



## 29<sup>th</sup> Alaska State Legislature Legislative Budget & Audit Committee

**Chairman:**

Rep. Mike Hawker  
State Capitol 502  
907-465-4949

**Vice Chairman:**

Sen. Anna MacKinnon

**House Members:**

Rep. Kurt Olson  
Rep. Lance Pruitt  
Rep. Steve Thompson  
Rep. Sam Kito  
Rep. Mark Neuman -alt

**Senate Members:**

Sen. Click Bishop  
Sen. Cathy Giessel  
Sen. Lyman Hoffman  
Sen. Bert Stedman  
Sen. Pete Kelly -alt

**Interim:**

716 W. 4<sup>th</sup> Ave  
Anchorage, AK 99501  
907-269-0244

**Session:**

State Capitol 502  
Juneau, AK 99801  
907-465-4949

**Committee Aide:**

Pauly Swanson  
Thomas Stewart Bldg 1  
907-465-6456

**Thursday, May 7, 2015**

**Anchorage LIO, Auditorium - 10:00am**

**Agenda**

- I. Call to Order
- II. Quorum
- III. Approval of Minutes
  - a. March 30, 2015
- IV. Special Audit Requests
  - a. Cruise Ship Head Tax, Senator MacKinnon
  - b. Board of Game / Local Advisory Committee, Senator Giessel
  - c. Alaska Scientific Crime Detection Lab, Senator Gardner
- V. Audits – Executive Session
  - a. Alaska Public Offices Commission - Preliminary
  - b. Alaska Commission on Aging – Preliminary
  - c. Accuracy of RCA Tariff System Data
- VI. Other Committee Business
- VII. Adjournment

Following adjournment of the regular meeting –

**Department of Education and Early Development  
Performance Review Subcommittee**

- I. Executive Session
  - a. Scope Discussion

**ALASKA STATE LEGISLATURE  
LEGISLATIVE BUDGET AND AUDIT COMMITTEE**

March 30, 2015

8:03 a.m.

**MEMBERS PRESENT**

Representative Mike Hawker, Chair  
Representative Kurt Olson  
Representative Lance Pruitt  
Representative Steve Thompson  
Representative Sam Kito

Senator Anna MacKinnon, Vice Chair  
Senator Lyman Hoffman  
Senator Bert Stedman  
Senator Click Bishop

**MEMBERS ABSENT**

Senator Cathy Giessel  
Senator Pete Kelly (alternate)

Representative Mark Neuman (alternate)

**OTHER LEGISLATORS PRESENT**

Representative Lora Reinbold

**COMMITTEE CALENDAR**

APPROVAL OF MINUTES  
EXECUTIVE SESSION  
OTHER COMMITTEE BUSINESS

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

**ACTION NARRATIVE**

[8:03:44 AM](#)

**CHAIR MIKE HAWKER** called the Legislative Budget and Audit Committee meeting to order at 8:03 a.m. Representatives Hawker, Thompson, and Olson, and Senators MacKinnon, Hoffman, Bishop, and Stedman were present at the call to order. Representatives Pruitt and Kito arrived as the meeting was in progress. Representative Reinbold was also in attendance.

### **Approval of minutes**

[8:04:43 AM](#)

CHAIR HAWKER announced that the first order of business would be the approval of the minutes.

SENATOR MACKINNON made a motion to approve the minutes of February 26, 2015. There being no objection, the minutes from the meeting of February 26, 2015 were approved.

SENATOR MACKINNON made a motion to approve the minutes of March 10, 2015. There being no objection, the minutes from the meeting of March 10, 2015 were approved.

SENATOR MACKINNON made a motion to approve the minutes of March 17, 2015. There being no objection, the minutes from the meeting of March 17, 2015 were approved.

### **Executive Session**

[8:05:51 AM](#)

CHAIR HAWKER announced that the next order of business would be an executive session.

SENATOR MACKINNON made a motion to move to executive session under Uniform Rule 22 for the purpose of discussing confidential audit and performance review reports under AS 24.20.301. There being no objection, the committee went into executive session at 8:06 a.m.

[8:06:22 AM](#)

The committee took an at-ease from 8:06 a.m. to 8:49 a.m.

[8:49:59 AM](#)

CHAIR HAWKER brought the committee back to order at 8:49 a.m. Representatives Hawker, Pruitt, Thompson, Olson, and Kito, and

Senators Stedman, Bishop, Hoffman, and MacKinnon were present at the call to order. Representative Reinbold was also in attendance.

[8:50:32 AM](#)

SENATOR MACKINNON made a motion for the final audit for the Statewide Single Audit Fiscal Year ended June 30, 2014 to be released to the public. There being no objection, it was so ordered.

CHAIR HAWKER suggested that these recommendations in the audit be examined by every legislator as "a guide in a road map to us doing our job better."

### **Other Committee Business**

[8:51:10 AM](#)

CHAIR HAWKER explained that, during executive session, there was a briefing on a request by the Department of Corrections (DOC) to redact portions of the previously issued DOC performance review report. He shared that the report had been currently removed from the Legislative Budget and Audit Committee website and would be reinstated once the redaction process was completed.

[8:51:49 AM](#)

CHAIR HAWKER addressed the 10 year fiscal plan, required under statute, from the Office of Management & Budget (OMB). He explained that, on December 12, 2014, the chairs of the House Finance Committee and the Senate Finance Committee were notified that the administration was planning "to suspend any work on the agency's 10 year plans until such time as there is a Walker administration endorsed budget proposal." He acknowledged that, although this was understood, he was still requesting information for the plans for completion of this 10 year fiscal plan. He reported that, on January 15, 2015, he received a note from Pat Pitney [Director of OMB] requesting a meeting to discuss completion of the 10 year fiscal plan. He noted that, at this meeting, he was given assurance that a revised plan would be submitted shortly after the administration approved a budget. He shared that he had resubmitted his request for an updated fiscal plan to OMB on March 23, 2015 and the response had been that "they have complied with the requirements to distribute a fiscal plan." He relayed that a preliminary fiscal

plan, prepared by the previous administration, had been posted on December 15, 2014. He shared that the administration anticipated the release of an updated version of the 10 year fiscal plan during the interim, which would incorporate the April revenue forecast. He expressed his desire to review the long range financial planning for the state. He offered his belief that the 10 year fiscal plan was "absolutely the road map we need to be following to look at what the state's fiscal situation really is." He declared that he would continue pursuit of an updated 10 year projection from OMB, in order to discuss it in coordination with the House and Senate Finance Committees.

[8:54:20 AM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 8:54 a.m.



# Alaska State Legislature

**Senator Anna MacKinnon** – Senate District G

## MEMORANDUM

**To:** Representative Mike Hawker  
Chair, Legislative Budget and Audit Committee

**FROM:** Senator Anna MacKinnon  
Co-Chair, Senate Finance Committee *Anna J. MacKinnon*

**Date:** March 27, 2015

**Re:** Special Audit Request

The commercial passenger vessel (CPV) tax is a \$34.50 tax collected for each passenger traveling on commercial vessels that provide overnight accommodations and allow passengers to embark or disembark. The proceeds from the tax are deposited in a subfund of the general fund. A portion of the tax is shared with the first seven ports of call in the state at the rate of \$5.00 per passenger and must be used for port facilities, harbor infrastructure, and other services provided to the commercial passenger vessels and the passengers on board those vessels.

Under AS 43.52.230, the legislature may also appropriate CPV funds for projects that (1) improve port and harbor infrastructure, (2) provide services to commercial passenger vessels and the passengers on board those vessels, or (3) improve the safety and efficiency of the interstate and foreign commerce activities in which the vessels and the passengers on board those vessels are engaged.

It has been asserted that some communities are “stock piling” their CPV shared taxes and not using them on appropriate projects. To ensure that the tax program is meeting its intent, I respectfully request an audit of the CPV tax program to include the following objectives and any other related concerns the Legislative Auditor identifies during the audit:

- Identify the inception-to-date balance of unspent CPV shared tax revenues for each impacted community. Determine whether balances are reasonable given the intent of the tax program.
- Evaluate each community’s use of the CPV shared tax revenues and determine whether the revenues were used for port facilities, harbor infrastructure, and other services provided to the commercial passenger vessels and the passengers on board those vessels.
- Identify the amount and purpose of appropriations made to communities under AS 43.52.230(d) by community. Report on the whether the projects that received appropriations have been initiated as expected. For those projects that have not been initiated, report the cause of the delay and the unexpended balance of the appropriation.

I appreciate the committee’s consideration of this special audit request.

# ALASKA STATE LEGISLATURE



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Juneau AK 99801-1182  
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North to the Future

## Senator Cathy Giessel

Senate District N

April 27, 2015

To: Representative Mike Hawker  
Chair, Legislative Budget and Audit Committee

From: Senator Cathy Giessel

A handwritten signature in blue ink that reads "Giessel".

RE: Audit Request – Board of Game, Department of Fish & Game and Local Advisory Committees

The Board of Game (BOG), the Department of Fish and Game (DFG), and Local Advisory Committees work together to manage and allocate the State's wildlife resources. The regulatory system was purposely crafted to provide substantial opportunities for interested members of the public to participate in the regulatory process. Board deliberations must consider different stakeholder opinions as well as scientific evidence provided by DFG.

Concerns have been expressed to my office regarding BOG regulatory outcomes and whether the decision process is operating as intended. To help ensure continued confidence in BOG's regulatory regime; I respectfully request an audit of BOG's decision making process over the period 2010 through current time unless otherwise noted. Specific audit objectives should address the following questions:

- Are BOG decisions made in compliance with state law and legislative intent?
- Are Advisory Committees recommendations rooted in DFG's research? This should include whether recommendations concerning intensive management actions are supported by DFG scientific data. If recommendations do not align with DFG scientific data, identify reasons for the misalignment.
- Do BOG, Advisory committees and DFG consistently follow established procedures?
- Do participants in the decision process have a clear and accurate understanding of their respective roles?
- Is the pre-vetting of proposals effective and/or efficient?
- To what degree have BOG decisions been upheld by the courts and has this changed over the past ten years?
- Regarding intensive management, is DFG's data, research and recommendations available to ACs before committees must make recommendations.

Chair Senate Resources Committee | Vice-Chair Health & Social Services | Vice-Chair Labor & Commerce

[Senator.Cathy.Giessel@akleg.gov](mailto:Senator.Cathy.Giessel@akleg.gov)

# ALASKA STATE LEGISLATURE



WORLD TRADE  
RULES COMMITTEE  
ADMIN REG REVIEW  
EDUCATION COMMITTEE

WHILE IN SESSION  
STATE CAPITOL  
JUNEAU, AK 99801  
(907) 465-4930

•  
WHILE IN ANCHORAGE  
716 W. 4TH AVE  
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SENATOR BERTA GARDNER  
SENATE MINORITY LEADER

March 26, 2015

Dear Chairman Hawker,

I respectfully request the Legislative Budget and Audit Committee direct the Division of Legislative Audit to conduct an audit of the Alaska Scientific Crime Detection Laboratory (ASCDL). ASCDL is an \$87 million crime lab completed in 2012 and has an annual budget of \$6 million. In 2009, the new lab was deemed necessary as the previous facility was no longer capable of meeting the State's forensic needs primarily due to the increased demand for DNA analysis. The ASCDL was designed to increase laboratory and evidence storage space, enhance the lab's analysis capabilities, and allow for expansion to meet future demands.

Legislators and Alaska citizens have expressed concern over ASCDL operations including the limited types of laboratory services provided, the extent of backlogs, and whether the new lab facility's capacity is meeting expectations. Additionally, our office has received complaints alleging mismanagement, as well as a history of at least one employee engaging in criminal activity with illegal narcotics.

For the aforementioned reasons, I request a comprehensive audit of ASCDL covering a six year period (2008 – present) that includes the following objectives:

1. Document ASCDL services and evaluate how the new facility has impacted available services.
2. Identify the nature and extent of services outsourced by ASCDL. Evaluate the costs versus benefits of outsourcing.
3. Document the extent of service request backlogs by service type and length of time in backlog. Include the number of untested rape kits currently stored.
4. Determine and evaluate the causes for service request backlogs.



5. Evaluate evidence control procedures and determine if they are suitable designed to ensure the integrity of evidence. Evaluate personnel practices to ensure practices are adequately designed to promote effective operations.
6. Compare productivity measures to national benchmarks and determine whether the ASCDL is operating efficiently.
7. Evaluate ASCDL performance measures and verify the accuracy of agency reported statistics. Determine whether the agency's results-based measures demonstrate the effectiveness and efficiency of the agency's core services and objectives and recommend changes if necessary.
8. Determine statistics regarding staff retention and turnover, including but not limited to highly-skilled technicians and analysts that serve essential functions of the ASDCL.

Thank you for your time and consideration,



Senator Berta Gardner