

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

December 14, 2017
Anchorage, Alaska
2:31 p.m.

MEMBERS PRESENT

Senator Bert Stedman, Chair
Senator Anna MacKinnon (via teleconference)
Senator Cathy Giessel
Senator Natasha von Imhof (alternate) (via teleconference)

Representative Andy Josephson, Vice Chair (via teleconference)
Representative Scott Kawasaki (via teleconference)
Representative Paul Seaton (via teleconference)
Representative Jennifer Johnston
Representative Dan Ortiz (alternate) (via teleconference)

MEMBERS ABSENT

Senator Click Bishop
Senator Lyman Hoffman

Representative Ivy Spohnholz

COMMITTEE CALENDAR

APPROVAL OF AGENDA
APPROVAL OF MINUTES
REVISED PROGRAM LEGISLATIVE (RPLs)
EXECUTIVE SESSION
PRELIMINARY AND FINAL AUDIT REPORT

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 on RPL 10-8-5024 to the Legislative Budget and Audit Committee.

ACTION NARRATIVE

[2:31:24 PM](#)

CHAIR BERT STEDMAN called the Legislative Budget and Audit Committee meeting to order at 2:36 p.m. Representatives Kawasaki (via teleconference), Seaton (via teleconference), Johnston, Ortiz (alternate, via teleconference), and Josephson (via teleconference) and Senators MacKinnon (via teleconference), Giessel, von Imhof (alternate, via teleconference), and Stedman were present at the call to order.

[2:32:08 PM](#)

The committee took an at-ease from 2:32 p.m. to 2:37 p.m. to address technical difficulties.

APPROVAL OF AGENDA

[2:37:36 PM](#)

CHAIR STEDMAN announced that the first order of business would be approval of the agenda.

[2:37:39 PM](#)

SENATOR GEISSEL moved that the Legislative Budget and Audit Committee approve the agenda. There being no objection, the agenda was approved.

APPROVAL OF MINUTES

[2:37:49 PM](#)

CHAIR STEDMAN announced the next order of business would be the approval of minutes.

[2:37:57 PM](#)

SENATOR GIESSEL moved that the Legislative Budget and Audit Committee approve the minutes of the November 9, 2017 meeting. There being no objection, the minutes were approved.

REVISED PROGRAM LEGISLATIVE (RPLs)

[2:38:14 PM](#)

CHAIR STEDMAN announced that the next order of business would be a revised program legislative (RPL).

[2:38:27 PM](#)

DAVID TEAL, Legislative Fiscal Analyst, Legislative Finance Division, Alaska State Legislature, explained that in RPL 10-8-5024, the Department of Natural Resources (DNR) asks for the authority to receive and spend \$297,000 in federal receipts. Mr. Teal said the RPL states that the money would be used to continue an agreement between the Bureau of Land Management (BLM) and DNR. Under the agreement, personnel costs for the executive director of the North Slope Science Center's Science Initiative is paid by BLM. Mr. Teal said the request is for the full amount of the one-year agreement. He advised that since the fiscal year 2018 (FY 18) budget already contains funding for six months of the agreement, the amount is about \$150,000 more than is needed to fund the agreement for the remainder of the year.

MR. TEAL said his staff discussed the situation with the agency staff of DNR, who informed the Legislative Finance Division that DNR was awarded two unanticipated grants totaling approximately \$100,000. He said the bottom line is that RPL 10-8-5024 would leave DNR with approximately \$50,000 in excess federal authorization in FY 18. Mr. Teal stated, "We don't see a particular problem with that; the excess authorization can eliminate the need for a second RPL if additional grants are received - or a supplemental ... if we go into session before that - and the federal authority - the extra \$50,000 - cannot be used unless additional federal receipts become available." He said the situation is not troubling, but perhaps is a bit confusing in the way it was presented by the department.

[2:40:42 PM](#)

SENATOR GIESSEL moved that the Legislative Budget and Audit Committee approve RPL 10-8-5024, Department of Natural Resources, in the amount of \$297,000 in federal receipts, Fund Code 1002, as a supplemental FY 18 operating budget item. There being no objection, RPL 10-8-5024 was approved.

EXECUTIVE SESSION

CHAIR STEDMAN announced that the next order of business would be an executive session.

[2:41:33 PM](#)

SENATOR GIESSEL moved that the Legislative Budget and Audit Committee go into executive session under Uniform Rule 22 for the purpose of discussing confidential audit reports under AS 24.20.301. She asked that the following individuals remain in the room or on line: Kris Curtis, necessary staff for the Legislative Audit Division, any legislators that are not on the Legislative Budget and Audit Committee, and any legislative staff working for committee members. There being no objection, it was so ordered.

[2:42:21 PM](#)

The committee took an at-ease from 2:42 p.m. to 3:47 p.m. for the purpose of an executive session.

[3:47:38 PM](#)

CHAIR STEDMAN called the Legislative Budget and Audit Committee back to order. Representatives Kawasaki (via teleconference), Seaton (via teleconference), Johnston, Ortiz (alternate, via teleconference), and Josephson (via teleconference) and Senators Mackinnon (via teleconference), Giessel, Senator von Imhof (alternate, via teleconference), and Stedman were present at the call back to order.

CHAIR STEDMAN requested that the committee's alternate members standby to vote in case any members had to leave.

PRELIMINARY AND FINAL AUDIT REPORTS

[3:48:52 PM](#)

CHAIR STEDMAN announced that the final order of business would be the preliminary and final audit reports.

[3:49:25 PM](#)

SENATOR GIESSEL moved that the Legislative Budget and Audit Committee release the following preliminary audits to the appropriate agencies for response: the Department of Commerce, Community & Economic Development (DCCED), Alcohol Beverage Control Board; DCCED, Board of Pharmacy; DCCED, Alaska Tourism Marketing Board; and DCCED, Board of Social Work Examiners. There being no objection, the preliminary audits were released.

[3:50:33 PM](#)

SENATOR GIESSEL moved that the Legislative Budget and Audit Committee release the following final audits: DCCED, Marijuana Control Board; DCCED, Board of Psychologist and Psychological Examiners; DCCED, Board of Massage Therapists. There being no objection, the final audits were released.

[3:51:47 PM](#)

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 3:52 p.m.