

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

December 14, 2022

1:03 p.m.

MEMBERS PRESENT

Senator Natasha von Imhof, Chair
Representative Chris Tuck, Vice Chair
Senator Peter Micciche
Senator Lora Reinbold
Senator Bert Stedman
Representative Ivy Spohnholz
Representative Andy Josephson
Representative Neal Foster
Senator Click Bishop (alternate)
Representative Dan Ortiz (alternate)

MEMBERS ABSENT

Senator Lyman Hoffman
Representative James Kaufman

OTHER LEGISLATORS PRESENT

Senator Jesse Kiehl
Senator David Wilson

COMMITTEE CALENDAR

APPROVAL OF MINUTES
REVISED PROGRAM LEGISLATIVE (RPL)
PROCUREMENT
EXECUTIVE SESSION
FINAL AUDIT RELEASE
TOP AUDIT FINDINGS UPDATE

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

ALEXEI PAINTER, Director
Legislative Finance Division
Legislative Agencies and Offices
Juneau, Alaska

POSITION STATEMENT: Presented RPLs and answered questions.

PALOMA HARBOUR, Fiscal Management Analyst
Office of Management and Budget
Office of the Governor
Juneau, Alaska

POSITION STATEMENT: Presented during the hearing on RPs and answered questions.

MARIE MARX, Attorney
Legislative Legal Services
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on RPLs.

HANNA LAGER, Acting Administrative Services Director
Division of Administrative Services
Department of Commerce, Community & Economic Development
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on RPLs.

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

POSITION STATEMENT: Presented during the hearing on Procurement and the Top Audit Findings Update.

ACTION NARRATIVE

[1:03:00 PM](#)

CHAIR NATASHA VON IMHOF called the Legislative Budget and Audit Committee meeting to order at 1:03 p.m. Representatives Spohnholz and Foster and Senators von Imhof, Reinbold (via teleconference,) Stedman, and Bishop were present at the call to order. Representative Tuck (via teleconference) and Josephson (via teleconference) arrived as the meeting was in progress.

Approval of Agenda

Approval of Agenda

[1:03:40 PM](#)

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

CHAIR VON IMHOF moved to modify the meeting's agenda to remove the hearing on the procurement for the District Cost Factor Update Study. There being no objection, the change to the agenda was approved.

Approval of Minutes

[1:04:04 PM](#)

CHAIR VON IMHOF announced that the next order of business would be the approval of minutes.

SENATOR STEDMAN moved that the Legislative Budget and Audit Committee approve the minutes for the September 28, 2022, and November 2, 2022, meetings as presented. There being no objection, the minutes were approved.

Revised Program Legislative (RPL)

[1:04:38 PM](#)

CHAIR VON IMHOF announced that the next order of business would be Revised Programs - Legislative.

[1:05:18 PM](#)

ALEXEI PAINTER, Director, Legislative Finance Division, Legislative Agencies and Offices, introduced Revised Program - Legislative (RPL) 08-2023-0175 and RPL 08-2023-0194. He explained that on November 2, 2022, the Legislative Budget and Audit Committee received requests from the Office of the Governor for the United States Department of Agriculture (USDA) Seafood Processors Pandemic Response Safety block grant program. He noted that the committee had previously approved one of the requests in the amount of \$10 million. He offered that the RPLs before the committee were for the same activities within different appropriations. He explained that the RPL 08-2023-0175 would be authorized within the appropriation for the Department of Commerce, Community & Economic Development (DCCED) Office of the Commissioner appropriation, and that RPL 08-2023-0194 would be within the DCCED Division of Investments appropriation. He added that the RPL that had been approved the prior month had been within the appropriation for the Division of Community & Regional Affairs. He provided background information to explain that the prior year operating budget

included language that RPLs may not be increased by more than \$10 million.

[1:07:19 PM](#)

MR. PAINTER offered some questions for the committee to consider. He rhetorically asked whether an RPL in any location [in the budget] for the same source of funding would be proper. He offered the argument that the limit had been imposed by the legislature and amounts placed in different areas would be equivocally an attempt to "get around that limit" and could be viewed as problematic. He then offered the argument that the requests are not increasing the same appropriation item, and the language specifically includes a limit on increasing "an" appropriation. He offered that there may exist differences in opinion between those of a policy standpoint and those of a legal standpoint. He offered another question for the committee's consideration as to whether the appropriations in which the requests are made would be proper.

MR. PAINTER referred to RPL 08-2023-0175 and stated that the Office of the Commissioner is an area that the legislature has typically authorized for the use of grant funds. He noted that the legislature had approved an increase in general funds to the appropriation for a small business grant program. He noted that there did not exist federal funds authority in the appropriation and questioned whether it would be appropriate to increase a budget from zero dollars of federal authority and questioned whether it was more pertinent that the item being presented for approval was for the same program but would utilize federal funds. He further explained that the request was to increase a program for the purpose for which the legislature had previously approved.

MR. PAINTER referred to RPL 08-2023-0194 and noted that this request had some key differences. He stated that the Division of Investments did not typically administer grant funds but provides other financial services for seafood processors, including revolving loan programs. He noted that there did not exist federal funding authority in the appropriation. He reiterated the two questions as being whether any increase exceeding \$10 million in funding would be proper and whether the appropriations were the proper areas in the budget for such an increase.

[1:11:53 PM](#)

SENATOR STEDMAN asked whether Mr. Painter was comfortable with moving both RPLs forward with approval.

MR. PAINTER offered that it would be a policy call on the part of the committee and that arguments could be made both in support of and against the requested action.

CHAIR VON IMHOF asked, should the \$10 million limit not have been in place, whether the committee would have a request for the full \$30 million associated with the revised program during the interim.

MR. PAINTER answered that it would have. He explained that the committee had approved a \$30 million RPL the year prior, FY 22, within the Division of Community & Regional Affairs, and that the funds were not disbursed during FY 22 and had lapsed. He further explained that the \$10 million limit was the reason that the RPLs had been split.

CHAIR VON IMHOF asked to confirm that the only difference [between the previously approved RPLs and those being requested] would be that the authority was requested for the following year, under the same programs, and that the same funds were still available.

PAINTER confirmed that as correct.

CHAIR VON IMHOF asked when Mr. Painter expected the federal government to disburse the funds.

MR. PAINTER answered that he did not know and deferred to the department to offer an answer.

[1:15:16 PM](#)

PALOMA HARBOUR, Fiscal Management Analyst, Office of Management and Budget, Office of the Governor, presented during the hearing on RPLs. She drew attention to the PowerPoint presentation, entitled "OMB RPLs Presentation 12.14.22.pdf," [included in the committee packet] and explained that the state has identified a legal path forward to increase existing appropriation items and distribute the last of the \$20 million in federal relief funding for seafood processors impacted by COVID-19. She directed attention to slide 3, which depicts the appropriation item in the current budget year. She referenced slide 3, which contains the statutory language by which the Office of Management & Budget was requesting the RPLs be approved. She summarized the

slide with an emphasis on the language, "not specifically appropriated," which read as follows [original punctuation provided]:

AS 37.07.080(h): The increase of an appropriation item based on additional federal or other program receipts not specifically appropriated by the full legislature may be expended in accordance with the following procedures...

- Sec. 77, ch 11, SLA 22: (a) Federal receipts,...that are received during the fiscal year ending June 30, 2023, and that exceed the amounts appropriated by this Act are appropriated conditioned on compliance with the program review provisions of AS 37.07.080(h).
- Sec. 77, ch 11, SLA 22: (e) Notwithstanding (a) of this section, an appropriation item for the fiscal year ending June 30, 2023, may not be increased under AS 37.07.080(h)
- (2) by more than \$10,000,000.

MS. HARBOUR noted that the language indicates that it is acceptable that there does not exist a specific appropriation for the purpose of the grant.

MS. HARBOUR summarized the bulleted points on slide 5 of the presentation, which read as follows [original punctuation provided]:

- Commerce has the statutory authority to distribute these grants
- AS 44.33.020 (a) The Department of Commerce, Community, and Economic Development shall
- (20) administer state and, as appropriate, federal programs for revenue sharing, community assistance, grants, and other forms of financial assistance
- The State has identified two appropriation items that can each be increased by not more than \$10 million
- This solution will result in the distribution of federal relief funding to eligible Seafood Processors this month

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MARIE MARX, Attorney, Legislative Legal Services, Legislative Affairs Agency, referred to previous testimony that had been offered by Megan Wallace of Legislative Legal Services and

stated that, had the \$10 million limit not been enacted, there would exist one RPL in the amount of \$30 million. She stated that Legislative Legal Services shares the concern expressed by some committee members that the split of the RPLs was with the intention of getting around the limit enacted by House Bill 281. She noted that the circumstances do not change the agency's standpoint of concern. She echoed the point made by Mr. Painter that the decision would be one of legislative policy.

CHAIR VON IMHOF asked for an explanation of the risks of either approving or not approving the RPLs.

MS. MARX offered her opinion that [approving the RPLs] was not without risk, although it would be difficult to quantify that risk. She explained that the committee had been sued previously regarding the approval of an RPL and that case had resolved without consideration of the committee's action. She stated that there exist options should the committee not approve the RPLs, including a fast-tracked bill to appropriate the funds by the full legislature.

SENATOR STEDMAN stated that the funds would be available for an additional year. He stated that, should the committee approve the RPLs and risk litigation, the legislature will have convened and would have an opportunity to rectify the situation by the budget process. He stated that it was possible to include the amounts in a supplemental budget bill that could result in the funds being made available by May of 2023. He recommended that the committee approve the RPLs, and that further legislation could include language in support of its decisions and the program.

CHAIR VON IMHOF restated the question such that, if the committee approves the RPLs, and the legislature takes three to four months to pass the budget including the supporting language, what would be the risk between approving the RPLs at this meeting compared to allowing the full legislature to appropriate.

MS. MARX answered that the risk would be the gap of time between approving the RPLs and the convening of the legislature to either ratify the language or appropriate the funds. She postulated that the legislature may be able to act prior to the outcome of any litigation brought, as was the case with the previous lawsuit.

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CHAIR VON IMHOF asked to confirm that, should the legislature ratify any approval action taken on the RPLS prior to any outcome of a lawsuit, would the legal action then be rendered moot, or whether the gap of time would still leave the action at legal risk due to the timeframe.

MS. MARX answered that the prior case did not result in the court ruling the case as moot, and there had been the appearance that the court accepted the outcome as moot in its summary judgment. She stated that it would be highly likely that, should the legislature ratify the approval, the court would find the case to be moot.

SENATOR BISHOP asked when the money would be disbursed to recipients, should the RPLs be approved.

MS. HARBOUR answered that the funds would be disbursed in the current month.

REPRESENTATIVE FOSTER offered his preference that the funds be made available sooner, rather than later. He further expressed his concern that there could exist delays in the full legislature taking timely action.

[1:28:35 PM](#)

REPRESENTATIVE TUCK referred to the ruling made in the superior court regarding previous RPLs and suggested that it had not resulted in an actual decision. He suggested that the judge had sought some legislative action. He recalled that there existed panic associated with the COVID-19 pandemic coincidental to the first case and suggested that the question that would remain would be whether legislative ratification would have been the proper action. He stated that the full legislature is the appropriating body of government and questioned the Legislative Budget and Audit Committee's appropriation authority over all other legislators. He stated that there had been cases in addition to the one referenced during the current meeting and had questioned whether the Constitution of the State of Alaska would allow for appropriation authority to be delegated to a single committee of the legislature. He suggested that efforts to "skirt" or "mask" the limit of \$10 million would raise a constitutional challenge in court. He allowed that some had claimed that the legislature may, in some cases, violate statute but that it would be a more serious matter should the legislature violate the constitution. He stated his belief that

there exists a high level of risk and suggested that the proper course of action would be the use of a supplemental budget bill. He maintained that it was obvious that there was an attempt to circumvent the statutory limit. He cautioned that there remains a question to whether the committee may add federal funds to an appropriation for which there exists no federal funding authority. He asked Ms. Marx to answer whether the Legislative Budget and Audit Committee may amend an RPL.

MS. MARX answered that the Legislative Budget and Audit Committee is the interim oversight committee which, under AS 37.07.08(h), may receive an RPL from the governor's office for review and approval. She stated that, should an RPL not be approved, the governor must wait 45 days to proceed with expending the money. She stated that the committee does not have the power to take action that the legislature may take; that is, to appropriate or not appropriate money.

REPRESENTATIVE TUCK asked for a simplified answer.

MS. MARX answered that the committee may approve an RPL but that it may not amend an RPL.

REPRESENTATIVE TUCK asked to confirm his understanding that no member of the committee may offer an amendment to an RPL. He asked whether the previously approved \$10 million had any funds remaining to be disbursed.

MS. HARBOUR answered the \$10 million had been fully distributed to seafood processors.

[1:34:27 PM](#)

CHAIR VON IMHOF restated that, should the committee not act on an RPL, the governor has 45 days in which to act. She asked what the intention of the Office of Management & Budget would be for the funds, should the committee not take approving action.

MS. HARBOUR answered that, should the committee not approve the RPLs, the governor would then review the requests and decide whether to continue with the program. She noted that, should the governor decide to expend the funds, he would provide the committee with a statement of the reasons for doing so prior to commencement of activities. She stated that if no action was taken by the committee whatsoever, the governor could begin program activities after 45 days. She offered her opinion that the governor's actions would be predicated on the action taken

by the committee. She added that, should the committee recommend that the request is not legal, the governor may be obligated to adhere to that decision. She added that she was speculating and could not speak specifically on behalf of the governor.

CHAIR VON IMHOF asked whether the governor could choose to expend the funds near the end of January 2023 per statute.

MS. HARBOUR confirmed this as correct.

REPRESENTATIVE JOSEPHSON stated his concern that, should the committee not approve the RPLs, the governor may act, regardless. He stated that there exists public cynicism that the legislature may ignore a statutory requirement. He stated that, should the governor move forward with the program after 45 days, and the legislature "sit passively," it would indicate that the legislature was not guarding its jurisdictional prerogative.

SENATOR REINBOLD expressed her agreement with the comments offered by Representative Tuck. She added that the legislature should follow the law, as written, with integrity. She added that regardless of a single court ruling pertaining to the dividend, not following statute is not without risk. She stated her intention to vote against approving the RPLs.

CHAIR VON IMHOF asked DCCED to provide the expiration date of the \$20 million in federal grants.

[1:40:21 PM](#)

HANNA LAGER, Acting Administrative Services Director, Division of Administrative Services, Department of Commerce, Community & Economic Development, answered that the current program would terminate on January 24, 2024.

CHAIR VON IMHOF stated that there is \$20 million in two RPLs and there is an attempt to work around the \$10 million limit imposed in the budget. She stated that these were the same RPLs that the committee had heard and approved the year prior in the amount of \$30 million for relief to fisheries processors, and that, due to technical issues in the program, the program was delayed and being presented again, with the only difference being the existence of the \$10 million limit. She stated that the recipients are the losing party due to the delay of the disbursement of the money. She stated an option would be to

approve the RPLs and the funds would disburse before the end of the current year, and the legislature would convene and approve the funds with the budget process during session. She stated that the alternate option would be to not approve the RPLs, and the funds could be included in the budget for the whole legislature to approve.

SENATOR STEDMAN allowed that there exist some risks but expressed his belief that the committee should move forward with approving the RPLs and that the legislature could further approve the action. He suggested that the fish processors were held hostage by bureaucratic inaction.

REPRESENTATIVE SPOHNHOLZ stated that the issues had been put forth and she allowed that the RPLs had been approved the prior December. She stated that the challenge exists due to the legislation that passed imposing the \$10 million limit. She stated that there exists a right way and a wrong way to do business and that she would vote against approving the RPLs.

[1:45:41 PM](#)

SENATOR STEDMAN moved that the Legislative Budget and Audit Committee approve the following RPLs:

- a. 08-2023-0175, DCCED, Commissioner's Office, Fed Rcpts Op - USDA Seafood Processors Pandemic Response and Safety, \$10,000,000
- b. 08-2023-0194, DCCED, Investments, Fed Rcpts Op-USDA Seafood Processors Pandemic Response and Safety, \$10,000,000

SENATOR REINBOLD objected. She stated that the concerns raised by Mr. Painter were of critical importance.

[1:47:02 PM](#)

REPRESENTATIVE TUCK urged the committee to review previous court decisions concerning the committee. He stated that it appeared to be clear that the committee did not have appropriation authority over the full legislature. He stated that a proper appropriations bill would allow for any legislator to offer an amendment. He stated that a remedy would be ratification by the full legislature, but that no amendments may be offered during the ratification process. He stated that the legislature established a program and its funding, and the Legislative

Budget and Audit Committee may fund additional programs from that funding source to that specific program. He stated that past errors in procedure did not justify further erroneous action. He asserted that the matter was a constitutional one. He stated that the fact that the discussion had pertained to workarounds was evidence that the potential for wrongdoing exists. He stated his regret that the committee had approved the RPLs previously and that it had resulted in further delays in the disbursement of the funds by the Office of the Governor. He suggested that, should the motion fail, and the governor not take further action, it would be indicative that the governor's office was seeking some cover. He stated that, should the governor hold the belief that the program is important, he will take future action on the program. He stated his intention to vote against approving the RPLs.

CHAIR VON IMHOF stated that the matter was unique because the committee had previously approved the RPLs for the program. She stated her position that the situation would be different should the RPLs be for a new program and purpose.

[1:50:47 PM](#)

A roll call vote was taken. Representative Foster and Senators von Imhof and Stedman voted in favor of approving the RPLs. Representatives Spohnholz, Josephson, and Tuck and Senator Reinbold voted against approving the RPLs. Therefore, approval of the RPLs failed by a vote of 3-4.

Procurement

[1:52:23 PM](#)

CHAIR VON IMHOF announced that the next order of business would be procurement. She noted that the Legislative Audit Division was requesting the approval of a procurement for a new printer.

[1:52:49 PM](#)

KRIS CURTIS, Legislative Auditor, Legislative Audit Division, Legislative Agencies and Offices, stated that the division's printer, copier, and scanner was purchased in 2012 and is one year past its useful life and would no longer be maintained by Xerox. She requested approval for the procurement of a purchase under the statewide contract for a replacement machine not to exceed \$58,000.

[1:53:39 PM](#)

SENATOR STEDMAN moved to authorize the purchase of a printer for the Legislative Audit Division not to exceed \$58,000. There being no objection, the motion passed.

Executive Session

[1:54:00 PM](#)

CHAIR VON IMHOF announced that the next order of business would be executive session.

[1:54:30 PM](#)

SENATOR STEDMAN moved that the Legislative Budget and Audit Committee go into Executive Session under Uniform Rule 22(b)(3), for discussion of matters that may, by law, be required to be confidential. He asked that the following persons remain in the room or on the phone lines: the legislative auditor and their necessary staff; any legislators not on the committee; and staff for legislators who are members of the committee. There being no objection, it was so ordered.

[1:55:08 PM](#)

The committee took an at-ease from 1:55 to 2:39 p.m. for the purpose of executive session.

[2:39:10 PM](#)

CHAIR VON IMHOF called the Legislative Budget and Audit Committee meeting back to order at 2:39 p.m. Representatives Spohnholz and Foster and Senators von Imhof, Reinbold (via teleconference,) Stedman, and Bishop were present at the call back to order. Representatives Tuck (via teleconference) and Josephson (via teleconference) and Senator Micciche (via teleconference) arrived as the meeting was in progress.

Final Audit Release

[2:39:34 PM](#)

CHAIR VON IMHOF announced that the next order of business would be discussion of the final audit release.

CHAIR VON IMHOF stated that, during the executive session, the committee had discussed confidential matters related to audits, audit resources, and details pertaining to a confidential procurement.

[2:39:48 PM](#)

SENATOR STEDMAN moved that the following Audits be released as final audit reports: Department of Commerce, Community & Economic Development Board of Certified Direct Entry Midwives (Sunset) and the Office of the Governor Alaska State Commission for Human Rights (Special). There being no objection, the audits were released.

Procurement

[2:40:16 PM](#)

CHAIR VON IMHOF announced that the next order of business would be discussion of procurement.

[2:40:22 PM](#)

MS. CURTIS stated that the Legislative Budget and Audit Committee approved the solicitation request for a contract to aid in the audit of five major federal programs for Fiscal Year (FY) 2023 during its August 2022 meeting. She stated that she was requesting the committee approve a contract not to exceed \$237,000 for the audit firm.

[2:41:04 PM](#)

SENATOR STEDMAN moved that the Legislative Budget and Audit Committee approve a contract not to exceed \$237,000 for the compliance audit of five FY 23 major federal programs. There being no objection, the contract was approved.

[2:41:31 PM](#)

MS. CURTIS introduced a discussion pertaining to resources of the Legislative Audit Division. She noted that, over the past two years, she had been providing the committee with regular updates on staffing in the division. She drew attention to a chart, entitled "Leg Audit Org Chart February 2020.pdf," [included in the committee packet] which depicted a snapshot of filled positions within the division. She explained that the red slash indicates that the employee has left the position as

of December 1, 2022, and the black "X" indicates that those 12 people had left the state. She noted that 17 positions had been vacated during the same time. She further explained that the red type showed the number of years of experience each separated employee had. She added that the chart did not depict that 5 of the positions had been filled and subsequently vacated, for a total of 17 positions vacated. She explained that this turnover has challenged the division's ability to complete work. She added that there exists very experienced senior management who had put in many extra hours to ensure that work is completed.

MS. CURTIS then drew attention to a chart, entitled "Leg Audit Org Chart December 2022.pdf," [included in the committee packet] which depicted the tenure of existing authorized employees as of December 1, 2022. She noted that there appear four of the authorized positions on the chart that are not funded, for a total of six vacant positions. She noted that 9 of the positions have less than 2 years of experience and that middle management is slim and is an important set of positions for the division. She added that two of the most experienced, upper-management positions are currently eligible for retirement, and that her own position will be eligible for retirement in 12 months. She stated that it is important that the division retain its current staff so that it may fulfill its mission. She asked for the committee's support in establishing an incentive compensation policy.

MS. CURTIS drew attention to the document entitled "Legislative Audit Draft Policy - Retention Incentives.pdf," [included in the committee packet] which explains who would be eligible for the incentive pay structure and that it would be confined to only Certified Public Accountants (CPAs) who had worked for the division for at least three years. The compensation would be paid in July of a particular year and would be calculated on work performed from December 31 of the year prior. She added that there would exist the additional requirement that the individual must have been in full-time, permanent status and have a performance evaluation ranking of "expected" or "above expected" for the prior calendar year.

[2:45:41 PM](#)

MS. CURTIS explained that the amount of compensation would be based on the number of years of experience as of December 31 of the prior year multiplied by the correlating percentage depicted on page 3 of the draft policy, which ranges between 2 and 11 percent. The 2 percent rate would apply to those with three

years of experience, and the 11 percent would apply to those with 20 years of experience, with all other criteria met. She stated that the policy had been developed with "guardrails" so that the compensation would only be applicable to those uniquely specialized positions with the intent to encourage retention of critical talent. She offered that the total cost for FY 24 is estimated to be \$160,000 and that there exists available budgetary funding. She added that, should the incentive policy be met with success, additional funds would likely be requested in the future. She noted that the policy includes a provision that the committee shall review the need for the policy in five years' time.

REPRESENTATIVE JOSEPHSON stated his wholehearted support for the approval of the proposed policy. He asked, should the policy be approved, where members of the public would find the implemented policy in future budgets.

MS. CURTIS answered that the policy would be posted to BASIS and that the payments would be made via the Division's appropriation in the first full pay period in FY 24.

[2:48:15 PM](#)

SENATOR STEDMAN moved that the Legislative Budget and Audit Committee authorize retention incentives for the Legislative Audit Certified Public Accountants as outlined in the draft policy dated December 14, 2022. There being no objection, the motion passed.

Top Audit Findings Update

[2:48:41 PM](#)

CHAIR VON IMHOF announced that the final order of business would be an update on the top audit findings.

CHAIR VON IMHOF referred to the committee packet item, a chart, listing top audit findings of 2022. She introduced the chart before the committee and explained that it depicted a summary of status of corrective actions. She noted that the committee had adopted the policy into its handbook for audit follow-up at a prior meeting. She noted that the policy instructs the division to contact the auditees for a status update on current findings. She stated that the final stage of the committee's follow-up process was to determine which of the findings may be forwarded to future legislative committees for consideration. She drew

attention to the last column on the grid, which contained the recommended action for each of the findings. She drew attention to priority numbers 2 and 4 for additional follow up with the applicable finance subcommittees, and to priority number 7 for additional follow up with the Labor and Commerce Standing Committees for their consideration concerning the automation of a licensing process and the progress of a new database. She further noted that priority number 8 should be forwarded to the Health & Social Services Standing Committees regarding the prescription drug monitoring program, and that there had been a study commissioned with a final report available in December 2022. She added that [Representative] Senator-elect James Kaufman had collaborated with the division to make recommendations for items for potential follow up. She recommended that the committee consider the wording of the follow-up letters to the auditees for future committee work and to establish expectations for follow-up.

CHAIR VON IMHOF expressed her appreciation and the recommendations for referral to specific committees.

SENATOR WILSON expressed his appreciation for the work that had been done and his willingness to collaborate further.

SENATOR REINBOLD expressed her appreciation to Ms. Curtis and division staff for their work and dedication.

REPRESENTATIVE SPOHNHOLZ expressed her appreciation for the feedback loop process for audit findings that she characterized as valuable. She encouraged the priority pertaining to Medicaid eligibility remain a priority.

[2:54:49 PM](#)

CHAIR VON IMHOF added the suggestion that co-chairs of Finance Committees from both bodies review the priorities and recommend referrals to other committees.

CHAIR VON IMHOF stated that it had been her honor to chair the Legislative Budget and Audit Committee and she had found the committees business to be both challenging and rewarding. She offered commendation to the Legislative Audit Division staff.

[2:56:21 PM](#)

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 2:56 p.m.