ALASKA STATE LEGISLATURE
LEGISLATIVE BUDGET AND AUDIT COMMITTEE
May 10, 2019
7:00 a.m.

MEMBERS PRESENT

Representative Chris Tuck, Chair
Representative Andy Josephson
Representative Ivy Spohnholz
Representative Mark Neuman

Senator Click Bishop, Vice Chair
Senator Bert Stedman
Senator Natasha von Imhof
Senator Cathy Giessel

MEMBERS ABSENT

Representative Neal Foster
Representative Jennifer Johnston (alternate)

Senator Lyman Hoffman
Senator Peter Micciche (alternate)

COMMITTEE CALENDAR

APPROVAL OF MINUTES
EXECUTIVE SESSION
OTHER COMMITTEE BUSINESS

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

KRIS CURTIS, Legislative Auditor
Legislative Audit Division
Legislative Agencies and Offices
Juneau, Alaska

POSITION STATEMENT: Provided information related to a past-due single audit as it related to a scheduling decision.

ACTION NARRATIVE

7:00:09 AM

CHAIR CHRIS TUCK called the Legislative Budget and Audit Committee meeting to order at 7:00 a.m. Representatives Josephson and Tuck and Senators von Imhof, Stedman, Giessel, and Bishop were present at the call to order. Representatives Spohnholz and Neuman arrived as the meeting was in progress.

APPROVAL OF MINUTES

7:00:48 AM

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

7:00:53 AM

SENATOR BISHOP made a motion to approve the minutes of April 25, 2019. There being no objection, the minutes from the meeting of April 25, 2019, were approved.

EXECUTIVE SESSION

7:01:05 AM

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

7:01:20 AM

SENATOR BISHOP made a motion that the Legislative Budget and Audit Committee go into executive session under Uniform Rule 22(b)(1) of the Alaska State Legislature for discussion of matters, the immediate knowledge of which would adversely affect the finances of a government unit, and under Uniform Rule 22(b)(3), discussion of matters that may, by law, be required to be confidential. He asked that the following persons remain in the room: the legislative auditor and necessary staff for the auditor; representatives from Legislative Legal Services; any legislators not on the committee; and staff for legislators who are members of the committee. There being no objection, the committee went into executive session at 7:02 a.m.

7:02:11 AM

The committee took an at-ease from 7:02 a.m. to 7:41 a.m.

7:41:00 AM

CHAIR TUCK called the Legislative Budget and Audit Committee back to order. Present at the call back to order were Representatives Josephson, Spohnholz, Neuman, and Tuck and Senators von Imhof, Stedman, Giessel, and Bishop.

OTHER COMMITTEE BUSINESS

7:41:22 AM

SENATOR BISHOP moved and asked unanimous consent that the Legislative Budget and Audit Committee authorize the legislative auditor to award a contract to Berry, Dunn, McNeil, & Parker, LLC., as provided by the exemption in the Legislative Procurement Procedure Sec. 040(a)(1) and findings by the procurement officer, for IT audit service related to the audit of Medicaid and Children's Health Insurance Program eligibility and in support of the fiscal year 2019 (FY 19) single audit, in an amount not to exceed $175,000. There being no objection, it was so ordered.

7:42:01 AM

SENATOR BISHOP moved and asked unanimous consent that the Legislative Budget and Audit Committee authorize the legislative auditor to award a contract to Berry, Dunn, McNeil, & Parker, LLC., as provided by the exemption in the Legislative Procurement Procedure Sec. 040(a)(1) and findings by the procurement officer, for services related to the audit of

Medicaid and Children's Health Insurance Program eligibility, in an amount not to exceed $225,000. There being no objection, it was so ordered.

7:42:39 AM

SENATOR BISHOP moved and asked unanimous consent that the Legislative Budget and Audit Committee authorize the chair, as procurement officer, to amend the contract with Gaffney, Cline & Associates, Inc. to increase the contract amount by $350,000 to an amount not to exceed $950,000 and extend the term of the contract to June 30, 2021. There being no objection, it was so ordered.

7:43:08 AM

SENATOR BISHOP moved and asked unanimous consent that the Legislative Budget and Audit Committee authorize the chair, as procurement officer, to amend the contract with IN3NERY, LLC to increase the contract amount by $300,000 to an amount not to exceed $600,000 and extend the term of the contract to June 30, 2021. There being no objection, it was so ordered.

7:43:32 AM

SENATOR BISHOP moved and asked unanimous consent that the Legislative Budget and Audit Committee authorize the chair, as procurement officer, to amend the contract with Pegasus Global Holdings, Inc. as provided by the exemption in Legislative Procurement Procedure Sec. 040(a)(1) and findings by the procurement officer, to increase the contract amount by $100,000 to an amount not to exceed $135,000 and to extend the term of the contract to June 30, 2021. There being no objection, it was so ordered.

7:44:03 AM

SENATOR BISHOP moved and asked unanimous consent that the Legislative Budget and Audit Committee authorize the chair, as procurement officer, to amend the contract with Wiley Rein, LLP to increase the contract amount by $100,000 to an amount not to exceed $225,000 and extend the term of the contract to June 30, 2021. There being no objection, it was so ordered.

7:44:31 AM

CHAIR TUCK announced that the next committee meeting would be May 15, 2019. In response to the reactions of various committee members, he invited Kris Curtis to explain the necessity of having a meeting on that date rather than later.

7:45:26 AM

KRIS CURTIS, Legislative Auditor, Legislative Audit Division, Legislative Agencies and Offices, indicated that the committee would be addressing a state single audit, which is already late. She explained that as communicated by Governor Mike Dunleavy's chief of staff, federal funds are in jeopardy pending release of the single audit; therefore, she emphasized the importance of releasing the audit as soon as possible. She advised that May 15 is the earliest date the Division of Legislative Audit can get the audit out, based on when it was released as a preliminary audit.

CHAIR TUCK said his staff would work with committee members to find the best date to meet.

7:46:11 AM

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 7:46 a.m.