

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

March 30, 2010

4:32 p.m.

MEMBERS PRESENT

Senator Kevin Meyer, Chair
Representative Mike Hawker, Vice Chair
Senator Lyman Hoffman
Senator Linda Menard
Representative Bill Stoltze
Representative Bill Thomas
Representative Mike Doogan
Senator Donald Olson (Alternate)

MEMBERS ABSENT

Senator Charlie Huggins
Senator Bert Stedman
Representative Mark Neuman
Representative Nancy Dahlstrom (Alternate)
Representative Chris Tuck (Alternate)

COMMITTEE CALENDAR

APPROVAL OF MINUTES
REVISED PROGRAM - LEGISLATIVE (RPLs)
EXECUTIVE SESSION
AUDIT REQUESTS
OTHER COMMITTEE BUSINESS

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

DAVID TEAL, Legislative Fiscal Analyst
Legislative Finance Division
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided information about the requested RPLs to the Legislative Budget and Audit Committee.

PAT DAVIDSON, Legislator Auditor

Legislative Audit Division
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions about the request by Dr. David Wood for a change to his business name.

ACTION NARRATIVE

[4:32:28 PM](#)

CHAIR KEVIN MEYER called the Legislative Budget and Audit Committee meeting to order at 4:32 p.m. Representatives Stoltze, Thomas, Doogan, Hawker and Senators Meyer, Hoffman, Menard, and Olson (Alternate) were present at the call to order.

APPROVAL OF MINUTES

[4:33:12 PM](#)

CHAIR MEYER announced that the first order of business would be the approval of the minutes.

[4:33:43 PM](#)

REPRESENTATIVE HAWKER made a motion to approve the minutes of February 25, 2010. There being no objection, the minutes from the meeting of February 25, 2010 were approved.

REVISED PROGRAM - LEGISLATIVE (RPLs)

[4:33:57 PM](#)

CHAIR MEYER announced that the next order of business would be the consideration of the RPLs.

[4:34:27 PM](#)

DAVID TEAL, Legislative Fiscal Analyst, Legislative Finance Division, Alaska State Legislature, testified about RPL 08-0-0114 from the Community Development Block Grant Program for \$67,436. He informed the committee that this was a federal grant from the American Recovery and Reinvestment Act (ARRA) for the benefit of low and moderate income residents. He pointed out that these were municipal grants for planning infrastructure projects and economic development activities. He acknowledged that he did not know how it would be distributed to municipalities.

CHAIR MEYER asked if there were any questions, concerns, or objections.

[4:35:39 PM](#)

There being no objection, RPL 08-0-0114 was approved.

[4:35:49 PM](#)

MR. TEAL explained RPL 45-0-1140 from the University of Alaska for \$53,541. He pointed out that this was for two federal grants from ARRA. He explained that one was for \$24,990 for the study of rare plants through 2013; the second grant was an amendment to an existing grant, and was for the Alaska Seismic Station upgrade.

[4:36:37 PM](#)

There being no objection, RPL 45-0-1140 was approved.

EXECUTIVE SESSION

[4:36:47 PM](#)

CHAIR MEYER announced that the next order of business would be that the committee would go into executive session.

REPRESENTATIVE HAWKER 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 4:36 p.m.

AUDIT REQUESTS

[5:10:10 PM](#)

CHAIR MEYER brought the committee back to order at 5:10 p.m.

REPRESENTATIVE HAWKER made a motion for the preliminary audit for the Special Report on the Department of Corrections, the Correctional Officers Staffing Analysis, Part 2, to be released to the appropriate agency for response.

There being no objection, the audit was released.

[5:10:34 PM](#)

REPRESENTATIVE HAWKER made a motion for the final audit for the State of Alaska Single Audit for the Fiscal Year Ended June 30, 2009, to be released to the public for response.

There being no objection, the audit was released.

OTHER COMMITTEE BUSINESS

[5:10:46 PM](#)

CHAIR MEYER announced that the final order of business would be Other Committee Business.

CHAIR MEYER explained that Dr. David Wood, who had a contract with the state, had requested to change the name of his business from "David Wood and Associates" to "DWA Energy, Ltd." He explained that this would require a majority vote of the committee, and then a contract from one business entity to the other.

[5:11:24 PM](#)

PAT DAVIDSON, Legislator Auditor, Legislative Audit Division, Alaska State Legislature, said that the name change of the business would involve contractual issues. She explained that the State of Alaska would need to determine if it should continue the contract with DWA Energy, Ltd. She established that the previous contract with David Wood and Associates had allowed for that assignment. She referenced that Legislative Legal and Research Services had said it was necessary to document the substitution through a novation agreement. She explained that the committee would need to decide if it was in its best interest to continue the contract with the new entity. If so, then the novation agreement would be signed by Chair Meyer and David Wood.

[5:12:56 PM](#)

REPRESENTATIVE HAWKER asked if there was any reason not to make this recommendation.

[5:13:23 PM](#)

CHAIR MEYER replied that he had no reason not to sign the contract and he opined that this was merely a formal name change.

[5:13:33 PM](#)

MS. DAVIDSON agreed that it was a business entity change, but that the individual offering the services remained the same.

REPRESENTATIVE HAWKER asked if there were any problems with the work quality.

CHAIR MEYER offered his belief that David Wood had done "an outstanding job."

[5:14:09 PM](#)

SENATOR OLSON agreed, and reported that Mr. Wood had offered an independent evaluation.

[5:14:43 PM](#)

REPRESENTATIVE HAWKER moved to consent assignment of the contract between Legislative Budget and Audit Committee and David Wood and Associates, dated May 20, 2009, and as subsequently amended, to DWA Energy, Ltd., retroactive to January 1, 2010.

There being no objection, it was so ordered.

[5:15:18 PM](#)

REPRESENTATIVE HAWKER moved that the Legislative Budget and Audit Committee authorize a novation agreement to continue receiving services from David Wood under the new business entity, DWA Energy, Ltd., retroactive to January 1, 2010.

There being no objection, it was so ordered.

[5:16:18 PM](#)

CHAIR MEYER announced that this would be the last Legislative Budget and Audit Committee meeting during the legislative session.

[5:16:51 PM](#)

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 5:16 p.m.