

HOUSE FINANCE COMMITTEE  
March 23, 2009  
1:34 p.m.

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CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 1:34 p.m.

MEMBERS PRESENT

Representative Mike Hawker, Co-Chair  
Representative Bill Stoltze, Co-Chair  
Representative Bill Thomas, Jr., Vice-Chair  
Representative Allan Austerman  
Representative Anna Fairclough  
Representative Richard Foster  
Representative Reggie Joule  
Representative Mike Kelly

MEMBERS ABSENT

Representative Harry Crawford  
Representative Les Gara  
Representative Woodie Salmon

ALSO PRESENT

Konrad Jackson, Staff, Representative Kurt Olson; Pat Davidson, Legislative Auditor, Legislative Audit Division, Legislative Affairs Agency

PRESENT VIA TELECONFERENCE

None

SUMMARY

Confirmation: Ronald Brown - State Assessment Review Board

Postponed

HB 78 "An Act extending the termination date of the Board of Public Accountancy; and providing for an effective date."

HB 78 was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #1 by the Department of Commerce, Community and Economic Development.

HB 86 "An Act extending the termination date of the Board of Veterinary Examiners; and providing for an effective date."

HB 86 was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #1 by the Department of Commerce, Community and Economic Development.

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#hb86

HOUSE BILL NO. 86

"An Act extending the termination date of the Board of Veterinary Examiners; and providing for an effective date."

KONRAD JACKSON, STAFF, REPRESENTATIVE KURT OLSON, explained that HB 86 extends the termination date of the Board of Veterinary Examiners. He observed that the Committee members had a report by Legislative Audit with their recommendations. One of the recommendations is an eight-year extension of the Board.

Co-Chair Stoltze noted last year's legislative work to revise statutes related to veterinary medicine.

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PAT DAVIDSON, LEGISLATIVE AUDITOR, LEGISLATIVE AUDIT DIVISION, LEGISLATIVE AFFAIRS AGENCY, addressed two issue in the audit. The first is that vacancies on the board need to be filled in a timely manner. The Board of Veterinary Examiners is a volunteer board and full memberships makes operation of the board easier. It was found that the board was operating effectively and in the public's interest.

Ms. Davidson reported on the second recommendation. In the financial analysis, it was determined that licensing fees should be reduced because there is a growing surplus.

Mr. Jackson offered to answer questions.

Co-Chair Stoltze pointed out a concern about the shortage in Alaska of large animal practice veterinary medicine.

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Representative Foster wondered why a member of the public would need to be on the board. The vacancy has not been filled since last November. He pointed out that with only four board members there would not be enough members to have a quorum.

Mr. Jackson reported that one of the vacancies has been filled and is ready for confirmation by the legislature. He thought there was a problem of filling the member quota on a number of boards.

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Representative Joule wondered if the lack of interest was due to requirements of disclosure. Ms. Davidson had not heard of that problem. She did not believe the vacancies were a result of Representative Joule's concern.

Mr. Jackson addressed the issue of ethics laws and reported that he has not seen it as a detriment to filling the boards.

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Co-Chair Stoltze asked if the vacancy problem was a recent one. Ms. Davidson did not know. She reported that most boards under sunset review had similar concerns with filling their boards.

Representative Austerman recalled subcommittee discussions about professional licensing. He wondered if it was normal for boards to carry a similar large balance of \$271,000 related to their licensing fees. Ms. Davidson related that by statute, each of the boards is supposed to be self supporting. They should have close to a net zero balance. There is a concern about a growing surplus in future years for the Board of Veterinary Examiners. She recommended that the fees be reduced. There is a lot of variation, but the goal is to approach zero within their two-year budgets.

Representative Austerman asked if the fees are set by regulation. Ms. Davidson reported that they are set by the Division of Legislative Audit in coordination with the board.

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Representative Foster recalled in 1991 there were 116 boards and commissions. Governor Hickle left office with 121 boards and commissions in spite of resolving to reduce them.

Co-Chair Stoltze noted a fiscal note for \$65,000 from the Department of Commerce, Community and Economic Development.

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Co-Chair Hawker MOVED to REPORT HB 86 out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HB 86 was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #1 by the Department of Commerce, Community and Economic Development.

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#hb78

HOUSE BILL NO. 78

"An Act extending the termination date of the Board of Public Accountancy; and providing for an effective date."

Mr. Jackson explained the Board of Public Accountancy shares some of the same issues as the Board of Veterinary Examiners. The big difference is that there is a four-year extension for the Board of Public Accountancy as recommended by Legislative Audit.

Ms. Davidson informed the Committee that under professional auditing standards one of the most important standard is that auditors be independent of the organization they are auditing. She explained that Legislative Audit is not independent with respect to the Board of Public Accountancy. She clarified that a consultant was hired to conduct the audit. The contract required that the consultant perform the audit according to the same statutory areas that Legislative Audit would have used.

Ms. Davidson read the conclusion of the audit:

In recognition of the board's continuing efforts to utilize the services provided by the National Association of State Boards of Accountancy and the potential for additional statutory regulatory changes, the recommendation was for a four-year extension rather than the typical eight-year.

Ms. Davidson shared the report's three recommendations: board membership be filled in a more timely manner, fees need to be re-evaluated with the intent of reducing them, and the Investigation Section should implement an effective case tracking system.

Ms. Davidson gave an example of problems within the case management system. This recommendation would address case management systems in all occupational boards.

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Co-Chair Stoltze summarized that the shorter extension is because the board is looking at outsourcing some of their services and restructuring.

Co-Chair Stoltze noted a fiscal note from the Department of Commerce, Community and Economic Development. He pointed out that costs were paid by activities, licensees, and other fees.

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Co-Chair Hawker MOVED to REPORT HB 78 out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HB 78 was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #1 by the Department of Commerce, Community and Economic Development.

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ADJOURNMENT

The meeting was adjourned at 1:59 PM.