

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

Anchorage, Alaska

May 14, 2010

3:07 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)
Representative Chris Tuck (Alternate)

MEMBERS ABSENT

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

COMMITTEE CALENDAR

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

PREVIOUS COMMITTEE ACTION

No previous action to report

WITNESS REGISTER

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

POSITION STATEMENT: Provided information to the Joint Committee on Legislative Budget and Audit.

MICHELLE RIZK, Associate Vice President
Budget - Statewide Planning & Budget
University of Alaska Fairbanks (UAF)
Fairbanks, Alaska

POSITION STATEMENT: Testified and answered questions during the discussion of RPL 1144.

JOSH APPLEBEE, Staff
Senator Kevin Meyer
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions during the discussion of the medical board audit.

PAT DAVIDSON
Legislative Auditor
Division of Legislative Audit
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions during the discussion of the medical audit.

REPRESENTATIVE REGGIE JOULE
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions during the discussion of the audit request.

ACTION NARRATIVE

[Due to technical difficulties, the recording did not begin until 3:08:40.]

CHAIR KEVIN MEYER called the Legislative Budget and Audit Committee meeting to order at 3:07 p.m. Representatives Thomas, Doogan, Tuck (Alternate), Hawker and Senators Meyer, Olson (Alternate), and Hoffman were present at the call to order. Representative Stoltze and Senator Menard arrived as the meeting was in progress.

APPROVAL OF MINUTES

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

REPRESENTATIVE HAWKER made a motion to approve the minutes of March 30, 2010 and April 30, 2010. There being no objection,

the minutes from the meetings of March 30, 2010 and April 30, 2010 were approved.

REVISED PROGRAM - LEGISLATIVE (RPLs)

[The recording begins.]

3:08:30 PM

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

3:09:28 PM

DAVID TEAL, Legislative Fiscal Analyst, Legislative Finance Division, Alaska State Legislature, brought up the first RPL, RPL 06-0-0471, for Health Care Services, Medical Assistance Administration of the from the Department of Health and Social Services (DHSS). The Department of Health and Social Services is requesting a fund source correction from federal receipts to the American Recovery and Reinvestment Act of 2009 (ARRA) funds for FY 10 on the fiscal note for SB 133, which passed the legislature in 2009. When the fiscal note for SB 133 was prepared, the new fiscal note template with the new fund source code for the federal economic stimulus funding (ARRA) was not used. This fund source change will allow the department to receive \$252,200 in federal economic stimulus funds (ARRA) to pay for electronic health information exchange system costs.

MR. TEAL reported that the department will request a similar RPL for fiscal year 2011 (FY 11), as well, since the funding source mistake was carried forward into the FY 11 budget.

There being no objection, RPL 06-0-0471 was approved.

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CHAIR MEYER asked to move on to RPL 45-0-1144.

MR. TEAL explained that RPL 45-0-1144 is for \$3 million in University Receipts for the University of Alaska (UA) Community Campuses/College of Rural & Community Development. Several factors contributed to this request for appropriation authority, including a five percent tuition rate increase in FY 10; greater enrollment than originally anticipated; increases in auxiliary receipts related to the Rural College Bookstore; and increases in indirect cost recoveries. This RPL will allow the University

of Alaska, College of Rural and Community Development (CRCD) to accept additional university receipts for the period 07/01/2009 through 06/30/2010. He explained that due to the separate appropriations for the University of Alaska Fairbanks (UAF) and the University of Alaska Community Campuses, it is not possible to move authority across appropriations. This necessitates an increase to the appropriation authority for the CRCD. This RPL would place the entire \$3 million into the single allocation and the UA would transfer funding to the various campuses, as needed.

CHAIR MEYER said there was an objection so this RPL will be set aside. He then turned to RPL 45-0-1145.

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MR. TEAL reported that RPL 45-0-1145 is a request for \$699,998 of ARRA funds - Capital for a grant from the National Science Foundation for the Science Master's Program: Ecosystem Approaches to Fishery Management for the period 7/01/2010 through 6/30/2013. There being no objection, RPL 45-0-1145 was approved.

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CHAIR MEYER referred back to RPL 45-0-1144. He asked for clarification on the "greater enrollment" previously indicated.

MICHELLE RIZK, Associate Vice President, Budget, Statewide Planning & Budget, University of Alaska Fairbanks (UAF), introduced herself.

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CHAIR MEYER restated his request for clarification on the "greater enrollment" previously indicated. He related his understanding that the additional bookstore receipts, greater enrollment than originally anticipated, and a five percent tuition rate led to an additional \$3 million in university receipts. The funds would be distributed to campuses as appropriate. He asked for clarification on the campus location for the greater enrollment.

MS. RIZK answered that the majority of the increase has been at the Tanana Valley Campus and the Rural College.

CHAIR MEYER asked if the intent was to use the additional funds for those specific campuses.

MS. RIZK said yes, that the majority of the funds will be directed to those campuses. She pointed out that a small amount of funding may be directed to the Bristol Bay Campus.

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REPRESENTATIVE HAWKER said that he was troubled that this matter did not come up earlier. He asked why the rest of the university system was not experiencing the same increased activity and the reason the additional funds are just now coming to the attention of the UA.

MS. RIZK responded the UAF is split between the main campus and the community campuses. The smaller campuses have the ability to receive additional receipt authority from the main campus. The UAF is still working through the transition of having the community campuses outside of the main campus, as part of the UAF and Major Administrative Units (MAUs).

REPRESENTATIVE HAWKER restated that the UAF would like to create \$3 million in new appropriation authority, but will not experience any real "new money" and that the university will have "empty authority" at the other MAUs.

MS. RIZK clarified that the UA has sufficient receipt authority. It is just within this appropriation that insufficient receipt authority exists. As part of the FY 11 budget, the Senate provided a three percent increase in the system-wide budget account to address the receipt authority issues in the future.

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REPRESENTATIVE HAWKER related his understanding that the RPL request is for additional authority for FY 10.

MS. RIZK agreed. She noted that she had been aiming for the most accurate projection so she delayed this request until the UA had received most of its additional revenue.

REPRESENTATIVE HAWKER inquired as to whether the multi-structure appropriation format in the operating budget with the separation of the community campuses was initially done in FY 10.

MS. RIZK clarified that the budgetary separation initially occurred in FY 09.

REPRESENTATIVE HAWKER recalled that the change was created in FY 09, but asked whether the multi-structure appropriation was initially effective for FY 09 or in FY 10.

MS. RIZK answered that the change was effective for FY 09. She pointed out that the UA attempted to get a better idea of the receipt authority. Thus, in FY 10 the university reduced its overall university receipts by \$48 million, which was the impact in FY 10.

REPRESENTATIVE HAWKER agreed it was one of the things he was contemplating.

MS. RIZK explained that this made the university receipt authority much closer to the anticipated "actuals." She affirmed that FY 10 is the first year in which the university has operated under the reduced receipt authority amounts.

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REPRESENTATIVE HAWKER stated this may not be a question for Ms. Rizk. He stated that this just seems to be the wrong thing to be addressed by this committee. This matter should have been addressed during the supplemental budget process. He asked why this was not brought forward during the supplemental budget process.

MS. RIZK acknowledged that she erred. She said she did not realize the request needed to be made during the legislature session. She thought coming before the Legislative Budget and Audit Committee was an opportunity to obtain the additional university receipt authority. She remarked that until recently she was not aware of the university receipt authority issue.

REPRESENTATIVE HAWKER said that the purpose of considering the supplemental budget while the entire legislature is session is to have the ability to contemplate the FY 10 budget during the preparation and construction of the next year's budget. He asked how considering this request during FY 10 would affect the UA's FY 11 budget.

MS. RIZK explained the actions taken to the FY 11 budget. She said, "In FY 11, the Senate put three percent of the budget in system-wide budget reductions of receipt authority, as well, as

general fund, and so we are going to hold that receipt authority, the three percent, in the system-wide budget in reductions until we get further in the year to have a better idea of where each of the campuses will end up with their receipt authority." She anticipated at that time the university could transfer any additional receipt authority as needed.

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REPRESENTATIVE HAWKER said he appreciated that the UA has the ability to do that. He said that creating the "bucket of expenses" was intended to allow the UA the ability to fine-tune and balance its budget. However, it was not intended for university receipts in the magnitude \$3 million. He pointed out the UA was cognizant of the \$3 million, but did not inform the legislature. He expressed concern about the level of commitment to an "open and honest" budget discussion.

REPRESENTATIVE STOLTZE remarked that this request is for the statewide system, but it might be more accurate to limit it to the UAF. He said the request might be better listed as "UA flagship or UAF satellites" so it can be considered appropriately. He suggested that the RPL is inappropriately titled. He pointed out that this RPL appears to be a statewide request, yet no other campuses are involved.

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CHAIR MEYER agreed. He said he was surprised at the growth in the outlying areas since Anchorage legislators have heard about the difficulty of enrolling in classes in Anchorage. He recalled registration of approximately 22,000 students at the UAA, but only about 9,000 to 10,000 students at the UAF campus.

MS. RIZK said the main campuses have had enough excess receipt authority to use, but the smaller community campuses can obtain the receipt authority, if necessary, from the main campus.

SENATOR OLSON congratulated the UA for its enrollment and effective recruiting in rural Alaska. He agreed that he also prefers to see the funding requests occur during the legislative session. He emphasized the importance of rural residents having the opportunity for higher education.

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CHAIR MEYER agreed that the topic should have been raised at the time the legislature was reviewing the UA's budget.

REPRESENTATIVE HAWKER maintained his objection. He pointed out that this RFP is a request for an adjustment to the UA's FY 10 budget. However, six weeks remain in this fiscal year and the university's semester is nearly finished. He asked whether this request could wait for approval until the next legislative session.

MS. RIZK said she takes full responsibility for the late request. She now realizes that she should have advised the campuses to notify the UA's administration earlier. She acknowledged the tardiness of this request and said she is committed to work to ensure that late requests would not happen again.

REPRESENTATIVE HAWKER asked again what would happen if the UA does not receive this additional university receipt authority. He pointed out that the tuition increases and indirect cost recovery increases have already occurred and the school year is over. He asked for the consequences if the committee decided not to approve this request.

MR. TEAL asked to respond. He said that this is a difficult question to answer. He explained that university receipts are a "different fund code" than other receipts since university receipts are limited to the university and cannot be spent elsewhere. Normally, program receipts that are unspent would lapse to the general fund (GF). It is not so clear that the university receipts would lapse since the funds are limited to expenditure by the university. Similar to the Alaska Housing Finance (AHFC) and Alaska Industrial Development and Energy Authority (AIDEA) dividends, the agencies spend the receipts. Thus, no one knows what will happen if they are not spent. He said he was unsure if the funds would carry forward or lapse to the general fund. He acknowledged that this issue raises some legal and accounting questions that he said he could not answer, which he would need to discuss with the Department of Administration for clarification.

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REPRESENTATIVE HAWKER said he appreciated Mr. Teal's concern. He offered his belief that the university receipts would not lapse back into general fund. He remarked that the money has been collected and the university has operated within its

budgetary authority. He asked whether this appropriation would "allow someone to go out in the last month of the year and spend \$3 million, real fast." He predicted that the UA would not close campuses if the committee did not approve this request. He asked whether this RPL needs additional consideration before approval and whether it could be taken up at the next Legislative Budget & Audit (LB&A) meeting.

MR. TEAL agreed that the LB&A could address this during the meeting scheduled in June. He said that this request would give the UA an opportunity for expenditures. He pointed out that by expending UA receipts, that the UA would not be expending general funds (GF).

[3:31:44 PM](#)

REPRESENTATIVE DOOGAN asked if the effect of the LB&A's approval of the RPL would be to increase the UA's budget in FY 10 by \$3 million.

MR. TEAL answered that the outcome he described was a possibility. He also thought it was possible that the UA is "essentially overspending." The students are enrolled, the teachers are hired, the expenses are incurred, and the UA may not yet have exceeded its authority, but they are going to do so, he stated. He suggested that the UA simply waited longer than it should have and an authorization shortage existed. He was unsure how this would affect the university, but indicated that the administration could pose additional questions.

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CHAIR MEYER anticipated the next LB&A committee meeting is scheduled to be held on June 25, 2010.

REPRESENTATIVE DOOGAN suggested that the UA could obtain the additional \$3 million in appropriation authority. He was unsure how the \$3 million could be expended in FY 11 or FY 12. Otherwise it seemed as though the legislature would be increasing the UA budget by \$3 million. He asked for some idea of how the UA would spend the additional funding.

MS. RIZK asked to have the matter taken up at the June 25, 2010 committee meeting in order to have time to obtain the additional information for the committee.

REPRESENTATIVE DOOGAN agreed.

CHAIR MEYER advised that RPL 45-0-1144 would be taken up at the June 25, 2010 meeting since it appears that is the will of the committee. There being no further objection, the LB&A committee maintained its objection to RPL 45-0-1144, which will be taken up at the June 25, 2010 meeting.

AUDIT REQUESTS

[3:35:38 PM](#)

CHAIR MEYER announced that the next order of business would be the discussion of audit requests.

[3:35:58 PM](#)

JOSH APPLEBEE, Staff, Senator Kevin Meyer, Alaska State Legislature, explained that Senator Meyer requested that the State Medical Board be audited to determine whether investigations are being completed in a timely, efficient, and effective manner; and if the State Medical Board is reporting necessary information to the Federation of State Medical Boards for inclusion in the nationwide disciplinary data bank. Additionally, the audit would also determine whether the board is maintaining a consistent application of disciplinary sanctions as required by AS 08.64.331. Finally, the audit would determine instances in which information submitted by an applicant raises concerns, and whether the concerns are treated consistently regardless of whether or not a complaint is formally filed.

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PAT DAVIDSON, Legislative Auditor, Division of Legislative Audit, Alaska State Legislature, introduced herself.

REPRESENTATIVE HAWKER asked for clarification on whether the audit request is appropriately worded to allow the Division of Legislative Audit to respond.

MS. DAVIDSON answered yes.

MS. DAVIDSON, in response to Senator Menard, related that a number of people have expressed concern that physicians are not always treated consistently. She stated that this board has a requirement for national reporting. Alaska is ranked as number one for the greatest number of physicians that have been

disciplined. The audit questions are designed to examine that issue.

SENATOR OLSON stated he is a licensee and a former member of the State Medical Board. He asked whether he should recuse himself from participating in this matter.

CHAIR MEYER said that the committee will not vote and it is fine for him to participate.

REPRESENTATIVE STOLTZE commented that he would not ask questions of Senator Olson, but he thought it would be helpful to have his input on these matters since he is a former board member.

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REPRESENTATIVE STOLTZE asked what precipitated the request for an audit. He recalled hearing complaints that the State Medical Board has been aggressive in disciplining licensees. He asked whether the Chair was seeking a specific conclusion to the audit.

CHAIR MEYER said he did not have any preconceived conclusion. He explained that his staff and the legislative auditor have fielded most of the requests. He noted that Alaska being ranked first in complaints is a worthy cause for the audit.

SENATOR MENARD asked how this matter came to the sponsor's attention.

MS. DAVIDSON said she had received some phone calls and subsequently has shared them with the Chair.

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There being no objection, the previously mentioned audit request was approved.

[3:42:36 PM](#)

CHAIR MEYER announced the next audit request is a request to audit the Department of Administration and Enterprise Technology Services section of the Department of Administration.

SENATOR HOFFMAN remarked that this is his first audit request in over two decades. He explained that with respect to the Core Telecommunication's contract, he was seeking information on the

total annual cost for these services at the time the contract was executed. He wanted to know the current total annual cost and whether the current costs exceeded the anticipated and/or actual costs at the time of execution. He is interested in any changes in the scope of the contract and when the contract will expire. He asked whether the DOA plans to extend or renew the current contract or if it will issue a new Request for Proposal (RFP) for those services. Additionally, he asked whether any additional work has been "sole sourced" to the current contractor. He also asked if other telecommunications or data work been "sole sourced" without using the competitive bid process. He also wanted to know what new technologies the Enterprise Technology Services Section has provided to make state employees more productive in performing their daily tasks. Finally, the proposed audit would ask for a description of the proactive work taken to explore new technologies, including multiprotocol label switching (MPLS), Metro Ethernet, and Session Initiating Protocol (SIP) "trunking," which could increase employee productivity and may reduce long-term costs for all agencies.

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MS. DAVIDSON offered that the the objectives of the audit are clearly laid out.

SENATOR MENARD asked how long an audit of this magnitude would take the division to accomplish.

MS. DAVIDSON responded that it is difficult to answer since she is not sure about contract breadth.

SENATOR MENARD inquired as to whether it would take a year to conduct the audit.

MS. DAVIDSON answered that she thought it likely could take from three to six months to complete the audit.

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REPRESENTATIVE HAWKER moved to approve audit requests for the Alaska State Medical Board and the Department of Administration, Enterprise Technology Services Section for the selected telecommunication issues identified.

There being no objection, the previously mentioned audit requests were approved.

[3:47:06 PM](#)

OTHER COMMITTEE BUSINESS

[3:47:24 PM](#)

CHAIR MEYER announced the next order of business would be "Other Committee Business. He then brought up the House and Senate Bush Caucus audit request.

[3:48:05 PM](#)

CHAIR MEYER stated that this request was presented as an audit request of the Department of Education and Early Childhood Development (DEED), but after some discussion with staff, he suggested that the committee may want to delay action. He further suggested that the committee may wish to hire a consultant to address the issues.

[3:48:47 PM](#)

REPRESENTATIVE REGGIE JOULE, Alaska State Legislature, expressed concern with the progress being made to bring the state into compliance with Judge Gleason's orders in the lawsuit, Moore v. State, regarding an ongoing issue with school districts. Three separate orders have been issued. He summarized that the judge indicated that the responsibility for education "lies squarely on the shoulders of the legislature and not on the DEED or the school district." However, the DEED was aware of some of the problems, but did not provide any solutions. The audit requests that the DEED outline the measures being taken to address the issues raised in Moore v. State and the effectiveness of the measures. Second, the audit should identify ways the department could more effectively support school districts across the state to better create educational systems consistent with Judge Gleason's order dated March 31, 2010. Third, the audit should research the cost and implementation process for a pre-kindergarten program in the targeted districts identified in the lawsuit. He suggested the reason to support the audit is that the department has been aware actions are required, but has not asked the legislature for specific assistance. He recalled that the legislature previously set aside funds to try to address the issues raised in Moore v. State, but he offered his belief that since the matter is under litigation that it would be appropriate to draw on the expertise of an independent third party.

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REPRESENTATIVE JOULE related his understanding that auditors may be suggesting the committee move forward with RFP.

CHAIR MEYER said he was unsure on how to proceed with this matter. He did not believe it would be appropriate for an internal auditor to investigate and conduct an audit. He expressed concern with legal status of Moore v. State. He asked if the committee should delay taking any action until the case has gone through the judicial process.

REPRESENTATIVE JOULE recalled that based on the latest court order, the state had 60 days to show progress to the court, which would be sometime in June 2010.

REPRESENTATIVE HAWKER remarked the last major court order outlined critical findings three years ago. He recalled that the findings did not conclude it was a matter of cost, but the judge determined that legislature had responsibility for the success of the schools that were the plaintiffs in the case. He further recalled the legislature asked the DEED whether the state should step in and run the schools. The DEED previously responded that three or four years ago the legislature delegated its responsibilities to the department. He recalled the DEED gave the legislature assurances that it would take care of the matter. He stated the proposed audit raises questions that the legislature should appropriately ask. He suggested that this request is to conduct an audit but the legislature could outline the measures that should be taken to address the issues in Moore v. State. He said, "We absolutely constitutionally and through the judiciary have exactly that responsibility - figure out what's going on with this Moore case." The Bush Caucus's second request is to identify how the department could more effectively support the school district. He agreed this is the legislature's responsibility and the DEED has inadequately responded.

[3:58:14 PM](#)

REPRESENTATIVE HAWKER offered his belief that the legislature must exercise a more "primary" role in addressing the issues raised in Moore v. State. He suggested that the legislature or a professional consultant must lay the foundation and identify what needs to be done, what has been done, and what should be done during the next legislative session. He offered his belief

that the DEED is not going to perform the duties on behalf of the legislature. The legislature has attempted to delegate the responsibility and the department has not performed. He said, "I think it is absolutely incumbent upon us to take an increased primary role in this." He further suggested that the LB&A Committee secure professional assistance from someone with experience in improving educational systems in the country to perform the work this summer. He wholeheartedly supported an RFP if this appeals to the Bush Caucus, he stated.

CHAIR MEYER asked Representative Hawker, as a former auditor, whether he thought this matter warranted an audit or a consultant to explain the role of the legislature. He also asked whether the committee should delay any action since the matter is under litigation and may be under appeal.

REPRESENTATIVE HAWKER answered that an audit will identify any problems. He thought the judiciary fulfilled its role by indicating the legislature is not living up to its responsibilities. He related that an auditor would likely come to the same conclusions as the judiciary did. He said he was not qualified to ask whether the legislature would be engaging in an inappropriate conflict if it were to pursue support assistance from a competent educational consultant while the issue remains open in the judicial system. He stated that as a legislator, he believes the legislature has a responsibility to "fix the problem."

[4:02:16 PM](#)

CHAIR MEYER restated that the Bush Caucus is requesting an audit. He offered his view that an audit may not be appropriate but a consultant may be warranted.

REPRESENTATIVE STOLTZE expressed concern that the background information was prepared by a private law firm. He said he would like feedback from the Department of Law and the DEED on this matter. He stated he is also receptive to having a third party provide an unbiased view. He restated his underlying concern that a politically active law firm has provided the background information.

SENATOR MENARD asked whether the committee could refrain from taking any action until its next meeting scheduled in June 2010. She also asked for some idea of the cost of an RFP for a consultant and whether the DEED should continue its work.

4:05:15 PM

CHAIR MEYER remarked that the RFP process would take time. He also agreed it could be costly. He suggested that his staff could prepare the scope of services and interact with the Department of Law and the DEED between now and the next LB&A meeting. The committee could then make a determination at the next LB&A meeting as to whether to proceed with an RFP.

4:05:54 PM

SENATOR HOFFMAN offered his view that the DEED is "part of the problem." The initial judgment and two more judgments were issued, without any headway, he said. He recalled asking the administration several times about the status. He said, "Both times he [the commissioner] said he did not know and was not going to ask the legislature" for any funding. Subsequently, the legislature added funding to assist and address the issue. Clearly, the department has been non-responsive and that is why the judge has indicated the legislature is responsible. He emphasized that the judge has asked the DEED to take action and the department has not been responsive. Unless the committee recommends another way to address the Moore v. State case, the committee should request an audit or an RFP and take the appropriate action.

4:08:06 PM

REPRESENTATIVE THOMAS said he tried to insert language in several bills in order to address the Moore v. State case. He said that his approach has been to "fix" bills that had the major support of the governor in order to bring attention to this matter. He related that the high failure rate of 80 to 90 percent is unacceptable for our children. He stated that the legislature does not have time to become "the school board." He thought it may take time to work through the issues but it is necessary to do so for Alaska's children.

4:09:58 PM

REPRESENTATIVE DOOGAN asked whether the state has time to decide to appeal the judge's decision. He opined that the judge does not like what state is doing. He suggested that it is one thing to appeal the decision, but he is less willing to initiate [an audit or an RFP] if the legislature is still under the appeal timeframe in this case. He said he did not believe the legislature "should go charging in there, guns blazing" if the

administration is going to appeal the case. He said, "It could get a little bit sticky, Mr. Chairman."

CHAIR MEYER agreed that the administration has not responded well to the Moore v. State case. He said he hopes the administration will take it seriously. He outlined an approach for the committee to proceed. He agreed that the committee should start by preparing an RFP to hire a consultant to assist the legislature. He then instructed his staff, Josh Applebee, to prepare an RFP to outline a scope of work. He related that the committee would be able to decide at its next meeting whether to proceed with the RFP. He asked committee members if that was an acceptable approach to take.

CHAIR MEYER also offered to request that the Department of Law (DOL) during Executive Session to brief members as to their position.

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REPRESENTATIVE HAWKER commented that it is good to be prepared to move forward with an RFP. He asked to engage the DOL and the DEED to provide assistance to the committee, as well. He highlighted that part of the RFP process will be to contact potential providers to obtain information on the consultant's fees. He inquired as to whether the Chair would consider holding another meeting prior to next scheduled meeting since this matter has some measure of urgency and may also require a lengthy session with the DOL and the DEED.

[4:15:41 PM](#)

CHAIR MEYER agreed to do so.

REPRESENTATIVE JOULE said he previously held discussions with the Commissioner of DEED so the department is aware of the issue.

CHAIR MEYER agreed the committee should meet with the DCEED and DOL prior to taking any action.

[4:17:11 PM](#)

REPRESENTATIVE JOULE offered his view that the DEED is aware of the challenges, but they have not asked to proceed, in part, since it costs money. He said he thought the committee should

move forward with an RFP to obtain an outside firm's perspective and to provide answers.

[4:18:02 PM](#)

REPRESENTATIVE HAWKER offered his belief that a motion was not necessary. The record should reflect that the committee has concurred to have the Chair or his staff investigate and draft an RFP, recognizing the committee will meet with the DOL and DEED prior to taking any further action.

CHAIR MEYER agreed that a formal motion was not necessary, but offered to begin the process for an RFP and to make recommendations to the committee. He reiterated that the committee would consult with the DOL and DEED prior to taking any action.

[4:19:35 PM](#)

EXECUTIVE SESSION

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

[4:19:55 PM](#)

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 4:20 p.m.

[4:53:03 PM](#)

CHAIR MEYER brought the committee back to order at 4:53 p.m.

[4:53:17 PM](#)

REPRESENTATIVE HAWKER made a motion to release the final audit for the Special Report on the Office of Corrections Selected Health Safety Issues, Part 2, to the appropriate agency for response. There being no objection, it was so ordered.

[4:53:53 PM](#)

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 4:53 p.m.