

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

April 14, 2016

7:37 a.m.

**MEMBERS PRESENT**

Representative Kurt Olson  
Representative Lance Pruitt  
Representative Steve Thompson  
Representative Sam Kito

Senator Anna MacKinnon, Vice Chair  
Senator Cathy Giessel  
Senator Bert Stedman  
Senator Click Bishop

**MEMBERS ABSENT**

Representative Mike Hawker, Chair  
Senator Lyman Hoffman

Representative Mark Neuman (alternate)  
Senator Pete Kelly (alternate)

**OTHER LEGISLATORS PRESENT**

Representative Dan Ortiz  
Representative Lora Reinbold

**COMMITTEE CALENDAR**

APPROVAL OF THE MINUTES

EXECUTIVE SESSION

INTERIM REPORT: STATUS OF BOARD OF CERTIFIED DIRECT-ENTRY

MIDWIVES AUDIT RECOMMENDATIONS

OTHER COMMITTEE BUSINESS

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

KRISTIN CURTIS  
Legislative Auditor  
Division of Legislative Audit

Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Provided information on the interim report for the status of the audit.

**ACTION NARRATIVE**

[7:37:01 AM](#)

**VICE CHAIR ANNA MACKINNON** called the Legislative Budget and Audit Committee meeting to order at 7:37 a.m. Senators MacKinnon, Giessel, and Bishop and Representatives Kito, Thompson, and Olson were present at the call to order. Representative Pruitt and Senator Stedman arrived as the meeting was in progress. Also in attendance were Representatives Ortiz and Reinbold.

**Approval of the Minutes**

[7:38:17 AM](#)

**VICE CHAIR MACKINNON** announced that the first order of business would be approval of the minutes.

**REPRESENTATIVE THOMPSON** made a motion to approve the minutes of the Legislative Budget and Audit Committee from March 18, 2016. There being no objection, the minutes from the meeting of March 18, 2016, were approved.

**Executive Session**

[7:38:49 AM](#)

**VICE CHAIR MACKINNON** announced that the next order of business would be to move into executive session.

**REPRESENTATIVE THOMPSON** made a motion under Uniform Rule 22 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 7:39 a.m.

[8:39:50 AM](#)

**VICE CHAIR MACKINNON** brought the committee back to order at 8:39 a.m. Representatives Kito, Pruitt, Olson, and Thompson and Senators MacKinnon, Stedman, Bishop, and Giessel were present at

the call to order. Representative Reinbold was also in attendance and Representative Ortiz had been present during a portion of the Executive Session.

[8:40:10 AM](#)

REPRESENTATIVE THOMPSON made a motion for the following final audits for the Statewide Single Audit for the fiscal year ended June 30, 2015, and the Commercial Passenger Vessel Tax Special Audit to be released to the public for response. There being no objection, it was so ordered.

VICE CHAIR MACKINNON stated that these audits would be posted on the legislative website: [legaudit.akleg.gov](http://legaudit.akleg.gov)

**Interim Report: Status of Board of Certified Direct-Entry  
Midwives Audit Recommendations**

[8:41:06 AM](#)

VICE CHAIR MACKINNON announced that the next order of business would be an interim report for the status of the Board of Certified Direct-Entry Midwives audit recommendations. She reported that House Bill 26 had included a provision for the Division of Legislative Audit to submit an interim report to the Alaska State Legislature concerning the board's compliance with audit recommendations and the status of the board's deficit.

[8:41:39 AM](#)

KRISTIN CURTIS, Legislative Auditor, Division of Legislative Audit, Alaska State Legislature, reported that her division had conducted a review to determine the current status of those four prior audit recommendations. She shared that the Board of Certified Direct-Entry Midwives had been given a two year extension to their termination date and the Division of Legislative Audit had been instructed to review those audit recommendations. She reported that two of the four recommendations had been resolved, one had been found to be in progress, and the last was found to not yet be resolved. She directed attention to page two of the memorandum [Included in members' packets] which reviewed each of the recommendations. She stated that the first recommendation, investigations that impact public safety were not moving forward, was the most significant as it was putting the public safety at risk, and had led to the shortened termination date. She relayed that there were four cases, involving two individuals, which had been moved

to the Department of Law in August, 2014. She shared that staffing issues in that department had caused a delay until August, 2015, when consent agreements were drafted for the two individuals, which were signed by one individual, and dealt with at the February, 2016 board meeting. The other individual did not sign although the terms were being actively negotiated, and she offered her belief that currently this was being actively worked on. She reported that the deficit was still considered open and not resolved, and, although the fees for direct entry midwives and apprentices had been increased, the deficit had continued to grow to \$158,000 at the end of FY15. She shared that this was still considered to be unresolved. She offered the recommendation that the board should communicate certificate requirements to continuing education providers to facilitate compliance with licensing regulations. She reported that the board had sent out notices and that this was resolved. She stated that the board should approve apprentice permit applications in accordance with statutes, and that this was also now resolved with the board approving the permit applications. She pointed out that the division was conducting a sunset review, with the report and review of the board ready for presentation to the Legislative Budget and Audit Committee in the next few months, and this would contain a more detailed review of the board.

[8:44:04 AM](#)

REPRESENTATIVE KITO asked if the open recommendation for the fee increase was per annum.

MS. CURTIS replied that it was bi-annual.

[8:44:25 AM](#)

VICE CHAIR MACKINNON asked how long the board extension was.

MS. CURTIS replied that it was for two years, and was now set to expire in 2017.

#### **Other Committee Business**

[8:44:48 AM](#)

VICE CHAIR MACKINNON announced that the final order of business would be a possible request for another interim report from the Division of Legislative Audit for the Big Game Board extension, which had been recommended for a shorter period of time, three

years. She suggested that it may be necessary for language to shorten the extension, but not perform a huge audit and asked the Auditor to work with her on this issue. She relayed that there was also a deficit of almost \$1 million in the licensing fees.

[8:45:51 AM](#)

The committee took a brief at-ease.

[8:46:16 AM](#)

VICE CHAIR MACKINNON relayed that committee staff were deferring the [scoping] work on the review of the support staff of Boards and Commissions to post-session.

[8:46:28 AM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 8:46 a.m.