

ALASKA STATE LEGISLATURE
JOINT COMMITTEE ON LEGISLATIVE BUDGET AND AUDIT

March 18, 2002

12:34 p.m.

MEMBERS PRESENT

Senator Gene Therriault, Chair
Senator Jerry Ward

Representative Hugh Fate, Vice Chair
Representative Eldon Mulder
Representative John Harris
Representative Ken Lancaster

MEMBERS ABSENT

Senator Lyman Hoffman
Senator Randy Phillips
Senator Dave Donley
Senator Gary Wilken, alternate

Representative Reggie Joule
Representative John Davies, alternate
Representative William K. "Bill" Williams, alternate

OTHER LEGISLATORS PRESENT

Senator John Torgerson

COMMITTEE CALENDAR

APPROVAL OF MINUTES
EXECUTIVE SESSION
AUDIT REPORTS
OTHER COMMITTEE BUSINESS

WITNESS REGISTER

PAT DAVIDSON, Legislative Auditor
Division of Legislative Audit
Alaska State Legislature
333 Willoughby Avenue
P.O. Box 113300
Juneau, Alaska 99811-3300

POSITION STATEMENT: Spoke on behalf of the Division of
Legislative Audit.

ACTION NARRATIVE

TAPE 02-2, SIDE A
Number 0001

CHAIR GENE THERRIAULT called the Joint Committee on Legislative Budget and Audit to order at 12:34 p.m. Members present at the call to order were Representatives Lancaster, Mulder, Harris, and Fate, and Senators Ward and Therriault.

APPROVAL OF MINUTES

Number 0103

REPRESENTATIVE FATE moved to approve the minutes from the January 24, 2002, meeting. There being no objection, the minutes were approved as read.

EXECUTIVE SESSION

Number 0119

REPRESENTATIVE FATE 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 12:36 p.m.

Number 0148

REPRESENTATIVE FATE made a motion to bring the committee back into regular, open session. There being no objection, the committee returned to regular session.

AUDIT REPORTS

Number 0163

REPRESENTATIVE FATE moved that the following preliminary audits be released to the agencies for response: The Department of Labor & Workforce Development, State Training and Employment Program, with an expedited response period; and Department of Labor & Workforce Development, Northstar Unit Alaska Hire and Contracting. There being no objection, the preliminary audits were released to the departments for response.

Number 0243

REPRESENTATIVE FATE made a motion to release the Alaska Court System, Judicial Salaries Review audit to the public. There being no objection, the final audit was released to the public.

Number 0253

REPRESENTATIVE FATE made a motion to approve the audit requests for the Department of Health and Social Services, Division of Family and Youth Services, Selected Travel Issues; and the Department of Health and Social Services, Division of Family and Youth Services, Juvenile Justice Selected Managerial Issues.

CHAIR THERRIAULT asked Pat Davidson if she had worked with Representatives Chenault and Dyson on the audit requests.

Number 0320

PAT DAVIDSON, Legislative Auditor, Division of Legislative Audit, Alaska State Legislature, testified before the committee. She said she had worked with the Representatives on those requests.

CHAIR THERRIAULT said it was important to make sure the audits "dovetail" with an ongoing federal audit.

MS. DAVIDSON said Representative Dyson's request had one or two issues that dovetail, but the federal review might already have been completed; therefore, the division may be able to build on that.

Number 0358

REPRESENTATIVE FATE asked if there was any way to get an update [on the federal audit]. He said it was entered into as an audit but it turned into a fact-finding mission. He said there were specific concerns that brought the request for the audit in the first place. He said that if those concerns were not being corroborated, then it would be prudent to "know now," instead of continuing the process with another request.

MS. DAVIDSON stated that in the last meeting there was an update. To date, there had not been the second stakeholder meeting. She said the second stakeholder meeting was on schedule for the end of March or the following month. The review team's training was ongoing, and it was still scheduled "to get into it in June." Ms. Davidson said the division's

staff would be a part of that team, and the committee would be notified if its issues were not being covered.

Number 0544

CHAIR THERRIAULT asked if there were any objections to the motion to adopt those requests. There being no objection, they were added to the queue of audits to commence.

OTHER COMMITTEE BUSINESS

CHAIR THERRIAULT said a teleconference was held for the School Cost Study on January 25. It took place between the contractors and the working group of Pat Davidson, David Teal, Representative Fate, Eddy Jeans, and himself [Senator Therriault]. He said the report revealed that [the contractors] were continuing to work with the district business officers group on fine-tuning the survey that was to be sent out. He said that they were nearly ready to distribute that. A quarterly report from the contractors would be distributed to the committee members as soon it was received.

CHAIR THERRIAULT said he had received a memo from Senator Hoffman expressing concern over the draft survey. He said Senator Hoffman's was a very early copy. He pointed out that the contractor was having problems with the Department of Labor & Workforce Development over one of the sources of data, but a suggestion from Mr. Teal had revealed another source of data that could be relied upon.

CHAIR THERRIAULT said one of the duties of the Joint Legislative Budget and Audit Committee is to review requests for waivers from the Department of Education and Early Development concerning its administrative expenses. He said he'd received a large number of the requests in the previous year, but many came in shortly before the board met and approved them, and some were not received until after the board took action. Chair Therriault pointed out that this was in violation of statutory language. He said he'd written a memo to the House and Senate Health, Education and Social Services Standing Committees in order to determine whether the statutes need to be modified, or to perhaps find out why the department had not been timelier in providing the requests.

ADJOURNMENT

There being no further business before the committee, the Joint Committee on Legislative Budget and Audit meeting was adjourned at 1:10 p.m.