

(1) identify the agency mission and desired results established by the legislature;

(2) identify the goals and objectives the agency will use to achieve the legislature's mission and desired results;

(3) set out the results of any user group surveys and, if the results do not agree with the mission and desired results, goals, and objectives, explain why;

(4) include written, defined methods of measuring results that apply to the responsibilities, products, and services of the agency;

(5) identify results-based measures that have been used to work toward achievement of the mission statement and desired results issued by the legislature and other goals of the agency and set out the results as measured;

(6) identify surveys or other methods of gathering user group opinions that have been used by the agency to identify ways to improve its programs;

(7) identify methods of measuring performance when the mission

statement and desired results issued by the legislature involve more than one agency and make recommendations to eliminate duplication of government functions and waste;

(8) identify ways in which the agency has involved its employees in the development of methods of measuring results, including opportunities for employee representatives to participate in committees established to develop methods of measuring results;

(9) include the budget requested to carry out the agency's proposed plans in the succeeding fiscal year, including information reflecting the expenditures during the last fiscal year, the expenditures authorized for the current fiscal year, the expenditures proposed for the succeeding fiscal year, an explanation of the services to be provided, the number of total positions for all persons employed or under contract by the agency for personal services including those rendered for capital improvement projects, the need for the services, the cost of the services, and other information requested by the **department** [OFFICE];

(10) include a report of agency receipts during the last fiscal year, an estimate of receipts during the current fiscal year, and an estimate of receipts for the succeeding fiscal year;

(11) identify legislation required to implement the proposed programs and financial plans;

(12) include an evaluation of the advantages and disadvantages of specific alternatives to existing or proposed agency activities or administrative methods;

(13) prioritize the activities of the agency from the most important to the least important.

* **Sec. 15.** AS 37.07.050(c) is amended to read:

(c) The **department** [OFFICE] shall assist agencies in the preparation of their proposals under (a) of this section. This assistance may include technical assistance, organization of materials, centrally collected accounting, budgeting and personnel information, standards and guidelines formulation, population and other required data, and any other assistance that will help the state agencies produce the information

necessary for efficient agency management and effective decision-making by the governor and the legislature.

* **Sec. 16.** AS 37.07.050(d) is amended to read:

(d) If any state agency fails to transmit the program and financial information provided under (a) of this section on the specified date, the **department** [OFFICE] may prepare the information.

* **Sec. 17.** AS 37.07.050(e) is amended to read:

(e) The **department** [OFFICE] shall compile and submit to the governor-elect in any year when a new governor has been elected, not later than November 20, a summary of the program and financial information prepared by state agencies.

* **Sec. 18.** AS 37.07.050(g) is amended to read:

(g) All goals and objectives, plans, programs, estimates, budgets, and other documents forwarded to the **department** [OFFICE OF MANAGEMENT AND BUDGET] by a state agency under this section are public information after the date they are forwarded.

* **Sec. 19.** AS 37.07.080(b) is amended to read:

(b) Each state agency shall prepare an annual plan for the operation of each of its assigned programs except for programs that are exempted from this requirement by the **department** [OFFICE]. The operations plan shall be prepared in the form and content and be transmitted on the date prescribed by the **department** [OFFICE].

* **Sec. 20.** AS 37.07.080(c) is amended to read:

(c) The **department** [OFFICE] shall

(1) review each operations plan to determine that it is consistent with the executive decisions of the governor, the mission statement and desired results issued by the legislature, appropriations by the legislature, and other provisions of law, that it reflects proper planning and efficient management methods, and that appropriations have been made for the legislatively established purpose and will not be exhausted before the end of the fiscal year;

(2) approve the operations plan if satisfied that it meets the requirements under (1) of this subsection; otherwise, the **department** [OFFICE] shall require revision of the operations plan in whole or in part.

1 * **Sec. 21.** AS 37.07.080(e) is amended to read:

2 (e) Transfers or changes between objects of expenditures or between
3 allocations may be made by the head of an agency upon approval of the **department**
4 [OFFICE]. Transfers may not be made between appropriations, including transfers
5 made through the use of a reimbursable service agreement or other agreement, except
6 as provided in an act making the transfers between appropriations. However, a
7 reimbursable service agreement or other agreement may be used to finance the
8 provision of a service if

9 (1) the agency that requires the service has, by law, the authority to
10 obtain or provide the service and has an appropriation that may be used for that
11 purpose; and

12 (2) the agency that provides the service bills the agency administering
13 the available funds based on

14 (A) the actual cost to provide the service; or

15 (B) a cost allocation method approved by the **department**
16 [OFFICE].

17 * **Sec. 22.** AS 37.07.080(f) is amended to read:

18 (f) The **department** [OFFICE] shall report quarterly to the governor and the
19 legislature on the operations of each state agency, relating actual accomplishments to
20 those planned and modifying, if necessary, the operations plan of any agency for the
21 balance of the fiscal year.

22 * **Sec. 23.** AS 37.07.120 is amended by adding a new paragraph to read:

23 (11) "department" means the Department of Management and Budget,
24 unless the context indicates otherwise.

25 * **Sec. 24.** AS 37.10.050(c) is amended to read:

26 (c) Except as provided in AS 37.10.052(a), each state agency shall annually
27 review fees collected by the agency. By October 1, each state agency shall submit a
28 report to the **Department of Management and Budget** [OFFICE OF
29 MANAGEMENT AND BUDGET] regarding existing fee levels set by the agency by
30 regulation and adjustments made to fee levels by the agency during the previous fiscal
31 year, and recommended adjustments in fees set by statute that the agency collects.

Each year by December 15, the **Department of Management and Budget** [OFFICE OF MANAGEMENT AND BUDGET] shall submit a report to the Legislative Budget and Audit Committee summarizing the reports and recommendations and the extent to which the fee adjustments have been incorporated in the governor's budget. Within five days after the convening of each regular session of the legislature, the committee shall prepare a report on the status of fee regulations and making recommendations for changes in regulations or statutes as appropriate. The committee shall notify the legislature that the report is available.

* **Sec. 25.** AS 37.10.052(c) is amended to read:

(c) A person requiring more than one regulatory service, at least one of which is a designated regulatory service, for an activity may petition the resource agency that will provide the services or, if more than one resource agency will provide a regulatory service, the **Department of Management and Budget** [OFFICE OF MANAGEMENT AND BUDGET] to establish a single fee for all regulatory services that are required for that class of activities. The resource agency or **the Department of Management and Budget** [OFFICE OF MANAGEMENT AND BUDGET], as appropriate, shall grant the petition if it finds that the proposed fee meets the applicable requirements of this subsection and is likely to be used by the resource agency or **the Department of Management and Budget** [OFFICE OF MANAGEMENT AND BUDGET] more than once. If a petition under this subsection is granted, the resource agency or the **Department of Management and Budget** [OFFICE OF MANAGEMENT AND BUDGET] shall make available to the public information concerning the single fee, including a list of regulatory services to be provided and the amount of the fee. If the resource agency or the **Department of Management and Budget** [OFFICE OF MANAGEMENT AND BUDGET] denies the petition, the agency or **department** [OFFICE] shall provide to the petitioner a statement setting out the agency's or **department's** [OFFICE'S] reasons for denial. The single fee under this subsection must be

(1) confined to the distinct economic sector in which the petitioner is or proposes to be engaged;

(2) where necessary, limited by geography, facility size or capacity, or

1 other relevant factors so as to provide a reasonable assurance that only similarly
 2 situated activities, with respect to cost, are included within the fixed fee; and

3 (3) based on the estimated average reasonable direct cost of each
 4 designated regulatory service required for the activity and the average fee customarily
 5 charged for a regulatory service other than a designated regulatory service discounted
 6 by the amount of savings that may be achieved by avoiding regulatory overlap and,
 7 where applicable, coordinating multi-agency review of the activity to the maximum
 8 extent possible.

9 * **Sec. 26.** AS 37.10.052(f) is amended to read:

10 (f) No action taken by a resource agency or the **Department of Management**
 11 **and Budget** [OFFICE OF MANAGEMENT AND BUDGET] under (c) of this section
 12 is subject to AS 44.62 (Administrative Procedure Act).

13 * **Sec. 27.** AS 37.15.730 is amended to read:

14 **Sec. 37.15.730. Review of toll facility projects.** A toll facility may be
 15 financed under AS 37.15.610 - 37.15.760 if the following conditions are met for that
 16 toll facility:

17 (1) the **Department of Transportation and Public Facilities**
 18 [DEPARTMENT] submits to the governor and the legislature a feasibility study that
 19 finds that the toll facility is financially feasible and able to produce revenue adequate
 20 to repay the bonds with which it is financed;

21 (2) if financing in addition to revenue bonds is required to finance the
 22 toll facility, the **Department of Transportation and Public Facilities**
 23 [DEPARTMENT] submits to the governor and legislature a finance plan that includes
 24 an estimate of the total cost of the toll facility and a description of the sources of
 25 money that will be used to finance the total cost of the toll facility; and

26 (3) the **Department of Management and Budget** [OFFICE OF
 27 MANAGEMENT AND BUDGET] reviews the feasibility study and the finance plan,
 28 if required, and reports its findings and recommendations to the governor and
 29 legislature not later than 90 days after the study and plan are received by the
 30 **Department of Management and Budget** [OFFICE].

31 * **Sec. 28.** AS 37.25.020 is amended to read:

1 **Sec. 37.25.020. Unexpended balances of appropriation for capital projects.**

2 An appropriation made for a capital project is valid for the life of the project, and the
3 unexpended balance shall be carried forward to subsequent fiscal years if substantial,
4 ongoing work on the project has begun within five years after the effective date of the
5 appropriation. Between July 1 and August 31 of each fiscal year, a statement
6 supporting the amount of the unexpended balance required to complete the projects for
7 which the initial appropriation was made and the amount that may be lapsed shall be
8 recorded with the Department of Administration. The **Department of Management**
9 **and Budget** [OFFICE OF MANAGEMENT AND BUDGET], in coordination with
10 the Department of Administration, shall deliver to the house and senate finance
11 committees a report of unexpended balances of appropriations for capital projects not
12 later than the 15th day of each regular session of the legislature.

13 * **Sec. 29.** AS 43.75.137 is amended to read:

14 **Sec. 43.75.137. Additional refund.** To the extent that appropriations are
15 available for the purpose, and notwithstanding the requirement of AS 37.07.080(e)
16 that **the Department of Management and Budget approve** [APPROVAL OF THE
17 OFFICE OF MANAGEMENT AND BUDGET IS REQUIRED], an amount equal to
18 50 percent of the tax revenue that is collected under this chapter from fisheries
19 businesses and is not subject to division with a municipality under AS 43.75.130 shall
20 be transmitted each fiscal year, without the approval of the **Department of**
21 **Management and Budget** [OFFICE OF MANAGEMENT AND BUDGET], by the
22 department to the Department of Commerce, Community, and Economic
23 Development for disbursal to eligible municipalities under AS 29.60.450.

24 * **Sec. 30.** AS 43.77.060(d) is amended to read:

25 (d) To the extent that appropriations are available for the purpose, and
26 notwithstanding the requirement of AS 37.07.080(e) that **the Department of**
27 **Management and Budget approve** [APPROVAL OF THE OFFICE OF
28 MANAGEMENT AND BUDGET IS REQUIRED], an amount equal to 50 percent of
29 the tax revenue that is collected under this chapter and is not subject to division with a
30 municipality under (a) - (c) of this section shall be transmitted each fiscal year,
31 without the approval of the **Department of Management and Budget** [OFFICE OF

MANAGEMENT AND BUDGET], by the department to the Department of Commerce, Community, and Economic Development for disbursal to eligible municipalities under AS 29.60.450.

* **Sec. 31.** AS 44.17.005 is amended to read:

Sec. 44.17.005. Offices and departments. There are in the state government the following principal offices and departments:

- (1) Office of the Governor
- (2) Department of Administration
- (3) Department of Law
- (4) Department of Revenue
- (5) Department of Education and Early Development
- (6) Department of Health and Social Services
- (7) Department of Labor and Workforce Development
- (8) Department of Commerce, Community, and Economic Development
- (9) Department of Military and Veterans' Affairs
- (10) Department of Natural Resources
- (11) Department of Fish and Game
- (12) Department of Public Safety
- (13) Department of Transportation and Public Facilities
- (14) Department of Environmental Conservation
- (15) Department of Corrections;
- (16) Department of Management and Budget.**

* **Sec. 32.** AS 44 is amended by adding a new chapter to read:

Chapter 22. Department of Management and Budget.

Sec. 44.22.010. Commissioner of management and budget. The principal executive officer of the Department of Management and Budget is the commissioner of management and budget.

Sec. 44.22.020. Powers and duties of the commissioner. (a) The commissioner shall

- (1) supervise and administer the activities of the department;

1 (2) advise the governor on matters of comprehensive state planning.

2 (b) The commissioner may

3 (1) enter into contracts and subcontracts on behalf of the state to carry
4 out the provisions of this chapter; contracting under this paragraph is governed by
5 AS 36.30 (State Procurement Code);

6 (2) on behalf of the state, initiate, investigate, evaluate, or participate
7 in any program related to the stated purpose of this chapter that involves more than
8 one government or governmental unit;

9 (3) on behalf of the state, accept and expend a gift or grant made to the
10 state if the gift or grant is made for the purpose of furthering the objectives of the
11 department;

12 (4) establish coordinating or advisory planning groups.

13 **Sec. 44.22.030. Powers and duties of the department.** (a) The department
14 shall

15 (1) provide technical assistance to the governor and the legislature in
16 identifying long-range goals and objectives for the state and its political subdivisions;

17 (2) prepare and maintain a state comprehensive development plan;

18 (3) provide information and assistance to state agencies to aid in
19 governmental coordination and unity in the preparation of agency plans and programs;

20 (4) review planning within state government as may be necessary for
21 receipt of federal, state, or other funds;

22 (5) participate with other countries, provinces, states, or their
23 subdivisions in international or interstate planning, and assist the state's local
24 governments, governmental conferences, and councils in planning and coordinating
25 their activities;

26 (6) encourage educational and research programs that further state
27 planning and development, and provide administrative and technical services for the
28 programs;

29 (7) publish statistical information or other documentary material that
30 will further the provisions and intent of this chapter;

31 (8) assist the governor and the Department of Commerce, Community,

1 and Economic Development in coordinating state agency activities that aim to solve
2 local and regional development problems;

3 (9) serve as a clearinghouse for information, data, and other materials
4 that may be helpful or necessary to federal, state, or local governmental agencies in
5 discharging their respective responsibilities or in obtaining federal or state financial or
6 technical assistance;

7 (10) review any proposals for the location of capital improvements by
8 a state agency and advise the agency and make recommendations concerning location
9 of the capital improvements;

10 (11) conduct internal audits of agencies and programs within the
11 executive branch of state government;

12 (12) coordinate its services and activities with the services and
13 activities of other state departments and agencies to the fullest extent possible to avoid
14 duplication;

15 (13) cooperate with the University of Alaska and other appropriate
16 public and private institutions in research and investigations.

17 (b) The department shall, in carrying out its functions, consult with local,
18 regional, state, and federal officials, private groups and individuals, and officials of
19 other countries, provinces, and states, and may hold public hearings to obtain
20 information for the purpose of carrying out the provisions of this chapter.

21 **Sec. 44.22.040. Internal audit records.** The department shall keep a complete
22 file of internal audit reports resulting from audits conducted under AS 44.22.030(a)
23 and a complete file of the internal audit work papers and other related supportive
24 material. Internal audit work papers and other related supportive material are
25 confidential, except that internal audit work papers and other related supportive
26 material containing information, data, estimates, and statistics obtained during the
27 course of an audit conducted under AS 44.22.030(a) may be kept confidential only to
28 the extent required by law applicable to the agency from which the material is or was
29 obtained. Internal audit reports are confidential until released by the governor.

30 **Sec. 44.22.100. Definitions.** In this chapter,

31 (1) "commissioner" means the commissioner of management and

1 budget;

2 (2) "department" means the Department of Management and Budget.

3 * **Sec. 33.** AS 44.42.067(d) is amended to read:

4 (d) Not later than January 1 of each year, the department, in consultation with
5 the Department of Administration, shall submit a report to the legislature detailing the
6 department's progress in meeting the requirements of this section to reduce state
7 energy consumption and costs and carrying out the duties listed in AS 44.42.020 as
8 they relate to energy use. The department shall include in the report an analysis of the
9 consumption and expense data recorded by the **Department of Management and**
10 **Budget** [OFFICE OF MANAGEMENT AND BUDGET] under AS 37.07.040,
11 comparing energy consumption levels in each year with past years to determine if
12 reductions are being achieved.

13 * **Sec. 34.** AS 44.66.040(b) is amended to read:

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

16 (1) all material provided under AS 44.66.020(c)(4);

17 (2) a 10-year growth history and a 10-year projection of agency
18 expenses by funding source, prepared by the **Department of Management and**
19 **Budget** [OFFICE OF MANAGEMENT AND BUDGET];

20 (3) organizational charts, personnel charts by location that show the
21 number of positions and the functions of each position, and a list of transfers of
22 personal services funding to or from other line items within the agency during the
23 preceding 10 years, prepared by the **Department of Management and Budget**
24 [OFFICE OF MANAGEMENT AND BUDGET];

25 (4) audit information, including a list of agency audit
26 recommendations, prepared by the legislative audit division;

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

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

31 (7) a 10-year history of any budget ratifications or supplemental

1 budget requests, prepared by the legislative finance division; and

2 (8) analysis and summary of confidential information that the review
3 team may request, through the Legislative Budget and Audit Committee, from the
4 legislative audit division, if necessary to complete the team's review.

5 * **Sec. 35.** AS 47.30.046(b) is amended to read:

6 (b) When the authority submits its proposed budget under (a) of this section,
7 the authority shall also provide a report to the Legislative Budget and Audit
8 Committee, the governor, the **Department of Management and Budget** [OFFICE
9 OF MANAGEMENT AND BUDGET], the commissioner of health and social
10 services, and all entities providing services with money in the mental health trust
11 settlement income account, and shall make it available to the public. The report must
12 describe at least the following:

13 (1) the assets, earnings, and expenditures of the trust as of the end of
14 the preceding fiscal year;

15 (2) comparisons of the trust's assets, earnings, and expenditures with
16 the prior five fiscal years;

17 (3) projections of the trust's assets, earnings, and expenditures for the
18 next five fiscal years;

19 (4) the authority's budget recommendations submitted under (a) of this
20 section, and its reasons for making those recommendations;

21 (5) the authority's guidelines for the establishment of services; the
22 provision of services shall be based on the principle that services paid for from the
23 trust are provided to recipients as close to the recipient's home and family as practical
24 with due consideration of demographics, mental health service requirements, use of
25 mental health services, economic feasibility, and capital expenditures required for
26 provision of minimum levels of service;

27 (6) forecasts of the number of persons needing services;

28 (7) projections of the resources required to provide the necessary
29 services and facilities; and

30 (8) reviews of the status of the integrated comprehensive mental health
31 program, including evaluation of program goals, objectives, targets and timelines, and

1 overall effectiveness.

2 * **Sec. 36.** AS 37.07.120(9); AS 44.19.141, 44.19.142, 44.19.143, 44.19.144, 44.19.145,
3 44.19.147, and 44.19.152 are repealed.

4 * **Sec. 37.** The uncodified law of the State of Alaska is amended by adding a new section to
5 read:

6 TRANSITION. (a) Litigation, hearings, investigations, and other proceedings pending
7 under a law repealed by this Act, or in connection with functions transferred by this Act,
8 continue in effect and may be completed notwithstanding a transfer of functions or repeal
9 provided for in this Act.

10 (b) Contracts, rights, liabilities, and obligations created by or under a law repealed by
11 this Act, and in effect on the day before the effective date of the repeal, remain in effect
12 notwithstanding this Act's taking effect.

13 (c) Records, equipment, appropriations, and other property of the office of
14 management and budget shall be transferred to the Department of Management and Budget.

15 * **Sec. 38.** This Act takes effect July 1, 2020.