



Representative Chris Tuck

Serving House District 23 • Dimond Estates, Foxridge, Taku, Campbell, Northwood, and Windemere

MEMORANDUM

TO: Legislative Budget and Audit Committee Members

FROM: Representative Chris Tuck, Chair
Legislative Budget and Audit Committee

A handwritten signature in black ink that reads "Chris Tuck".

DATE: January 12, 2021

RE: Special Audit of AK Cares Act grant funding

On May 11, 2020, the Legislative Budget and Audit Committee approved RPL #08-2020-0251. This item authorized the AK CARES program for small business relief, allocating \$290 million in federal funds received by the State of Alaska under Section 601 of the federal CARES Act. The RPL was subsequently ratified by the Legislature with the passage of HB313.

According to the Department of Commerce, Community, and Economic Development, these funds have been fully allocated and most or all have been distributed to grantees. In response to questions, the administration has provided lists of how many grants were received in a given community, and the aggregate total of funds by community. However, they have not provided any information about specific grantees nor about the process of reviewing and approving grant applications.

On November 19, 2020, my office received opinion 20-201.boo from Legislative Legal Services. In this opinion, it was concluded that there was no legal prohibition against publishing the names and associated amounts for these recipients of public funds.

In recognition of the significant public interest in knowing as much as possible about the allocation and use of these public funds, I respectfully request that an audit be performed of DCCED's grant process.

Specifically, the audit should:

- 1) Review the process used to procure contractors to help administer the program;
- 2) Analyze the prioritization and review process, in order to ensure that all eligible businesses were fairly and equitably treated;
- 3) Identify the names, locations, and specific amounts associated with each AK CARES grant award; and
- 4) Address other issues of concern identified by the Legislative Auditor during the audit.

Session (January-April):
State Capitol, Room 24
Juneau, AK 99801-1182
Phone (907) 465-2095

Rep.Chris.Tuck@akleg.gov
www.RepChrisTuck.com
Toll-Free (866) 465-2095

Interim (May-December):
1500 W Benson Blvd
Anchorage, AK 99503
Phone (907) 269-0240

Amendment to Special Audit Request

AK Care Act Grant Funding

January 18, 2021

Beginning after the phrase "Specifically, the audit should:",
please rewrite the numbered items to be audited as follows:

- 1) Obtain, as quickly as possible, information regarding the ^{grantee} names, locations, and specific amounts associated with each AK CARES grant award. This information should be made available to the committee as soon as practicable, prior to the completion of the other audit items;
- 2) Review the process used to procure contractors to help administer the program;
- 3) Analyze ^{the} prioritization and review process, in order to ensure that all eligible businesses were fairly and equitably treated. This review should include, but not be limited to:
 - a. Consideration of how then-existing applicant lists were impacted after the application criteria were broadened at the LB&A meeting of August 27, 2020;
 - b. Specific attention should be paid to the consideration and review of grants that may have been awarded to members of state boards and commissions and other individuals who may have a conflict of interest;
- 4) Address other issues of concern identified by the Legislative Auditor during the audit.