

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

Anchorage, Alaska  
September 28, 2006  
1:06 p.m.

**MEMBERS PRESENT**

Senator Gene Therriault, Chair  
Senator Ben Stevens  
Senator Bert Stedman  
Senator Lyda Green

Representative Ralph Samuels, Vice Chair  
Representative Mike Chenault  
Representative Mike Hawker  
Representative Beth Kerttula  
Representative Reggie Joule (alternate)

**MEMBERS ABSENT**

Senator Lyman Hoffman  
Senator Gary Wilken (alternate)

Representative Pete Kott  
Representative Kevin Meyer (alternate)

**COMMITTEE CALENDAR**

REQUEST FOR PROPOSALS - LEGISLATIVE (RPLs)  
EXECUTIVE SESSION  
RELEASE OF AUDITS  
AUDIT REQUESTS  
OTHER COMMITTEE BUSINESS

**WITNESS REGISTER**

DELISA CULPEPPER, Chief Operating Officer  
Alaska Mental Health Trust Authority (AMHTA)  
Department of Revenue  
Anchorage, Alaska  
POSITION STATEMENT: Explained RPL 4-7-1010.

ROBIN SMITH, Program Budget Analyst  
Department of Health & Social Services  
Juneau, Alaska  
POSITION STATEMENT: Explained RPL 6-7-0041.

ANNA KIM, Fiscal Analyst  
Legislative Finance Division  
Legislative Agencies & Offices  
Juneau, Alaska

POSITION STATEMENT: Offered information regarding RPL 6-7-0041.

NANCY SLAGLE, Director  
Division of Administrative Services  
Department of Transportation & Public Facilities (DOT&PF)  
Juneau, Alaska

POSITION STATEMENT: Explained RPL 25-7-7077.

PAT DAVIDSON, Legislative Auditor  
Legislative Audit Division  
Legislative Agencies & Offices  
Juneau, Alaska

POSITION STATEMENT: Reviewed the audit requests.

#### **ACTION NARRATIVE**

**CHAIR GENE THERRIAULT** called the Legislative Budget and Audit Committee meeting to order at [1:06:26 PM](#). Senators Stedman, Green, and Therriault (via teleconference) and Representatives Samuels, Chenault, Hawker, and Kerttula were present at the call to order. Senator Stevens (via teleconference) and Representative Joule (alternate) arrived as the meeting was in progress.

#### **REQUEST FOR PROPOSALS - LEGISLATIVE (RPLs)**

[1:07:47 PM](#)

CHAIR THERRIAULT announced that the first order of business would be the Request for Proposals - Legislative (RPLs).

RPL 4-7-1010

[1:08:17 PM](#)

REPRESENTATIVE SAMUELS moved to approve RPL 4-7-1010, regarding Alaska Mental Health Trust Authority/Mental Health Trust Operations, with a requested \$80,000 from "MHT Admin".

CHAIR THERRIAULT objected for discussion purposes.

[1:08:35 PM](#)

DELISA CULPEPPER, Chief Operating Officer, Alaska Mental Health Trust Authority (AMHTA - "The Trust"), Department of Revenue, said the request is for a new position AMHTA created. She explained that AMHTA had established focus areas in the first part of fiscal year 2006 (FY 06), but discovered it did not have adequate staff to facilitate those areas; therefore, it created the new position to take over some of the duties of the program officers who were facilitating those focus areas. She said the trustees gave permission for the new position.

CHAIR THERRIAULT noted that [the department's written information regarding the RPL], under the heading of budgetary issues, shows that the position is a part of the long-term staffing plan for AMHTA.

MS. CULPEPPER noted that the position is in the FY 08 budget and has been approved by the trustees for that year's budget.

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CHAIR THERRIAULT removed his objection. There being no further objection, RPL 4-7-1010 was approved.

[1:10:23 PM](#)

RPL 6-7-0041

REPRESENTATIVE SAMUELS moved to approve RPL 6-7-0041, regarding Behavioral Health/Services for the Severely Emotionally Disturbed Youth, Senior Disabilities Services/SDS Administration, Boards & Commissions/Governor's Council on Disabilities & Special Education, and Boards & Commissions/Suicide Prevention Council, with a requested \$480,000 in operating funds from a Mental Health Authority authorized receipt (MHTAAR).

CHAIR THERRIAULT objected for discussion purposes.

[1:10:37 PM](#)

ROBIN SMITH, Program Budget Analyst, Department of Health & Social Services, stated that the department received additional funding authorized by AMHTA in May, which wasn't included in the FY 07 funding, and thus, the department is requesting authority to receive an additional \$480,600 in the FY 07 budget to cover six different projects authorized by AMHTA.

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REPRESENTATIVE HAWKER noted that \$200,000 of the budget is slated for "Crisis Bed Stabilization" [in Anchorage]. He offered his understanding that "this is being characterized as part of the 'Bring the Kids Home' initiative." He said he wants to ensure that "this is not money that's going into being just sleep-off beds for public intoxicants."

MS. SMITH assured him it would not be. She continued:

There are three of the projects that are part of the "Bring the Kids Home" initiative, and that is one. The Crisis Bed Stabilization is in the Severely Emotionally Disturbed Youth component, and will be for those clients - children who are in need of a crisis stabilization bed that are noncustody children.

REPRESENTATIVE HAWKER asked if the AMHTA plans to continue its support of "these" in next year's budget, or if it plans to hand off the responsibility to the state.

MS. SMITH answered:

The Trust has already ... given us their list of projects for FY 08 that we'll be building into our budget - both the MHTAAR and the GFMH [general fund mental health] recommendation. But the "Bring the Kids Home" project does continue to be funded by both sources in FY 08, in general. We are trying to request some additional general funds for some of the services provided on the Bring the Kids Home project, but not specifically replacing these amounts that are being requested today.

REPRESENTATIVE HAWKER surmised then that there will be continued recommendations from the trust consistent with the past history of sharing the responsibility with the trust in the general fund obligations.

MS. SMITH confirmed that's correct.

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CHAIR THERRIAULT recalled that in the past, AMHTA has used its money to start initiatives and try new things; however, he

stated his understanding that AMHTA does not want the legislature to count on a continuation of that funding, because that would mean all of AMHTA's money would be "locked up" in continuing programs. He said Ms. Smith had indicated that in the FY 08 budget there will still be a blend of funds, and he asked if the \$200,000 being requested are MHTAAR or if the "purely" mental health funds will decrease, requiring the state general funds to "come in and pick up a portion of that."

MS. SMITH prefaced her answer by noting that she had not brought the MHTAAR amounts listed by project with her. She stated that in general, the department is hoping that some of the projects funded by the Trust will eventually receive Medicaid funding if the services are applicable to that source. She added, "But I'm not sure, specifically on this \$200,000, whether that level of funding will be awarded by the Trust in [FY 08]."

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ANNA KIM, Fiscal Analyst, Legislative Finance, related the following:

I just received the FY 2008 Trust recommendations - of course they're recommendations at this point - but for services for Seriously Emotionally Disturbed Youth there's Bring the Kids Home, Anchorage Crisis Stabilization for Nonresources Youth, in their recommendation spreadsheet of \$100,000 MHTAAR and \$184,000 GF mental health, for a total of \$284,000.

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CHAIR THERRIAULT concluded that \$200,000 would be from the MHTAAR funding source in the current budget year, but some of that funding will be reduced in the next budget year.

MS. KIM answered that's correct.

CHAIR THERRIAULT observed that Representative Hawker has overseen this budget for the last two years. He said he also had overseen the budget a number of years ago and understands the "tug and pull" between MHTAAR and general fund monies. He asked Ms. Smith, "I'm just wondering if you feel comfortable if LB&A were to take this action today, that you don't feel like we have obligated, necessarily, or predisposed how, in fact, you're going to build the support for that continuation of the budget in the next year."

REPRESENTATIVE HAWKER asked what the [result] of putting this money into the FY 07 budget would be. He clarified, "Is the money wasted if we don't follow up exactly with your recommendations next year, or do we have the latitude to review the program once you've started it this year?"

MS. SMITH related her understanding that the Trust is attempting to obtain more providers of stabilization-type beds. Currently, those beds are not being provided for noncustody children in the state. She added, "But ... if we didn't get the funding in [FY 08], then obviously we would not continue to put that money out to the providers."

REPRESENTATIVE HAWKER asked why the department anticipates nearly a 50 percent increase, from \$200,000 to \$284,000.

MS. SMITH responded:

Well, from the department's perspective, how much of a GF request for this matter is going to be requested in [FY 08] hasn't been determined yet. That dollar amount was what was on the Trust recommendation sheet, and the department hasn't, of course, finalized [its] request yet, so I'm not sure that we would be requesting the amount that the Trust shows on [its] spreadsheet. And I'm afraid I don't have the specific knowledge of whether they would be looking for additional beds and that's why they were projecting a higher cost or not.

[1:19:55 PM](#)

REPRESENTATIVE HAWKER asked, "Is this for paying day rates on beds or is this for paying for ... stand-by beds?"

MS. SMITH said that she didn't know.

MS. KIM related her understanding that the crisis stabilization is short-term, perhaps one to three days for custody beds. Because of that short-term nature, beds would open up quickly "and so it would be responding to custody kids as well." She concluded, "And so, it wouldn't cause any undue hardship or have any impact on the custody kids."

REPRESENTATIVE HAWKER said that explanation is a bit inconsistent with the explanation provided to the committee in

documentation. He asked Ms. Kim, "Is this ... pay-as-we-go ..., we use a bed we pay for it, or is this paying for a bed that's there whether we use it or not?"

MS. KIM related her understanding that the beds would be paid for whether or not they were used.

REPRESENTATIVE HAWKER said, "I'm seeing an affirmative nod here from our Mental Health Trust representative."

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MS. CULPEPPER said the problem found by the Bring the Kids Home steering committee was that children in custody were filling a lot of the beds. She explained that sometimes space has to be found for noncustody children. Those children need a safe place to stay for the one to three days it takes to work on case management, before they can be sent Outside. Ms. Culpepper said agencies have agreements concerning the beds and they don't make them available to other people if there is a need for them to be used by children in custody.

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REPRESENTATIVE JOULE inquired as to whether the kids are forced Outside when there are no beds.

CULPEPPER replied yes.

REPRESENTATIVE JOULE asked Ms. Culpepper to confirm that the amount of money the department is asking for would become insufficient as the number of children sent out of state increases.

MS. CULPEPPER responded:

We've been sending ... many of them out of state, and the plan with Bring the Kids Home is then to reverse that trend and keep them here. But part of the system that has to be here to keep them here are some crisis beds that are short-term while the case management process goes on. There hasn't been a lot of case management going on in the past. ... If a youth is in crisis, a private doctor can just send them Outside, and they haven't had to go through any kind of an internal process with Medicaid.

The legislature, two years ago, I think, required that there now be a case management system before anyone that's going to use Medicaid funding be sent Outside. But now ... this has created the need for these beds - somewhere to put them while they're waiting to do the internal triage and get them a placement here in Alaska.

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SENATOR GREEN said it is easy to forget that the aforementioned legislation that was enacted, which she initiated through her office, was already established in regulation; the case management system has existed for a long time, but until recently was not law. She asked why [beds] are located only in Anchorage.

MS. CULPEPPER said that she doesn't know, but she surmised that since Anchorage is where the greatest need exists, then it probably was a good place to start. She noted that DBA coordinates noncustody treatment, while Office of Children's Services (OCS) coordinates the custody treatment, but the two entities have not been communicating with each other or sharing resources until the Bring the Kids Home Initiative was put into play.

SENATOR GREEN, regarding future certificates of need, asked if there would be a requirement for crisis stabilization beds in the facilities "that people are asking to build."

MS. CULPEPPER said that she doesn't know. She added, "I would say that because they have been - in all of the different levels of treatment that they've been building capacity in - most of them, especially in in-patient, have required certificate of need, that I would say they probably would. Whether the department has really ... brought that into the process, I can't tell you."

SENATOR GREEN opined that such would provide better statewide service.

[1:27:56 PM](#)

REPRESENTATIVE HAWKER asked from where the additional capacity for beds would come.

MS. CULPEPPER surmised that if it were possible to add to what exists already, then "they wouldn't be asking for additional funding." She added, "For the most part it probably will be increasing capacity to another facility."

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SENATOR GREEN said she needed further clarification regarding the certificate of need. She said, "Because if we're going to be putting the money there, there has to be some prior approval or arrangement for that to have been said. Or are we doing that by what we're doing here?"

MS. CULPEPPER asked Ms. Smith if she knows if she is "including this in certificate of need."

MS. SMITH answered that she doesn't know. Notwithstanding that, she related her understanding that it is possible that existing providers would be approached to request additional beds rather than "having it totally dependent on a new facility."

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REPRESENTATIVE HAWKER said it is clearly the mission of the legislature to bring children home. He commented that, with all due respect for Ms. Culpepper, there is no one present to explain to the committee "how this investment at this time integrates ... into the overall Bring the Kids Home program that we've been all working on and evolving." He asked what options the committee has in waiting to hear some assurance from others regarding long-term plans a space availability.

CHAIR THERRIAULT said it would be feasible to hold part or all of the RPL to address at a later date. He asked if there is any factor related to the department's structure of its budget or timing that would make it imperative that the committee decide on this issue in its entirety today.

MS. SMITH responded that because there is no funding for the crisis bed stabilization, if the portion of the RPL addressing that program was delayed, then the department would "just delay trying to implement it."

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REPRESENTATIVE HAWKER noted that the handout from the department describes the \$100,000 for the Level of Care Assessment as being

for a "new" project. He then quoted a sentence further down the page, which read: "The funding for Level Of Care Assessment implements licenses for a level of care assessment tool to be used at all residential levels of care from group homes to acute care." He stated, "I absolutely have no idea what we're doing with this money."

MS. SMITH said the discussion she has heard regarding the project is that [the state] would license the people internally, within the department that would be providing assessments, as well as working with some of the bigger providers that are doing assessments in an effort to get everyone to use the same tool to assess every child being reviewed for purposes of state funding.

REPRESENTATIVE HAWKER suggested the changes being recommended would be better viewed during session rather than during interim, because they would be incorporating [a program] "out of the ... context of where we have a planned and stable development of policy in the state."

MS. SMITH said she thinks the entire Bring the Kids Home process includes the assumption that every child involved goes through an assessment in order to find placement. She said the Bring the Kids Home workgroup includes department staff and mental health trust staff, and she indicated that this group, along with "some of the advisory board - some of the providers themselves," have determined that [the Level of Care Assessment] project is a necessary tool to place the children in "as low a level of care" as possible in Home and Community-based services, rather than shuffling all of the children into the "RPTC-type services."

REPRESENTATIVE HAWKER asked what the department's proposal for next year's budget would be "regarding this activity."

MS. SMITH reiterated that she does not have the FY 08 budget at hand to be able to answer that question.

REPRESENTATIVE HAWKER said he would like to offer an amendment to the RPL.

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REPRESENTATIVE SAMUELS withdrew his previous motion to approve RPL 6-7-0041.

[1:37:06 PM](#)

REPRESENTATIVE HAWKER moved to amend RPL 6-7-0041, to include only the increase of \$35,600 for individualized services. There being no objection, the amendment to RPL 6-7-0041 was approved.

CHAIR THERRIAULT asked the agency personnel to convey back to the departments that the amending of the RPL was not really intended to turn it down, but rather to allow time to address lingering questions in the next couple of weeks.

MS. CULPEPPER said she would get something in writing. She reminded the committee that the reason that the RPLs are "outside of the budget cycle" is because the Trust has to submit its budget proposals by September 15 of each year, it has to project how much income it believes will be available the following July. By the middle of May when the budget is being finalized, the Trust has a better idea of how much money it will have for income that year. The last couple of years the market has done well and there have been extra funds such that at the June 1 meeting that money is used to fill intermediate needs. However, while the focus committees have submitted their budgets at the same time last year, their steering committees and work groups continued to meet and oversee implementation, and they saw problems that they didn't foresee having. Therefore, when there is additional funding available in June, they specify what they would've requested. She highlighted that they are conservative in their projections in order to give more money out than to obligate more than appropriated.

CHAIR THERRIAULT said knowing that the funding source is the Trust and that the permanent fund itself reflects the stock market, it's understandable that projections are sometimes off. He further said that he would rather them have the extra funds and come to the committee than base budgets on income that's not realized.

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MS. SMITH noted that there are three more items on the second page of the RPL for the Senior and Disability Services Admin Rural Long-Term Care Development, the Governor's Council Recruitment of Direct Service Workers, and the Suicide Prevention Council. She pointed out that the aforementioned weren't part of the motion, and therefore she asked if those would be addressed at the next meeting as well.

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REPRESENTATIVE HAWKER said that he would like the time to consider those items.

CHAIR THERRIAULT announced that those items would be held for consideration at the next meeting.

RPL 25-7-7077

1:42:45 PM

REPRESENTATIVE SAMUELS moved that RPL 25-7-7077 for the Department of Transportation & Public Facilities Klawock Airport pavement improvement project and obstruction removal for \$1.8 million to be approved.

CHAIR THERRIAULT objected for the purpose of discussion.

1:43:30 PM

NANCY SLAGLE, Director, Division of Administrative Services, Department of Transportation & Public Facilities (DOT&PF), explained that last session the legislature authorized \$3.5 million for the safety improvements to the Klawock Airport. This is grant funding received from the Federal Aviation Administration. After session was over, the department was notified that additional funding was available to continue this project. She expressed hope that the project will go out to bid before February with a planned completion by next summer. Therefore, additional authority is necessary.

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REPRESENTATIVE CHENAULT asked if the \$3.5 million appropriated last year was the amount requested to complete the entire project.

MS. SLAGLE answered that this was based on a congressional appropriation of \$3.5 million from the Federal Aviation Administration that was available at that time. In further response to Representative Chenault, Ms. Slagle said that the project will be kept under the \$5.3 million.

REPRESENTATIVE CHENAULT expressed concern with taking another \$1.8 million when perhaps the project could be completed with \$3.5 million and thus the federal funds could be used elsewhere.

MS. SLAGLE clarified that the federal funds are specifically appropriated for the Klawock Airport and can't be used at any other airport. Further, these additional funds will allow more of the project to be done than originally considered with the \$3.5 million. These additional funds will allow obstruction removal as well as the pavement improvements, all of which are necessary safety improvements. In further response to Representative Chenault, Ms. Slagle specified that runway improvements were going to be done with the \$3.5 million, but the obstruction removal wasn't included.

[1:48:00 PM](#)

CHAIR THERRIAULT withdrew his objection. There being no further objection, RPL 25-7-7077 was approved.

[1:48:15 PM](#)

#### **EXECUTIVE SESSION**

REPRESENTATIVE SAMUELS 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 [1:48:46 PM](#).

The committee came out of executive session at 2:18 p.m. Upon reconvening, Representatives Samuels, Chenault, Hawker, Kerttula, and Joule and Senators Therriault, Ben Stevens, Stedman, and Green were present at the call to order.

#### **RELEASE OF AUDITS**

[2:19:30 PM](#)

REPRESENTATIVE SAMUELS moved that the committee release the following preliminary audits: sunset review of the Board of Direct Entry Midwives, sunset follow-up of the Board of Governors to the Alaska Bar Association, Department of Transportation & Public Facilities benchmarking, review of residency requirements for various state benefit programs, and the fiscal year 2005 Statewide Single Audit. There being no objection, those preliminary audits were released to the appropriate agencies for response.

#### **AUDIT REQUEST(S)**

2:20:03 PM

CHAIR THERRIAULT announced that the next order of business would be consideration of audit requests.

2:20:24 PM

PAT DAVIDSON, Legislative Auditor, Legislative Audit Division, Legislative Agencies & Offices, explained that the first audit request, for the University of Alaska, Fairbanks School of Education, would look into the Alaska Educators' requirements. She noted that this would be a compliance audit, and would verify whether the School of Education is complying with the standards and requirements for admission and graduation from the education program.

CHAIR THERRIAULT, stated that the aforementioned audit request was made by himself. He said:

This audit request has sprung from a long-standing ... constituent case that I have been following. A gentleman ... was not allowed to continue through the education program ... because of his practice score, ... but in the course of ... fighting his own battle, he became aware, and brought to my attention, a couple of other students who, it appears, were allowed to continue in the program [although they had also failed the practice test]. So, it ... seemed like we were never able to get ... a clear answer ... [as to] what standards were utilized to allow them to continue if they had not passed the test. So, ... it's just an audit on the compliance - whether the university is following [its] own internal procedures, or meeting the standard that the legislature has established for them in allowing people to move through the system and be certified as teachers.

2:22:09 PM

CHAIR THERRIAULT moved that the audit request submitted by himself for the University of Alaska, Fairbanks, School of Education, be approved. There being no objection, it was approved.

2:22:29 PM

MS. DAVIDSON explained that the next request is required by the Division of Legislative Procurement for the Division of Legislative Audit and the issuance of contracts. The first contract requested, she said, is for audit services. She stated that in order to "beef up" the Statewide Single Audit effort, the state has been contracting for audit services. The Division of Legislative Audit sends out a request for proposals (RFP) and responses are reviewed, based on level of experience and price components. The amount requested is not to exceed \$200,000. The audit services, she said, would run from November to March.

[2:24:00 PM](#)

REPRESENTATIVE SAMUELS moved that the committee authorize the committee auditor to solicit and award contracts for audit services in an amount not to exceed \$200,000. There being no objection, the request was authorized.

[2:24:20 PM](#)

MS. DAVIDSON explained that the final request would amend the amount of an existing contract. Currently, she said, an audit of the recidivism rate is being conducted. The [Division of Legislative Audit] feels that it would be more efficient to hire a person with background in the aforementioned area in order to glean as much information from the data gathered. She stated that if this is authorized, the division would not exceed \$15,000.

[2:25:55 PM](#)

REPRESENTATIVE HAWKER surmised that this request would expand the scope of services and would not be applied to achieving the original intent of the audit.

MS. DAVIDSON, in regard to the original request, explained that during data collection, various pieces of information are gathered. She stated that the division is asking for additional services; however, this would be "more cuts of the same data," in an attempt to "glean as much reliable information from that data as we can possibly get."

[2:27:15 PM](#)

REPRESENTATIVE SAMUELS noted that he requested the recidivism rate, and explained that various state-funded programs claim the recidivism rate. These programs, he said, use a different

standard to test the recidivism and show whether the program is effective. He expressed his support for additional funding for data collection and opined that the legislature is in favor of changing standards if they do not work.

[2:28:07 PM](#)

REPRESENTATIVE SAMUELS moved that the committee authorize the legislative auditor to contract with the Urban Institute for Statistical Analysis in an amount not to exceed \$45,000. There being no objection, it was so ordered.

#### **OTHER COMMITTEE BUSINESS**

[2:28:28 PM](#)

SENATOR STEDMAN turned to discussion regarding the consultants the state has been using for oil and gas analyses. He noted that he had had an update done related to the expenditures of the committee for the aforementioned, and he said he is curious as to how much is yet to be reflected in the current report. He said most of the contractors have some monies left, but he said he also recognizes that there is possibly a delay between getting the firms to bill the state and having the contract officer get the information into the [state auditor].

[2:29:43 PM](#)

CHAIR THERRIAULT said his staff had recently requested the information regarding the updated billings from [Pat Davidson, the state auditor], and he offered his understanding that Senator Stedman's staff had received "some information"; however, he said he is unsure as to how much of a lag may be in some of that information. He related that at the next meeting he would like to have a discussion regarding where the committee stands with the billings and the work of the consultants.

SENATOR STEDMAN said the data available does not include a lot regarding expenditures in August and includes none reflected in September. He said he thinks the firms could keep the legislature posted on what's going on. He mentioned a probability analysis - a [petroleum production profits tax] PPT update - done by Dr. Finizza a week or so ago, and he said he would like to know what the analysis entails, who requested it, and why it was done. He stated his understanding that the PPT bill is already enacted in law.

CHAIR THERRIAULT explained that he requested that analysis so that legislators could understand what occurred with the adoption of the PPT - whether or not the decision-making matrix had been moved favorably. He said Dr. Finizza confirmed that "we" shifted the risk of the companies "from a certain point down," which should serve as an incentive for the companies to invest in the state. The state has picked up some risk in sharing the cost of investing and looking for the oil and gas, he said.

SENATOR STEDMAN asked if Chair Therriault planned to have a presentation regarding this information, or whether he was gathering that information "just for ... dissemination across the e-mail list." He said he would like to know "where we're headed."

CHAIR THERRIAULT responded, "Pretty much. It was an update of an earlier work product." He said he requested the update from Dr. Finizza - related to his previous work - for the purpose of sending that information out in an e-mail to show the result of the legislation that was passed into law.

SENATOR STEDMAN asked if the consultants had been asked to do any other analyses.

CHAIR THERRIAULT replied no, not to his knowledge. In response to a follow-up question, he noted that Mr. Shepler is continuing to monitor the Federal Energy Regulatory Commission (FERC) litigation. He added that "there's not a lot of expense that's being incurred there."

SENATOR STEDMAN asked if there are expenditures authorized by the chair that aren't reflected in the list.

CHAIR THERRIAULT related that he has sought legal advice as to whether the process ending with the finalization of the fiscal interest findings would bind future legislatures and what legal right the legislature would have if the governor were to move to actually sign the contract. That work, he said, has not yet been finalized.

[2:36:20 PM](#)

SENATOR STEDMAN said he would like to know when the request for that information was made and to whom.

CHAIR THERRIAULT said he asked Attorney Bill Large, bringing him on under a contract not to exceed \$25,000. In response to follow-up questions from Senator Stedman, he confirmed that Mr. Large would be added to the list consisting of EconOne, Shepler, Foster, Johnson, Boyd, "and the whole litany." He said he gave Mr. Large authorization just last week to have discourse with [Legislative Legal and Research Services], and he said he is not certain whether Mr. Large has concluded that communication at this point. He stated that at the next meeting, any available response from Mr. Large will be shared.

SENATOR STEDMAN asked if committee members could be notified of such requests for amounts less than \$25,000.

CHAIR THERRIAULT responded, "I can certainly talk to members in the future, but it is a power of the chairman."

SENATOR STEDMAN responded that he understands; however, he opined that it is helpful for committee members to be "in the loop" regarding what direction the chairman is heading and how fast he is headed there. He surmised that at the next meeting the committee would determine how to handle the data available in order to utilize it some time in the future.

CHAIR THERRIAULT stated that he certainly does not want the data to be lost from one legislature to the next; however, he said at this point it is not known if the executive branch will call the legislature back into special session and whether or not that would cause any additional work requests from "these gentlemen."

SENATOR STEDMAN predicted, "I think it's pretty unlikely we're going to be in Juneau, Mr. Chairman."

CHAIR THERRIAULT responded:

Well, of course, we've had some discussions back and forth with the governor. It's his constitutional power to call; we, of course, have the constitutional power to adjourn. ... And I'm hoping that we certainly don't get into that kind of showdown, but at this point in my mind it's a little bit unclear [what the governor intends to do next with this contract].

[2:40:27 PM](#)

CHAIR THERRIAULT noted that the committee may need to address a personnel matter during an executive session at the next meeting.

2:40:50 PM

**ADJOURNMENT**

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 2:40:53 PM.