

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

Anchorage, Alaska
December 15, 2006
9:06 a.m.

MEMBERS PRESENT

Senator Gene Therriault, Chair
Senator Lyda Green
Senator Gary Wilken (alternate)

Representative Ralph Samuels, Vice-Chair
Representative Mike Hawker
Representative Pete Kott
Representative Beth Kerttula

MEMBERS ABSENT

Senator Ben Stevens
Senator Lyman Hoffman
Senator Bert Stedman

Representative Mike Chenault
Representative Reggie Joule (alternate)
Representative Kevin Meyer (alternate)

COMMITTEE CALENDAR

APPROVAL OF MINUTES
OTHER COMMITTEE BUSINESS
REVISED PROGRAM - LEGISLATIVE (RPLs)
EXECUTIVE SESSION
RELEASE OF AUDITS

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

JERRY BURNETT, Director
Administrative Services Division
Department of Revenue (DOR)
Juneau, Alaska
POSITION STATEMENT: Presented RPL 04-07-1030.

NICO BUS, Acting Director/Administrative Services Manager
Division of Support Services
Department of Natural Resources (DNR)
Juneau, Alaska
POSITION STATEMENT: Presented RPL 10-07-5014 and RPL 10-07-5028.

ELIZABETH ANDREWS, Director
Division of Subsistence
Alaska Department of Fish & Game (ADF&G)
Juneau, Alaska
POSITION STATEMENT: Presented RPL 11-07-0513.

LYNN TOMICH KENT, Director
Division of Water
Department of Environmental Conservation
Anchorage, Alaska
POSITION STATEMENT: Presented RPL 18-07-0390.

BARBARA TOWNE, Budget Services
Division of Information and Administrative Services
Department of Environmental Conservation (DEC)
Juneau, Alaska
POSITION STATEMENT: Answered questions regarding RPL 18-07-0390.

LARRY DIETRICK, Director
Division of Spill Prevention & Response
Department of Environmental Conservation (DEC)
Juneau, Alaska
POSITION STATEMENT: Presented RPL 18-07-0391.

HEATHER BRAKES, Staff
Legislative Budget and Audit Committee
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Answered questions.

PAT DAVIDSON, Legislative Auditor
Legislative Audit Division
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Answered questions.

ACTION NARRATIVE

CHAIR GENE THERRIAULT called the Legislative Budget and Audit Committee meeting to order at [9:06:02 AM](#). Present at the call to order were Senators Green, Wilken, and Therriault and Representatives Hawker, Kott, Samuels, and Kerttula.

APPROVAL OF MINUTES

[9:07:31 AM](#)

REPRESENTATIVE SAMUELS made a motion to approve the minutes of April 4, 2006; June 15, 2006; September 5, 2006; September 28, 2006; November 14, 2006. There being no objection, the minutes from the aforementioned meetings were approved.

[9:07:45 AM](#)

OTHER COMMITTEE BUSINESS

[9:08:06 AM](#)

CHAIR THERRIAULT, in response to a request by Representative Samuels, moved down the calendar to Other Committee Business.

REPRESENTATIVE SAMUELS made a motion to approve a \$10,000 increase to the existing contract with Econ One Research, Inc. (Econ One), thus bringing the total authorized amount to \$1,810,000.

CHAIR THERRIAULT explained that the additional funds would cover the final billing from Econ One, as well as any additional charges that may occur during the transition of the committee chairmanship.

REPRESENTATIVE SAMUELS agreed, adding that this should "clean up" the remaining contracts prior to the start of the next legislative session.

[9:09:38 AM](#)

CHAIR THERRIAULT, upon determining that there was no objection, stated that the contract amount would be extended as requested.

[9:10:01 AM](#)

REVISED PROGRAM - LEGISLATIVE (RPL)

RPL 04-07-1030

REPRESENTATIVE SAMUELS made a motion to approve RPL 04-07-1030, regarding the Department of Revenue, Child Support Services/Federal Incentive Receipts.

CHAIR THERRIAULT objected for discussion purposes.

[9:10:34 AM](#)

JERRY BURNETT, Director, Administrative Services Division, Department of Revenue (DOR), explained that the Child Support Division would be receiving funds approved in fiscal year 2004 (FY04). The department is requesting authorization to use these funds to replace state funding in the fiscal year 2007 (FY07) budget.

CHAIR THERRIAULT removed his objection. There being no further objection, the RPL was approved.

RPL 10-07-5014

[9:11:46 AM](#)

REPRESENTATIVE SAMUELS made a motion to approve RPL 10-07-5014, regarding the Department of Natural Resources, Resource Development Manager.

CHAIR THERRIAULT objected for discussion purposes.

[9:12:06 AM](#)

NICO BUS, Acting Director/Administrative Services Manager, Division of Support Services, Department of Natural Resources (DNR), explained that the RPL would give the [Alaska Mental Health Trust Authority (AMHTA)] authorization to hire an additional resource manager for the remainder of the fiscal year. He stated that the additional position is needed in order to meet the workload requirements, and would also be requested in the fiscal year 2008 (FY08) budget. In addition, \$20,000 is being requested to meet the current payroll requirements for FY07.

CHAIR THERRIAULT inquired as to whether the entire requested amount is AMHTA funds.

MR. BUS replied yes.

CHAIR THERRIAULT asked if the FY08 budget request would also be from the AMHTA budget.

MR. BUS replied yes.

CHAIR THERRIAULT removed his objection. There being no further objection, the RPL was approved.

RPL 10-07-5028

9:13:16 AM

REPRESENTATIVE SAMUELS made a motion to approve RPL 10-07-5028, regarding the Department of Natural Resources, Big Delta Riverbank Stabilization.

CHAIR THERRIAULT objected for discussion purposes.

MR. BUS explained that this RPL requests \$375,000 in federal funds, received through the US Department of Agriculture. These funds, he said, would be used to help stabilize the banks of the Tanana River, thus preventing further erosion. The work would be contracted with the parks division, and would be done in the spring.

9:14:29 AM

REPRESENTATIVE KERTTULA asked for further detail regarding who would be completing the work.

MR. BUS explained that since the site is a historical site, the Office of History & Archaeology Alaska Historical Commission has jurisdiction. The Design & Construction office of the Division of Parks & Outdoor Recreation engineers for this project, he said.

CHAIR THERRIAULT removed his objection. There being no further objection, the RPL was approved.

RPL 11-07-0513

9:15:30 AM

REPRESENTATIVE SAMUELS made a motion to approve RPL 11-07-0513, regarding the Alaska Department of Fish & Game, Statutory Designated Program Receipts (SDPR) Increase for Rockfish Project.

CHAIR THERRIAULT objected for discussion purposes.

ELIZABETH ANDREWS, Director, Division of Subsistence, Alaska Department of Fish & Game (ADF&G), explained that this RPL would enable the department to continue a study of rockfish harvesting. This study, she said, was originally budgeted as federal receipts, rather than SDPR. She stated that the original request was for \$149,000, and the department is requesting an additional \$70,000.

CHAIR THERRIAULT withdrew his objection.

REPRESENTATIVE HAWKER objected for further discussion. He offered his understanding that the federal receipt authority would not be reduced; however, the SDPR authority would be increased. He asked if this is correct.

MS. ANDREWS replied yes.

REPRESENTATIVE HAWKER withdrew his objection. There being no further objection, the RPL was approved.

RPL 18-07-0390

9:17:35 AM

REPRESENTATIVE SAMUELS made a motion to approve RPL 18-07-0390, regarding the Department of Environmental Conservation and additional federal authority for environmental monitoring and assessment.

CHAIR THERRIAULT objected for discussion purposes.

9:18:03 AM

LYNN TOMICH KENT, Director, Division of Water, Department of Environmental Conservation (DEC), explained that the RPL request would increase federal receipt authority in the capital budget. She noted that there is no state match for these funds. The funding would continue the department's environmental monitoring and assessment program, which collects baseline data on the health of Alaska's coastal and fresh water. The funding, she said, comes from the Environmental Protection Agency.

CHAIR THERRIAULT inquired as to the time frame in which the funds will be expended.

MS. KENT replied that the program is ongoing, and the department is working its way around the state. This request, she said, is for three years.

[9:19:34 AM](#)

BARBARA TOWNE, Budget Services, Division of Information and Administrative Services, Department of Environmental Conservation (DEC), stated that the funds would lapse in April 2009.

CHAIR THERRIAULT asked if federal funds for this program will be built into the FY08 budget.

MS. TOWNE replied yes, if the department knows ahead of time that the funds will be available.

CHAIR THERRIAULT removed his objection. There being no further objection, the RPL was approved.

RPL 18-07-0391

[9:20:24 AM](#)

REPRESENTATIVE SAMUELS made a motion to approve RPL 18-07-0391, regarding the Department of Environmental Conservation, additional Exxon Valdez oil spill (EVOS) authority.

CHAIR THERRIAULT objected for the purposes of [discussion].

LARRY DIETRICK, Director, Division of Spill Prevention & Response, Department of Environmental Conservation (DEC), stated that the department is one of three state trustees which belong to the Exxon Valdez Oil Spill Trustee Council (EVOSTC). He explained that EVOSTC develops and executes restoration projects for the Exxon Valdez oil spill. The EVOSTC office operates on a federal fiscal year, he said. For FY07, \$48.1 thousand was approved, and to date, \$41.1 thousand has been spent. The RPL would authorize \$38.9 thousand, which would carry out the balance of FY07. He noted that the funds are provided by the Exxon Valdez oil spill settlement.

CHAIR THERRIAULT removed his objection. There being no further objection, the RPL was approved.

[9:22:00 AM](#)

CHAIR THERRIAULT inquired as to whether this was the final RPL.

HEATHER BRAKES, Staff, Legislative Budget and Audit Committee, Alaska State Legislature, confirmed that this is correct.

[9:22:15 AM](#)

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 [9:22:24 AM](#).

CHAIR THERRIAULT brought the committee back to order at 9:37 AM.

[9:37:39 AM](#).

RELEASE OF AUDITS

REPRESENTATIVE SAMUELS made a motion for the following final audit reports to be released to the public: A Sunset Review of the Regulatory Commission of Alaska; A Sunset Review of the Alcohol Beverage Control Board; A Sunset Review of the Board of Marine Pilots; A Sunset Review of the State Medical Board; A Review of the Kenai Peninsula Community Care Center; A Review of the Department of Administration, Procurement. There being no objection, the aforementioned audits were released to the public.

[9:39:32 AM](#)

PAT DAVIDSON, Legislative Auditor, Legislative Audit Division, Alaska State Legislature, in response to a question from Chair Therriault, stated that it would not be necessary to hold a meeting to discuss audits prior to the upcoming Legislative session.

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at [9:40:05 AM](#).