

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

Anchorage, Alaska

July 19, 2011

2:02 p.m.

MEMBERS PRESENT

Representative Mike Hawker, Chair
Representative Mark Neuman
Representative Kurt Olson
Senator Lyman Hoffman
Senator Linda Menard
Senator Thomas Wagoner (via teleconference)
Representative Scott Kawasaki (alternate) (via teleconference)
Representative Bill Stoltze (alternate)

MEMBERS ABSENT

Senator Bert Stedman, Vice Chair
Representative Bill Thomas
Representative Mike Doogan
Senator Hollis French
Senator Kevin Meyer (alternate)

OTHER LEGISLATORS PRESENT

Representative Alan Austerman
Representative Max Gruenberg (via teleconference)
Senator Joe Paskvan

COMMITTEE CALENDAR

APPROVAL OF MINUTES
EXECUTIVE SESSION
RELEASE OF AUDITS
OTHER COMMITTEE BUSINESS

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

No witnesses to record

ACTION NARRATIVE

[2:02:17 PM](#)

CHAIR MIKE HAWKER called the Legislative Budget and Audit Committee meeting to order at 2:02 p.m. Representatives Hawker, Neuman, Olson, Kawasaki (alternate) (via teleconference), and Stoltze (alternate), and Senators Hoffman, Menard, and Wagner (via teleconference) were present at the call to order. Representatives Austerman and Gruenberg (via teleconference), and Senator Paskvan were also in attendance.

Approval of Minutes

[2:04:11 PM](#)

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

REPRESENTATIVE OLSON made a motion to approve the minutes of March 29, 2011. There being no objection, the minutes from the meeting of March 29, 2011, were approved.

Executive Session

[2:04:43 PM](#)

CHAIR HAWKER announced that the committee would next go into executive session.

REPRESENTATIVE OLSON 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 2:05 p.m.

CHAIR HAWKER brought the committee back to order at 3:38 p.m.

Release of Audits

[3:39:22 PM](#)

REPRESENTATIVE OLSON made a motion for the following preliminary audits to be released to the appropriate agency for response: Department of Commerce, Community & Economic Development (DCCED) - select occupational licensing and enforcement issues, Division of Corporations, Business, and Professional Licensing; Department of Revenue (DOR) - seafood industry taxes and assessment revenues; Legislative Affairs Agency - management

operations review, Office of the Ombudsman; Department of Administration (DOA) - selected issues, Enterprise Technology Services Division, telecommunication services; and Department of Natural Resources (DNR) - sunset review, Alaska Seismic Hazards Safety Commission (ASHSC). There being no objection, the motion passed.

Other Committee Business

[3:40:27 PM](#)

CHAIR HAWKER announced that as the last order of business - under other committee business - he is requesting the authority to spend approximately \$40,000 plus travel expenses in order to arrange for the Independent Project Analysis (IPA) Institute to conduct a megaprojects seminar in Alaska.

CHAIR HAWKER said he was motivated to bring this issue before the committee because of the recent release of the Alaska Gasline Development Corporation's (AGDC's) project plan, particularly given that plan's focus on the IPA Institute's guidelines for front-end loading and staging of projects. He explained that he is proposing to arrange for a three-day seminar that would accommodate a maximum of 25 people, offered first to legislators on a first-come-first-served basis, then, depending on the number of remaining seats, to key legislative staff, and then to select members of the administration, again, depending on the number of remaining seats.

CHAIR HAWKER commented on the importance of understanding the process behind the AGDC's project plan, particularly the science behind it and any megaproject the state faces, in order to understand the entire formula for success. He also noted that the IPA Institute had conducted [this seminar] in Alaska several years ago, during the Murkowski Administration; that he, Senator Wagoner, and several other legislators had attended that seminar back then; and that he'd found it to be very informative in terms of really understanding what makes up a successful megaproject and why megaprojects fail.

[3:43:41 PM](#)

SENATOR WAGONER remarked that the funds that would be authorized would be money well spent, allowing participants to learn what constitutes a megaproject, what the pitfalls are, and why some megaprojects never succeed in getting off the ground; such information would be very helpful for legislators to have,

particularly given that the AGDC's proposed project constitutes a megaproject.

CHAIR HAWKER, in conclusion, indicated that the dates of the seminar were still to be determined, and relayed that the forthcoming motion would stipulate that the funding amount authorized would not exceed \$50,000.

[3:45:04 PM](#)

REPRESENTATIVE OLSON made a motion that the chairman of the Legislative Budget and Audit Committee be authorized to enter into a contract with the IPA Institute to conduct a seminar on "Megaprojects - Concepts, Strategies, and Practices for Success" for approximately 25 participants at a cost not to exceed \$50,000. There being no objection, the motion passed.

[3:45:37 PM](#)

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 3:46 p.m.