

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

Anchorage, Alaska

June 28, 2023

1:03 p.m.

MEMBERS PRESENT

Representative Ben Carpenter, Chair
Senator Bert Stedman, Vice Chair
Representative DeLena Johnson
Representative Frank Tomaszewski
Senator Bill Wielechowski
Senator Lyman Hoffman
Senator James Kaufman
Senator Scott Kawasaki

MEMBERS ABSENT

Representative Sarah Vance
Representative Andy Josephson
Representative Mike Cronk (alternate)
Senator Click Bishop (alternate)

OTHER LEGISLATORS PRESENT

Senator Jesse Kiehl
Representative Dan Ortiz

COMMITTEE CALENDAR

APPROVAL OF MINUTES
RPL 16-2024-0130
BOARD OF CHIROPRACTIC EXAMINERS AUDIT
EXECUTIVE SESSION
FY 22 SINGLE AUDIT RELEASE

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

ALEXEI PAINTER, Director
Legislative Finance Division
Juneau, Alaska

POSITION STATEMENT: Presented RPL 16-2024-0130.

KRIS CURTIS, Legislative Auditor
Legislative Audit Division
Legislative Affairs Agency
Juneau, Alaska

POSITION STATEMENT: Presented a memo following the Board of Chiropractic Examiners audit.

ACTION NARRATIVE

[1:03:40 PM](#)

CHAIR BEN CARPENTER called the Legislative Budget and Audit Committee meeting to order at 1:03 p.m. Senators Wielechowski (via teleconference), Hoffman, Kaufman, Kawasaki, and Stedman (via teleconference) and Representatives D. Johnson (via teleconference), Tomaszewski (via teleconference), and Carpenter were present at the call to order. Senator Kiehl (via teleconference) and Representative Ortiz were also present.

Approval of Minutes

[1:05:46 PM](#)

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

[1:05:55 PM](#)

SENATOR KAUFMAN moved that the Legislative Budget and Audit Committee approve the minutes for the May 18, 2023, meetings as presented. There being no objection, the minutes were approved.

RPL 16-2024-0130

[1:06:22 PM](#)

CHAIR CARPENTER announced that the next order of business would be the presentation of RPL 16-2024-0130.

[1:06:38 PM](#)

The committee took a brief at-ease.

[1:07:20 PM](#)

ALEXEI PAINTER, Director, Legislative Finance Division, presented RPL 16-2024-0130 from the Department of Health (DOH). He stated that the RPL amounted to \$460,000 of statutorily designated program receipts (SDPR) in 2024 expanding the authority granted in HB 39. He explained that Alaska was party to a \$26 billion settlement with a manufacturer and three distributors of opioids. Alaska was set to receive \$58.5 million over the next 18 years, he said, having already received \$9 million of that amount. The settlement allowed funds to be used by states and local governments on abatement of the opioid epidemic. In Alaska, the governor signed Administrative Order No. 324 (AO324), establishing the Governor's Advisory Council on Opioid Remediation (GACOR) tasked with determining the use of the settlement funds. Legislation submitted in the 33rd legislative session based on GACOR's recommendations - SB 133 and HB 171 - proposed placing the funds into a special account with a 5 percent of market value (POMV) draw, essentially turning the \$58.5 million into a perpetual fund used for opioid remediation indefinitely. He indicated that the amount of \$460,000 in RPL 16-2024-0130 matched the first year POMV draw proposed under SB 133. He noted that Legislative Finance Division (LFD) foresaw no technical, legal, or fiscal issues with the RPL. He flagged several policy questions, such as determining whether the use of the settlement funds issue was appropriate for the RPL process or whether it was a larger policy discussion to be had by the full legislature. He noted that there was some flexibility with the funds within the broader framework of abating the opioid epidemic.

[1:12:39 PM](#)

The committee took a brief at-ease.

[1:12:54 PM](#)

SENATOR KAUFMAN moved that the Legislative Budget and Audit Committee approve the RPL 16-2024-0130 as presented.

CHAIR CARPENTER objected for the purpose of discussion; seeing none, he removed his objection to the adoption of the RPL. There being no further objection, RPL 16-2024-0130 was approved.

Board of Chiropractic Examiners Audit

[1:13:44 PM](#)

CHAIR CARPENTER announced that the next order of business would be the presentation of a memo following the Board of Chiropractic Examiners audit.

[1:14:03 PM](#)

KRIS CURTIS, Legislative Auditor, Legislative Audit Division, Legislative Affairs Agency (LAA), explained that the memo [included in the committee packet] followed the recommendations made in the 2021 sunset audit of the Board of Chiropractic Examiners. She directed attention to page 2 of the memo, which offered a summary of the recommendations, highlighting the "resolved" status of each.

Executive Session

[1:15:38 PM](#)

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

[1:16:07 PM](#)

SENATOR KAUFMAN 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. There being no objection, it was so ordered.

CHAIR CARPENTER asked that the following people remain in the room or on the phone lines: the legislative auditor and necessary staff; any legislators not on the committee; and legislative staff to members of the committee.

[1:16:47 PM](#)

The committee took an at-ease from 1:16 p.m. to 2:23 p.m. for the purpose of executive session.

[2:23:56 PM](#)

CHAIR CARPENTER called the Legislative Budget and Audit Committee meeting back to order at 2:23 p.m. Senators Hoffman, Kaufman, and Kawasaki, and Representatives D. Johnson (via teleconference), Tomaszewski (via teleconference), and Carpenter, were present at the call back to order. Senator Kiehl (via teleconference) and Representative Ortiz were also present.

[2:25:19 PM](#)

The committee took a brief at-ease.

FY 22 Single Audit Release

[2:25:47 PM](#)

CHAIR CARPENTER announced that the final order of business would be approval of the FY 22 single audit release.

CHAIR CAPRENTER stated that during the executive session, the committee discussed the audit release of the FY 22 single audit and procurement for the Office of Children's Services (OCS) audit. He expressed his hope that a contract would be ready for review and authorization at the next committee meeting.

[2:26:40 PM](#)

SENATOR KAUFMAN moved that the Legislative Budget and Audit Committee release the FY 22 single audit. There being no objection, the audit was released.

[2:27:58 PM](#)

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 2:27 p.m.