

HOUSE FINANCE COMMITTEE  
March 3, 2020  
9:03 a.m.

9:03:48 AM

CALL TO ORDER

Co-Chair Johnston called the House Finance Committee meeting to order at 9:03 a.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair  
Representative Jennifer Johnston, Co-Chair  
Representative Dan Ortiz, Vice-Chair  
Representative Andy Josephson  
Representative Gary Knopp  
Representative Bart LeBon  
Representative Kelly Merrick  
Representative Colleen Sullivan-Leonard  
Representative Cathy Tilton  
Representative Adam Wool

MEMBERS ABSENT

Representative Ben Carpenter

ALSO PRESENT

Representative Steve Thompson, Sponsor; Kris Curtis, Legislative Auditor, Alaska Division of Legislative Audit; Crystal Koeneman, Staff, Representative Steve Thompson; Sylvan Robb, Policy Analyst, Office of Management and Budget, Office of the Governor.

SUMMARY

HB 121 REPEAL STATE AGENCY PERFORMANCE AUDITS

HB 121 was HEARD and HELD in committee for further consideration.

HB 209 ESTABLISH DEP'T OF MANAGEMENT AND BUDGET

HB 209 was HEARD and HELD in committee for further consideration.

Co-Chair Johnston reviewed the agenda for the morning.

#hb121

HOUSE BILL NO. 121

"An Act relating to performance reviews and audits of state agencies, the University of Alaska, and the Alaska Court System; and providing for an effective date."

9:04:32 AM

REPRESENTATIVE STEVE THOMPSON, SPONSOR, thanked the committee for hearing the bill that would repeal the statutory requirement for state agency performance audits. He read from a prepared statement:

- House Bill 121 repeals the statutory obligation for performance review audits.
- In 2013, the House and Senate passed HB 30 that set out to audit all agencies
- 4 audits have been completed (3 Agencies):
  - Corrections
  - Education
  - Commission on Post-Secondary Education
  - Health & Social Services
- 15 Agencies Audits remain on the books until the program is set to end in 2023
- Funding requests have been denied for the last 4 fiscal years
- This takes it out of the statutes

Representative Thompson elaborated that the bill would remove the statutory obligation because it had not been used. The change would mean the statute would be taken out of the books and removed from the budget. He introduced his staff Crystal Koeneman who was available for questions.

9:06:21 AM

Representative Josephson agreed that if the work was not being done, it was not being done. He asked if anything had

been learned with the audits that had been completed since the passage of the statute in 2016.

Representative Thompson replied that the completed reviews mentioned had received recommendations from an auditor located in the Lower 48. He explained that the auditor's recommendations did not fit with Alaska and none of the recommendations had been acted upon. He explained that it had been determined that the state could not afford to continue the reviews without receiving results that could be utilized.

Representative Wool asked if the audits were always intended to be outsourced to an outside agency. He wondered if there had been intent for the work to be done internally.

Representative Thompson replied that he was uncertain. He deferred to Ms. Curtis with the Division of Legislative Audit.

Representative Wool surmised that the Division of Legislative Audit was busy doing its own audits. He believed auditing an agency like the Department of Health and Social Services would be a heavy lift.

[9:08:07 AM](#)

KRIS CURTIS, LEGISLATIVE AUDITOR, ALASKA DIVISION OF LEGISLATIVE AUDIT, clarified that the reviews were not audits, but performance reviews. She elaborated that audits communicated a level of assurance in accordance with criteria. The performance reviews had been facilitated by the Division of Legislative Audit and had been conducted by consultants who were experts in the field. The intent had been to review all state departments over a ten-year period. She reported that three departments had been reviewed. The intent of the reviews was to determine whether agencies were performing well and to identify what they could do better. She believed there was a bit of an expectation gap that the reviews would be the mode to reduce the budget, in anticipation that in the future there would be serious budget cuts.

Ms. Curtis continued that the statute effective date began on July 1, 2013 before the budget had decreased. She explained that the reviews were not structured to be a

mechanism to reduce the budget. She detailed that as part of the reviews, agencies were required to provide a list of 10 percent budget cuts. She expounded that as part of the review, the consultant was tasked with determining whether the list of cuts was reasonable in line with their review of the department. There was a budget implication to the process, but it was primarily to determine what the departments could do in order to do their job better.

Ms. Curtis elaborated that the reports for the Department of Corrections (DOC) and the Department of Education and Early Development (DEED) had been fairly well received by the Legislative Budget and Audit Committee (LB&A). The reports were available on the web and were an excellent tool for reviewing a department, especially DOC and DEED. The Department of Health and Social Services (DHSS) was the other review that had been conducted and she agreed that it had been a big lift. The Division of Legislative Audit had been responsible for helping to create the scope of the performance reviews and for hiring the contractor. She reported that the contractor had come out in strong support of Medicaid expansion, which had not been well received by the committee.

Ms. Curtis reported that the reviews had been defunded effective FY 16. She believed it was very difficult to review departments when there was so much change underway. She explained that by the time a review was started to the time it was completed "you'd be looking at a different animal." She believed it was likely not the best climate to conduct the reviews until there was some stability.

[9:11:07 AM](#)

Vice-Chair Ortiz asked if the reviews were called for with the realization that the Division of Legislative Audit had its hands full and the reviews would need to be done by someone else to dig more deeply into things.

Ms. Curtis relayed that the concept of the reviews had been underway for years and the legislation was passed when she had started her current position. She believed the idea was modeled after the Texas Sunset Commission - that it was an important function of government to examine itself and make sure it was operating as efficiently and effectively as possible. She explained that it took experts in the field. She detailed that even if the work was done by the Division

of Legislative Audit, the agency would have to hire experts in the correctional industry or education to do the deep dive.

Representative Wool thought it sounded like there was some value to the reviews, especially in determining how an agency was performing. He knew there had been studies done for the University to identify where it could be doing better and where it was spending too much money. He asked if the reviews had not been done primarily due to cost. He asked if it had always been the intent to outsource the reviews and if the Division of Legislative Audit had been supportive of the concept.

Ms. Curtis replied that she was willing to do whatever the legislature directed. She highlighted that the reviews required significant procurement and three additional staff that had nothing to do with the audit function. She had carved the staff out to the side and had interacted with the leader of the group. She relayed that it had resulted in a lot of extra work on her shoulders; however, it was her perspective that if the legislature wanted the Division of Legislative Audit to do performance reviews, it would do them.

Ms. Curtis highlighted that how the reviews would be used had not been well thought out and needed to be tweaked. She pointed out that if people did not know whether the reviews had been done and they had not been utilized, something was wrong with the process. She had been asked in the past how the process could be improved, and she had notes on what could be improved from four years back when the process had stopped. She believed there would have to be a rewrite of the process to make it effective. She recommended starting from scratch. She was always supportive of reviews, and whether it was on the legislature's priority list of what it wanted to spend funds on was a question for policy makers.

[9:15:07 AM](#)

Representative LeBon thought back to his "banking days." He explained that banks were subject to numerous audits, examinations, and reviews. In the banking world there were internal reviews of programs, the most common was in lending in order for the bank to know it was making good credit decisions. Banks also had internal and external

audit functions. Additionally, the FDIC [Federal Deposit Insurance Corporation] visited banks to do examinations. He elaborated that the FDIC looked at reviews and internal and external audits to arrive at a conclusion on the soundness of the bank and its operations. He asked if the state auditors looked at performance reviews and made a conclusion about their work when they did an audit.

Ms. Curtis replied that the reviews were not exactly helpful for the purposes of the Division of Legislative Audit. She explained that the division was the external/independent financial auditor. The executive branch had an internal audit function for approximately 15 years. She did not know how many states had no internal audit function. She clarified that the focus of the reviews did not have much to do with the financial audit. She elaborated that if the reviews were available, the division would look to them as a source when it did periodic performance audits.

[9:16:53 AM](#)

Representative Josephson asked if the state used to provide or pay for an executive internal audit function. He asked if the work would be redundant to work performed by the Division of Legislative Audit.

Ms. Curtis replied that there had been an internal audit function under the governor's office, and she believed it had been eliminated under the former Knowles administration. She believed there had been eight positions and some of the functions had been moved to the Division of Finance. There was an existing state single audit requirement function. She believed they had done internal reviews on a whole range of topics.

Representative Wool remarked on the fact that an outside group had been paid to review the department and had made recommendations, which had not been well received. He surmised the recommendations had not gone along with the presumption of the group, yet [Medicaid expansion] had taken place.

Ms. Curtis replied that one of the requirements of the performance reviews was quantifying their fiscal impact. The DHSS review produced over \$2 million in net savings to the state. She noted it was the only one. She reported that

the review had cost over \$1 million to conduct. She stated that hired consultants typically recommended additional studies. She stated it was necessary to keep an eye on consultants who were usually very passionate about the field they were in and were most likely supportive of "that type of thing." It was her opinion that the review had not been well received by the committee or legislature at the time.

[9:19:27 AM](#)

Co-Chair Johnston referenced performance measures in the budget. She asked if the performance measures had been evaluated as part of the process.

Ms. Curtis replied that obtaining the performance measures had been part of the process. She had not seen much value in the performance measures, and they had not been key to any of the reviews.

Co-Chair Johnston noted that she had a good friend who had been one of the initiators of the performance measures.

Ms. Curtis replied that in theory it was great thing, but she had not seen any impact.

Representative Josephson referenced Ms. Curtis' statement that the state had saved money through the DHSS review. He asked if it was due to SB 74 [Medicaid reform legislation passed in 2016]. He asked how the \$2 million in savings materialized.

Ms. Curtis would have to double check, but she believed the savings had to do with recommendations under the Office of Children's Services (OCS). The savings had something to do with the federal reimbursement. She elaborated that OCS could change its procedures related to documenting and timing and possibly qualify for increased federal reimbursement.

[9:20:44 AM](#)

Representative Knopp looked at line 1 of paragraph 2 in the sponsor statement. He noted that the sponsor statement specified that four audits had been completed, but it only listed three departments. He asked what the fourth department was.

Ms. Curtis replied that there had been two reviews for DEED - one had been done on the department as a whole and the other had been done on the Alaska Commission on Postsecondary Education (ACPE).

Co-Chair Johnston requested to hear the sectional analysis.

CRYSTAL KOENEMAN, STAFF, REPRESENTATIVE STEVE THOMPSON, complied. She highlighted a list of repealers in committee members' packets (copy on file). She noted that because the bill only listed repealers, she believed it would be more advantageous to provide the list of repealers instead of a sectional analysis. Sections 24.20.231(7), Section 24.20.271(2), and Section 24.20.311(b) were all conforming language changes that removed references to the performance reviews. Section 44.66.020 included agency programs that set out the agency performance audits. Section 44.66.040 included the extensive list of the duties of the review team. Section 44.66.070(2) defined the review team.

Representative Josephson stated that when he arrived in the legislature in 2013, he would have thought the legislature funded things it said it was going to fund. He asked if in around 2016 the item had been in the budget's adjusted base, but it had been removed.

Ms. Koeneman replied that the budget request had been put forward by LB&A. When Legislative Council reviewed the budgets, it had made the determination to not move forward with that. There had been partial funding in 2016 for FY 17, but Legislative Council had denied the increment in FY 18 through FY 21.

Representative Josephson referenced the language "every year, the legislative audit division shall ensure..." [Sec. 44.66.020(a)]. He was thinking of the Permanent Fund Dividend debate and the senior deduction and other things discussed by Representative Jonathan Kreiss-Tomkins. He highlighted that the legislature was the appropriating body.

Ms. Curtis clarified that Legislative Council did not review the LB&A budget. She explained the appropriation was separate. She detailed that the funding had been cut in the House Finance Committee process. She relayed that because the item was in her statutes, she was required to request



an increment annually. She reported that the request was \$1.8 million in the current year. She noted it was a substantial amount of funding.

[9:24:28 AM](#)

Representative Wool looked at the list of agencies outlined in statute that were to be reviewed in specific years. He observed that the first three departments on the list had been completed and then the reviews had stopped at the Office of the Governor, agencies of the executive [legislative] branch, and the Court System in 2017. He asked for verification that \$1.8 million [the figure cited for FY 21 by Ms. Curtis] would pay for one year. He surmised it would depend on the year. He observed that based on the statutory list it would be one, two, or three audits depending on what was called for in a particular calendar year.

Ms. Curtis agreed.

Representative Sullivan-Leonard asked about the anticipated savings from the legislation that would discontinue the performance reviews.

Representative Thompson replied that the budget request was \$1.8 million in FY 21. The increment had been removed from the budget, the same as it had been in the past three years. He highlighted that the increment had not been funded for four years. He questioned why it should be included in statute and annually listed in the budget.

Representative Wool appreciated Ms. Curtis's statement that a new approach should be made. He thought there was some value in conducting reviews of agencies that were receiving \$300 million per year. He speculated that if it cost \$1 million to \$2 million, the state may end up saving \$5 million. He continued there were definitely savings to be had and people want to cut budgets all of the time, but there were ways to cut and ways to take a deep dive to discover how to operate more efficiently. He remarked that sometimes it was necessary to spend money to save money. He thought a new approach sounded reasonable.

[9:27:10 AM](#)

Co-Chair Johnston OPENED and CLOSED public testimony.

HB 121 was HEARD and HELD in committee for further consideration.

#hb209

HOUSE BILL NO. 209

"An Act relating to public finance; creating the Department of Management and Budget; transferring the duties of the office of management and budget to the Department of Management and Budget; and providing for an effective date."

9:27:45 AM

REPRESENTATIVE STEVE THOMPSON, SPONSOR, thanked the committee for hearing the bill and reviewed its purpose with a prepared statement:

- House Bill 209 transfers the Office of Management and Budget to a freestanding budget agency.
- Currently OMB is located within the Governor's office
- As an agency within the executive branch, the commissioner of the Department of Management and Budget will be subject to legislative confirmation and their salary determined by the State Officer Compensation Commission.
- This will also allow for additional legislative oversight during the budgetary process
- There are 11 other states that require legislative confirmation for the state's chief budget official
- 12 other states that have a freestanding budget agency
- Since FY11 the annual salary of the Director has increased from \$136.4 to \$194.7
- Total UGF spend is from \$192.5 to \$277.2 with benefits

Representative Thompson explained that the bill was lengthy because it had to hit so many agencies on the books. He detailed that the bill basically just changed the words Office of Management and Budget (OMB) to Department of Management and Budget. He shared that his staff was available for any questions.

9:29:51 AM

Representative LeBon referenced Representative Thompson's mention of significant history and background information. He asked if the idea had been churning in the background for a while.

Representative Thompson replied in the negative. He explained that the idea had arisen from the situation in the previous year. The bill originated from the idea that the legislature should have more oversight and knowledge of who was coming into the OMB [director] position.

Representative Wool asked if there were hurdles or costs associated with establishing a new department aside from the salary considerations and confirmation [of a director].

CRYSTAL KOENEMAN, STAFF, REPRESENTATIVE STEVE THOMPSON, replied that there were about eight fiscal notes in committee members' bill packets (copy on file). She confirmed there were additional minimal costs associated with setting up an independent agency including shared services, procurement, and information technology. She would provide additional information when fiscal notes were reviewed.

Representative Knopp was interested in the fiscal notes. He remarked that there were numerous notes that were all substantial. He hoped to hear an in depth review of each of the fiscal notes.

Co-Chair Johnston shared her intention to hear a sectional analysis followed by a review of the fiscal notes.

[9:32:37 AM](#)

Vice-Chair Ortiz asked if the costs would be ongoing or one time only.

Ms. Koeneman replied that the hope was once things were underway the change would be budget neutral, meaning the current costs associated with OMB under the Office of the Governor would be those costs moving forward as a standalone agency. She noted that the legislature would have that power through the budgetary process.

Representative Tilton asked whether the bill would result in any diminishment of the separation of powers between the executive and legislative branches.

Ms. Koeneman answered that the bill did not change any of OMB's powers and duties. The statutes currently in place were contained in the legislation, the only difference was the change from the word "office" to "department" and from "director" to "commissioner." The services OMB currently provided would remain the same.

[9:34:17 AM](#)

Co-Chair Johnston requested to hear the sectional analysis.

Ms. Koeneman complied. Sections 1 through 30 included conforming language changing the Office of Management and Budget to the Department of Management and Budget. Additionally, the sections updated the words "office" to "department" and "director" to "commissioner." She read from the sectional (copy on file):

Section 31: AS 44.17.005. Offices and departments - Adding the "Department of Management and Budget" to the list of principal offices and departments.

Section 32: Proposed new Chapter AS 44.22.010.

Chapter 22. Department of Management and Budget (p. 33)

Sec. 44.22.010. Commissioner of management and budget - Establishes the principal executive officer of the Department of Management and Budget is the commissioner of management and budget.

Sec. 44.22.020. Powers and duties of the commissioner. Outlines the duties of the commissioner of management and budget. (Identical language to current powers and duties of the director under AS 44.19.144)

Ms. Koeneman noted that Section 44.22.020 was included in the sections being repealed at the end of the bill. She remarked the language was conforming. She continued to review the sectional analysis:

Sec. 44.22.030. Powers and duties of the department. Outlines the duties of the department of management and budget. (Identical language to current powers and duties of the department under AS 44.19.145)

Sec. 44.22.040. Internal audit records. Requires the department to keep a complete file of audit reports. (Identical language to current internal audit records under AS 44.19.147)

Sec. 44.22.050. Definitions. Provides a definition for the commissioner and department of management and budget.

Section 33-35: Conforming language changing the office of management and budget to the Department of Management and Budget; and updating "office" to "department".

Section 36: Repeals statutes related to the "office" of management and budget.

Section 37: Transitional language that allows for the transfer of information and documents from the "office" to the "department".

Ms. Koeneman explained that if there were any current suits against OMB, they would continue until they were worked out through the transition. She concluded the sectional analysis:

Section 38: Provides a July 1, 2020 effective date.

[9:37:16 AM](#)

Representative Merrick asked if OMB had taken a position on the legislation.

Ms. Koeneman replied that she did not believe so.

Representative Knopp looked at Section 32 and asked if it was the intent that the commissioner would also be the OMB director. Alternatively, he wondered if there would be a commissioner and director.

Ms. Koeneman answered that the intention was the positions currently with OMB - the director and staff currently listed in OMB's personal service expenditure - would be the staff for the office. She remarked that the fiscal notes had additional positions listed, but the bill sponsor's intention was to transfer the office as it currently stood to a standalone department. She relayed it had been her

hope to only modify the language in statute; however, with the constitution, it had not been so easy.

Representative Wool asked if the sponsor foresaw there being a deputy commissioner. He pointed out that typically there was at least one deputy commissioner position alongside a commissioner position. He asked if the parallel position existed, such as assistant director. He wondered if there would be a straight transfer over.

Ms. Koeneman responded not necessarily. She detailed that in name the position would probably be a deputy commissioner but depending on how a governor set up their OMB there was sometimes a deputy director. She clarified it was the sponsor's intention that the comparable level position would be the deputy.

[9:39:49 AM](#)

Co-Chair Johnston asked to hear a review of the fiscal notes.

SYLVAN ROBB, POLICY ANALYST, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, began by noting that the State of Alaska had not created a new department from whole cloth since prior to 1975. She noted that OMB had run out of time to continue the historical research. She reviewed the eight fiscal notes. There were not OMB component numbers to use as reference because the component numbers did not exist. She detailed that the proposed new Department of Management and Budget would be comprised of four appropriations with seven allocations. The first fiscal note [Identifier HB209-GOV-DIA-03-01-20] created a division of internal audit. She noted the item had been defunded for many years; however, because it was contained in the statute of the bill, OMB had operated under the assumption there would be interest in restarting the function. She shared that the last time a position had been filled was in 2012 when there had been one position. She relayed that the position had been taken off the books a number of years ago as part of a cleanup as it had been unfilled for many years.

[9:42:03 AM](#)

Vice-Chair Ortiz wanted to ensure he was looking at the right fiscal note. He asked Ms. Robb to provide the identifier at the top [left] of the fiscal note.

Ms. Robb replied that the identifier was HB209-GOV-DIA-03-02-20.

Representative Knopp believed Ms. Curtis and Ms. Robb had both stated that the internal audit program had been discontinued. He asked for verification that Ms. Robb had stated that OMB had included the program in the fiscal notes because it was specified in statute and OMB assumed the legislature wanted to go back to the program.

Ms. Robb replied that the statute was contained in HB 209 and it was the assumption that the bill sponsor intended the functions to resume.

Representative Knopp asked for verification there were currently no other internal auditors in any of the state departments.

Ms. Robb answered that within the Department of Administration the Division of Finance performed single audit work. She added that OMB no longer performed audit work.

[9:43:38 AM](#)

Representative LeBon asked if any bargaining units touched OMB staffing wise. Alternatively, he asked if OMB was completely outside the bargaining unit influence.

Ms. Robb answered that under the current structure where OMB was under the governor's office, all staff positions were fully exempt. If the office was changed to a department some of the positions may change to classified.

[9:44:27 AM](#)

Ms. Robb moved to the next fiscal note, Identifier HB209-GOV-DBA-03-02-20. She noted the note pertained to the Department of Management and Budget, budget analysis. She detailed that the division represented the majority of OMB as it currently existed. The note included current budget analysts, a chief budget analyst, and the addition of an assistant (a position OMB had until recently).

9:45:12 AM

Ms. Robb looked at the third fiscal note for Administrative Services, Identifier GOV-DAS-03-02-20. Currently OMB was part of the governor's office and the administrative services covered by the fiscal note were services provided to OMB as part of the governor's office. For example, OMB was able to take advantage of governor's office procurement staff, human resources staff, and the finance officer and administrative services directors. She explained that if OMB was turned into a department, the positions would need to be created in order to provide the services to the department.

Representative Wool asked for verification the note included all new positions.

Ms. Robb agreed. She explained that currently OMB received the services from the governor's office.

Vice-Chair Ortiz asked for a breakdown of the types of services she was referring to. He asked for further detail on the five positions.

Ms. Robb answered that the positions would provide services currently received from the governor's office. She elaborated that the positions included an administrative services director (as in other departments), a finance officer (it was always necessary to have two people in the financial positions because people cannot certify each other's work), a budget manager, a procurement specialist, and a human resources consultant. She noted OMB's anticipation that in the outyears one of the positions would no longer be needed as the current consolidation efforts for procurement and human resources came to fruition.

9:47:45 AM

Co-Chair Johnston asked members to hold their questions until the end of the fiscal note review. She reminded members that floor session began at 10:00 a.m.

Ms. Robb continued with the fourth fiscal note, Identifier HB209-GOV-CO for administrative services and the commissioner's office. She explained that the creation of a



new department would require a commissioner's office. She detailed that three of the staff shown on the fiscal note were existing staff. She referenced an earlier question and relayed that there was a deputy director at OMB and it was the assumption that person would become the deputy commissioner for the new department. She detailed that current Director Neil Steininger had an assistant who would continue and there would be a special assistant to act as the legislative liaison and perform duties normally filled by that role.

Ms. Robb moved to the fifth fiscal note, Identifier HB209-GOV-PP for policy and planning. The note included three existing OMB policy positions that would continue under the new department.

[9:49:19 AM](#)

Ms. Robb reviewed the sixth fiscal note, Identifier HB209-GOV-SDC for policy and planning, statewide data clearinghouse. The note reflected the current OMB programmer who maintained the Alaska Budget System where all budgeting for the state occurred. The note also included the addition of a research analyst in anticipation of the internal audit and the collection of additional data (in order to make the best use of the data).

[9:50:09 AM](#)

Ms. Robb turned to the seventh fiscal note, Identifier HB209-GOV-ASD for policy and planning and centralized administrative services directors. The note did not reflect a change. She highlighted that the administrative services directors had been moved into OMB by Executive Order 307 [in 2019 under the Dunleavy administration]. The fiscal note reflected the administrative services directors would continue to be a part of the new department.

Ms. Robb turned to the eighth fiscal note, OMB Component Number 1244. The note represented the removal of funding for OMB.

Co-Chair Johnston OPENED and CLOSED public testimony.

[9:51:45 AM](#)

Representative Wool referenced the salaries of the commissioner determined by the salary compensation commission. He noted the policy planner position was listed as a salary range 27 at \$229,000. He asked for verification the salary was considerably more than the commissioner's salary. He asked if the numbers were standard.

Ms. Koeneman replied that it was not uncommon in other departments to have the commissioner's topped out at \$135,000 set by the Salary Compensation Commission and to have a director level position at a range 27 with additional pay steps to outrank the commissioner in terms of pay.

Representative Knopp asked for verification that Ms. Robb had reported that a new state department had not been created since 1974.

Ms. Robb replied that OMB had struggled to locate the last time a department had been created. They had researched back to 1975 before running out of time.

Representative Knopp thought it was an interesting conversation. He believed it clearly showed how the state managed and staffed its departments. He thought it was a great review and opportunity to talk about the internal audits that were not done and the research analysis for internal auditors. He opined it was a good conversation to consider how business was being conducted in the state's departments.

HB 209 was HEARD and HELD in committee for further consideration.

Co-Chair Johnston reviewed the schedule for the afternoon.

#

ADJOURNMENT

[9:54:03 AM](#)

The meeting was adjourned at 9:54 a.m.