

SB

213

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 1/16/08

FURTHER: Finance

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: _____

State Affairs Committee considered SENATE BILL NO. 223

SB 223 G.O. BONDS FOR CRIME LAB

"An Act providing for and relating to the issuance of general obligation bonds for the purpose of paying the cost of a scientific crime detection laboratory; and providing for an effective date."

and recommends:

- be replaced with SCS or CS _____ ()
- adopt previous SCS or CS _____ ()
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

| |
|---|
| SENATE BILL: |
| <input type="checkbox"/> Same Title |
| <input type="checkbox"/> New Title |
| <hr/> |
| HOUSE BILL: |
| <input type="checkbox"/> Same Title |
| <input type="checkbox"/> Technical Title Change |
| <input type="checkbox"/> New Title w/ SCR # _____ |

NEW FISCAL NOTE(S):

| Department | Date | Fiscal | Indet. | Zero | FN# |
|---------------|-------|--------|--------|------|-----|
| OOG ELECTIONS | 01/16 | ✓ | | | |
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PREVIOUS FISCAL NOTE(S):

| Department | Date | Fiscal | Indet. | Zero | FN# |
|------------|------|--------|--------|------|-----|
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| | | | | | |

APPROPRIATION - no fiscal note

| SIGNATURES AND RECOMMENDATIONS: | PRINTED LAST NAME | DO PASS | DO NOT PASS | NO REC | AMEND |
|---------------------------------|-------------------|---------|-------------|--------|-------|
| | STEVEN GREEN | | | ✓ | |
| | Green | | | | ✓ |
| | Burke | | ✓ | | |
| | | | | | |
| | | | | | |
| CHAIR: | McGuire | | | ✓ | |

**CS FOR SENATE BILL NO. 213(STA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION**

BY THE SENATE STATE AFFAIRS COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATOR DYSON

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the powers and duties of the legislative audit division."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 *** Section 1. AS 24.20.271 is amended to read:**

4 **Sec. 24.20.271. Powers [AND DUTIES]. The legislative audit division may**
5 **[SHALL]**

6 (1) conduct a performance post-audit of boards and commissions
7 designated in AS 44.66.010 and of those programs and activities of agencies subject to
8 termination as determined in the manner set out in AS 44.66.020 and 44.66.030, and
9 make the audit, together with a written report, available to the legislature not later than
10 the first day of the regular session of the legislature convening in each year set out
11 with reference to boards, commissions, or agency programs whose activities are
12 subject to termination as prescribed in AS 44.66; the division shall notify the
13 legislature that the audit and report are available;

14 (2) audit at least once every three years the books and accounts of all
15 custodians of public funds and all disbursing officers of the state;

1 (3) at the direction of the Legislative Budget and Audit Committee,
2 conduct performance post-audits on any agency of state government;

3 (4) cooperate with state agencies by offering advice and assistance as
4 requested in establishing or improving the accounting systems used by state agencies;

5 (5) require the assistance and cooperation of all state officials and
6 other state employees in the inspection, examination, and audit of state agency books
7 and accounts;

8 (6) have access at all times to the books, accounts, reports, or other
9 records, whether confidential or not, of every state agency;

10 (7) ascertain, as necessary for audit verification, the amount of agency
11 funds on deposit in any bank as shown on the books of the bank; no bank may be held
12 liable for making information required under this paragraph available to the legislative
13 audit division;

14 (8) complete studies and prepare reports, memoranda, or other
15 materials as directed by the Legislative Budget and Audit Committee;

16 (9) have direct access to any information related to the management of
17 the University of Alaska and have the same right of access as exists with respect to
18 every other state agency;

19 (10) conduct an audit every two years of information found in the
20 annual reports required under AS 42.05.211 and AS 42.06.220 regarding compliance
21 by the Regulatory Commission of Alaska with the requirements of AS 42.05.175(a) -
22 (e) and of the timeline extensions made by the commission under AS 42.05.175(f),
23 and of other performance measures adopted by the commission; and

24 (11) perform an audit of an organization that receives money from
25 or through the state, including money that the state has received from the federal
26 government, when the performance of the audit is approved by the Legislative
27 Budget and Audit Committee.

SENATE BILL NO. 213

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY SENATOR DYSON

Introduced: 1/16/08
Referred: State Affairs, Finance

*\$10,000 \$100,000
\$50 an hr fee
division.
Should we
say that?
no dept.*

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the audit authority of the legislative audit division."

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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may

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6 designated in AS 44.66.010 and of those programs and activities of agencies subject to
7 termination as determined in the manner set out in AS 44.66.020 and 44.66.030, and
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- 5 other state employees in the inspection, examination, and audit of state agency books
- 6 and accounts;
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- 20 by the Regulatory Commission of Alaska with the requirements of AS 42.05.175(a) -
- 21 (e) and of the timeline extensions made by the commission under AS 42.05.175(f),
- 22 and of other performance measures adopted by the commission; *and may*
- 23 **(11) perform an audit of an organization that receives money from**
- 24 **or through the state, including money that the state has received from the federal**
- 25 **government.**

amend #1 ->

- legal analysis
- political motives →
- what about duplication

*when # amend #2
when a LBA*

ALASKA STATE LEGISLATURE

Sen. Lesil McGuire, Chair
Sen. Gary Stevens, Vice-Chair
Sen. Lyda Green
Sen. Hollis French
Sen. Con Bunde



State Capitol, Room 125
Juneau, AK 99801-1182
(907) 465-2995
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SENATOR LESIL McGUIRE
CHAIR, STATE AFFAIRS

Memorandum

To: Terry Bannister, Leg. Legal
From: Shalon Szymanski, Committee Aide
Senate State Affairs Committee
Date: March 20, 2008
Re: Final CS Request

Please create a Final Committee Substitute (STA) for work order # 25-LS1259\A, mirroring # 25- LS1259\A but also including:

-2 attached conceptual amendments

SB 213 did move out of committee today and we would like to have it read across on the floor tomorrow.

Thank you!

CONCEPTUAL AMENDMENT #1

TO: SB 213
OFFERED BY: Senator *McGuire*

Page 1, Line 4:

After "division"

Delete:

"shall"

Insert:

"may"

Page 2, Line 22:

After "commission;"

Insert:

"and may"

CONCEPTUAL AMENDMENT #2

TO: SB 213
OFFERED BY: Senator Bunde

Page 2, Line 25:

After "government"

Insert:

"when approved by Legislative Budget and Audit."

AMENDED

SENATE BILL NO. 213

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY SENATOR DYSON

Introduced: 1/16/08

Referred: State Affairs, Finance

A BILL

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3 requested in establishing or improving the accounting systems used by state agencies;

4 (5) require the assistance and cooperation of all state officials and
5 other state employees in the inspection, examination, and audit of state agency books
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21 (e) and of the timeline extensions made by the commission under AS 42.05.175(f),
22 and of other performance measures adopted by the commission;

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24 **or through the state, including money that the state has received from the federal**
25 **government.**

conceptual
Am # 2
(PASSED)

when
approved
by LBNA

SPONSOR STATEMENT

Senate Bill 213 Legislative Audit Division Powers

This bill clarifies the scope and authority of the Legislative Audit Division. This clarification is necessary because of differing opinions currently being debated. The current director of Legislative Audit believes the division only has audit authority for state organizations. Senator Dyson, on the other hand, believes that Legislative Audit also has (and should have) the authority to audit any organization or function that utilizes state or public funds that are administered by state departments.

In the past, the Legislature has requested the division to conduct audits as a result of allegations that non-profit organizations were "steering grants" to family members. At other times, the Legislature requested audits because of allegations that grantees failed to follow state policy. The director of the Legislative Audit Division contends that the division does not have authority to audit non-state organizations.

There are also differing legal opinions on this subject. SB 213 would remove this ambiguity. Passage of this bill will make it clear that the Legislature has the power to direct the Legislative Audit Division, and when so directed the Legislative Audit Division has the authority, to audit not only state agencies, but any organization or function that utilizes public funds.

SENATOR FRED DYSON

Contact: Lucky Shultz
(907) 465-2199

February 15, 2007

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: SB 213
 Bill Version: _____
 () Publish Date: _____

Identifier (file name): SB213-CED-CO-03-17-08 Dept. Affected: DCCED
 Title Legislative Audit Division Powers RDU Executive Admin & Dev (119)
 Component Commissioner's Office
 Sponsor Dyson
 Requester Senate State Affairs Component Number 1027

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | | |
|-------------------------------|---------------------------|-------------|---------|---------|---------|---------|---------|---------|
| | | FY 2009 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 |
| OPERATING EXPENDITURES | | | | | | | | |
| Personal Services | | | | | | | | |
| Travel | | | | | | | | |
| Contractual | | | | | | | | |
| Supplies | | | | | | | | |
| Equipment | | | | | | | | |
| Land & Structures | | | | | | | | |
| Grants & Claims | | | | | | | | |
| Miscellaneous | | | | | | | | |
| TOTAL OPERATING | | . | . | . | . | . | . | . |

| | | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|--|

| | | | | | | | | |
|-------------------------------|--|--|--|--|--|--|--|--|
| CHANGE IN REVENUES () | | | | | | | | |
|-------------------------------|--|--|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | FY 2009 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| TOTAL | . | . | . | . | . | . | . |

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

| | FY 2009 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 |
|-----------|---------|---------|---------|---------|---------|---------|---------|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

ANALYSIS. (Attach a separate page if necessary)

This legislation would expand the audit scope of the Legislative Budget & Audit Agency to include audits on organizations that receive money from or through the state, including money the state has received from the federal government.

Each year the department awards, on average, 2,000 grants of state, federal and other funds to a wide variety of grantees, ranging from communities to fishermen, to businesses, to utilities, and to a variety of nonprofit organizations. In FY08 these grants totaled in excess of \$217 million. While it is unclear what impact this legislation would have upon the administrative operations of the department, it would create an impact on those entities that would be audited; many of which are already subject to audit requirements.

Prepared by: Sally Saddler, Legislative Liaison
 Division Commerce, Community, and Economic Development
 Approved by: Emil R. Notti, Commissioner
 Agency Commerce, Community, and Economic Development

Phone (907) 465-2503
 Date/Time 3/17/08 2:04 PM
 Date 3/17/2008