

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

March 2, 2009

5:07 p.m.

DRAFT

MEMBERS PRESENT

Senator Kevin Meyer, Chair
Representative Nancy Dahlstrom, Vice Chair
Senator Charlie Huggins
Senator Linda Menard
Senator Bert Stedman
Representative Mark Neuman
Representative Bill Thomas
Representative Mike Doogan
Representative Bill Stoltze (Alternate)
Representative Chris Tuck (Alternate)

MEMBERS ABSENT

Senator Lyman Hoffman
Senator Donald Olson (Alternate)
Representative Mike Hawker

COMMITTEE CALENDAR

APPROVAL OF MINUTES
CONTRACTS - STEVEN PORTER
EXECUTIVE SESSION
 PRELIMINARY AUDIT - FY08 STATEWIDE SINGLE AUDIT
OTHER COMMITTEE BUSINESS

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

LINDA HAY, Staff
to Senator Bert Stedman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Offered an additional transcription of testimony to be included in the minutes.

JOSH APPLEBEE, Staff
to Senator Kevin Meyer
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Explained the contract details for Steven Porter.

PAT DAVIDSON, Legislative Auditor
Legislative Audit Division
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided an explanation for the terms to the contract for Mr. Steven Porter.

ACTION NARRATIVE

5:07:46 PM

CHAIR KEVIN MEYER called the Legislative Budget and Audit Committee meeting to order at 5:07 p.m. Senators Meyer and Menard, and Representatives Thomas, Neuman, Doogan, Stoltze, Tuck and Dahlstrom were present at the call to order. Senators Stedman and Huggins arrived as the meeting was in progress.

^APPROVAL OF MINUTES

5:08:44 PM

CHAIR MEYER announced that the first order of business would be to approve the minutes of the February 17, 2009, meeting.

REPRESENTATIVE DAHLSTROM made a motion to approve the minutes of February 17, 2009. There being no objection, the minutes from the meeting of February 17, 2009 were approved.

5:09:29 PM

The committee took an at-ease from 5:09 p.m. to 5:11 p.m.

5:11:10 PM

CHAIR MEYER brought the committee back to order at 5:11 p.m.

REPRESENTATIVE DAHLSTROM withdrew her motion to approve the minutes.

5:11:19 PM

REPRESENTATIVE DAHLSTROM made a motion to approve the minutes of February 17, 2009, as presented.

5:11:28 PM

CHAIR MEYER objected.

5:11:36 PM

LINDA HAY, Staff to Senator Bert Stedman, Alaska State Legislature, asked that Mr. Haagenson's response from time stamp 5:49 p.m. to 5:51 p.m. be transcribed into the minutes.

5:12:21 PM

The committee took an at-ease from 5:12 p.m. to 5:18 p.m.

5:18:31 PM

CHAIR MEYER brought the committee back to order at 5:18 p.m.

5:18:56 PM

SENATOR STEDMAN asked that Mr. Haagenson's response at time stamp 5:49 p.m. to 5:51 p.m. be transcribed into the written minutes for February 17, 2009.

5:20:08 PM

CHAIR MEYER, in response to Representative Doogan, noted that the transcription was from the official recorded minutes.

5:20:38 PM

CHAIR MEYER withdrew his objection, and seeing no further objection, the amended minutes from the meeting of February 17, 2009, were approved.

^CONTRACTS- STEVEN PORTER

5:20:46 PM

CHAIR MEYER announced that the next order of business would be discussion regarding the contract for Steven Porter.

CHAIR MEYER referred to the current Oil and Gas contract with Mr. Porter and reported that this would be a separate contract for work reviewing the federal stimulus package.

5:21:32 PM

REPRESENTATIVE DAHLSTROM moved and asked for unanimous consent that the committee authorize the chair to engage in a contract with Mr. Porter not to exceed \$100,000.

5:21:46 PM

SENATOR STEDMAN objected for discussion. He asked about the dollar amount and the time element for these services.

5:22:13 PM

CHAIR MEYER explained that Mr. Porter was an attorney and that he was uniquely qualified to help review the federal stimulus package. He noted that the next 45 days were the most critical. He added that Larry Persily, along with Karen Rehfeld, was also examining the federal stimulus package.

5:23:48 PM

SENATOR STEDMAN asked for clarification of the \$100,000 contract for 45 days, and he asked how this new contract would be intertwined with the oil and gas work contract.

5:24:12 PM

CHAIR MEYER offered his belief that the oil and gas contract had also been extended.

5:24:27 PM

JOSH APPLEBEE, Staff to Senator Kevin Meyer, Alaska State Legislature, said that the oil and gas contract for Mr. Porter was extended through the end of this fiscal year, and that the balance for that contract was about \$30,000.

5:25:10 PM

SENATOR STEDMAN asked if Mr. Porter would be working full time on the fiscal stimulus package review for the next 45 days.

CHAIR MEYER, in response to Senator Stedman, said that Mr. Porter's services could be necessary for anywhere between a week and April 3.

MR. APPLEBEE, in response to Chair Meyer, explained that it was unclear if it was allowable for the legislature to move beyond the numerous deadlines in the stimulus. He pointed out that it was also unclear if the legislature would be allowed additional time to act should the governor not take any action.

5:26:30 PM

CHAIR MEYER agreed.

SENATOR STEDMAN asked if Mr. Porter would be in Alaska.

5:26:56 PM

CHAIR MEYER replied that the intent was to have Mr. Porter available in Alaska to any [legislators]. He mentioned that Mr. Porter would provide weekly updates, at the least. He also noted that Mr. Porter would be working with Representative Hawker's office, and Karen Rehfeld, Director for the Office of Management & Budget. In response to Senator Stedman, he said that his office would coordinate scheduling for Mr. Porter.

SENATOR STEDMAN removed his objection.

CHAIR MEYER asked him to maintain the objection in order to continue the discussion.

SENATOR MENARD asked to clarify that \$30,000 was still available on Mr. Porter's contract through the current fiscal year, and that \$70,000 would be used for review of the federal stimulus package.

MR. APPLEBEE, in response to Senator Menard, said that the balance for the previous contract was about \$30,000. He clarified that this motion was for an additional \$100,000 contract to review the legislature's role within the federal stimulus package.

5:28:35 PM

REPRESENTATIVE DAHLSTROM asked if an expense account and travel was included in the contract.

MR. APPLEBEE said that it was all inclusive. In response to Representative Dahlstrom, he explained that Mr. Porter would only be paid for work that he performed.

REPRESENTATIVE DAHLSTROM asked about the hourly billing amount.

MR. APPLEBEE replied that it was \$250 per hour.

REPRESENTATIVE NEUMAN asked for an explanation of the process to engage Mr. Porter.

5:29:54 PM

CHAIR MEYER explained that the intent was to go through his office, in order to avoid any duplication of request.

5:30:25 PM

SENATOR MENARD asked if this new contract with Mr. Porter had any effect on SB 136.

MR. APPLEBEE said that the current contract allowed for work on SB 136.

5:30:55 PM

SENATOR STEDMAN asked about the travel and housing accommodations.

5:31:13 PM

MR. APPLEBEE said that he was unclear about the travel process.

5:31:30 PM

PAT DAVIDSON, Legislative Auditor, Legislative Audit Division, Alaska State Legislature, said that her office acted as the fiscal agent. She reported that the contractor was paid for identified billable hours, actual hotel expenses, and the per diem amount designated for Juneau. She noted that air tickets were coach class.

5:32:51 PM

SENATOR STEDMAN removed his objection.

5:33:02 PM

There being no further objection, the contract was approved.

^EXECUTIVE SESSION

5:33:11 PM

CHAIR MEYER announced that the next order of business would be the executive session to discuss the statewide audit.

5:33:16 PM

REPRESENTATIVE DAHLSTROM made a motion to move to executive session for the purpose of discussing confidential audit reports under AS 24.20.301. There being no objection, the committee went into executive session at 5:33 p.m.

5:59:03 PM

CHAIR MEYER brought the committee back to order at 5:59 p.m.

REPRESENTATIVE DAHLSTROM made a motion for the preliminary audit for the FY08 Statewide Single Audit to be released to the appropriate agencies for response. There being no objection, the motion was passed.

5:59:58 PM

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 5:59 p.m.