

FISCAL COMMITTEE OF THE GENERAL COURT
MINUTES
June 28, 2007

The Fiscal Committee of the General Court met on Thursday, June 28, 2007 at 9:00 a.m. in Room 210-211 of the Legislative Office Building.

Members in attendance were as follows:

Representative Marjorie Smith, Chairman
Representative Neal Kurk
Representative Frederick King
Representative Peter Franklin
Representative Daniel Eaton, Alternate
Representative Kenneth Weyler, Alternate
Senator Lou D'Allesandro, Vice-Chairman
Senate President Sylvia Larsen
Senator Kathleen Sgambati
Senator Theodore Gatsas
Senator John Gallus

Chairman Smith opened the meeting at 9:10 a.m.

ACCEPTANCE OF MINUTES:

On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the minutes of the June 18, 2007 meeting be accepted as written. MOTION ADOPTED.

OLD BUSINESS:

EIS 07-039 New Hampshire Retirement System - actuarial certification of funds available in the respective member classifications "special account" for the purpose of determining COLA's **Tabled 2/16/07**. No action taken.

EIS 07-034 Department of Administrative Services - authorization for various departments to retain state owned passenger automobiles with FY 2006 reported mileage less than 12,000 miles **Tabled 2/16/07 and 5/15/07**. No action taken.

EIS 07-111 Department of Health and Human Services, Office of Medicaid Business and Policy - for authorization to clarify physician services reimbursements to comply with recent instructions from the federal Centers for Medicare and Medicaid Services (CMS). **Tabled 4/19/07 and 5/15/07**. No action taken.

EIS 07-158 Department of Corrections - request to establish one full-time temporary Program Specialist II (LG21) position and one full-time temporary Program Specialist I (LG19) position through June 30, 2007. **Tabled 5/15/07**. No action taken.

AUDITS:

Note: This report was accepted, placed on file and released at the April 19th meeting of the Fiscal Committee, however, presentation of this report has been postponed until a future meeting.

New Hampshire State Liquor Commission, Annual Report and Statistical Section, Fiscal Year June 30, 2006 and State of New Hampshire Liquor Commission, Management Letter, For the Fiscal Year Ended June 30, 2006.

Note: Presentation of these reports were postponed at the May 15th meeting of the Fiscal Committee and will be presented at a future meeting.

State of New Hampshire, Lottery Commission, Management Letter, For the Fiscal Year Ended June 30, 2006 and State of New Hampshire, Department of Corrections, Correctional Industries Account and Vocational Training Account, Financial and Compliance Audit Report, For the Fiscal Year Ended June 30, 2006.

RSA 14:30-a, VI, FISCAL COMMITTEE APPROVAL REQUIRED FOR ACCEPTANCE AND EXPENDITURE OF FUNDS OVER \$50,000 FROM ANY NON-STATE SOURCE - CONSENT CALENDAR:

Items FIS 07-209 Department of Corrections – accept and expend \$1,528,526.30 in federal funds from July 1, 2007 through March 31, 2009 and FIS 216 Department of Justice – accept and expend \$1,992,000 in federal funds from July 1, 2007 through June 30, 2009 were removed from the Consent Calendar at the request of Representative Eaton.

On a motion by Representative Eaton, seconded by Representative King, that the Committee approve the remainder of the requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 07-164 Department of Resources and Economic Development – accept and expend up to \$3,000,000 of a federal financial assistance award under the State Grant Option of the Forest Legacy Program, FIS 07-179 Department of Justice – amend the grant award termination date from June 30, 2007 to September 30, 2008, with no increase in funding (approved FIS 06-299 October 18, 2006), FIS 07-180 Department of Justice – amend the grant award termination date from June 30, 2007 to September 30, 2007, with no increase in funding (approved FIS 06-257 September 19, 2006), FIS 07-181 Department of Justice – amend the grant award termination date from June 30, 2007 to September 30, 2008, with no increase in funding (approved FIS 05-200 October 19, 2005), FIS 07-182 Department of Justice – amend the grant award termination date from June 30, 2007 to September 30, 2007, with no increase in funding (approved FIS 06-266 September 19, 2006), FIS 07-183 Department of Justice – amend the grant award termination date from June 30, 2007 to September 30, 2007, with no increase in funding (approved FIS 06-268 September 19, 2006), FIS 07-184 Department of Justice – amend the grant award termination date from June 30, 2007 to September 30, 2009, with no increase in funding (approved FIS 06-304 October 18, 2006), FIS 07-185 Department of Justice – amend the grant award termination date from June 30, 2007 to March 31, 2009, with no increase in funding (approved FIS 07-128 April 19, 2007), FIS 07-186 Department of Justice – accept and expend an \$80,000 federal grant through June 30,

2009, FIS 07-187 Department of Justice – amend the grant award termination date from June 30, 2007 to December 31, 2008, with no increase in funding (approved FIS 06-292 October 18, 2006), FIS 07-188 Department of Justice – amend the grant award termination date from June 30, 2007 to September 30, 2008, with no increase in funding (approved FIS 06-352 November 14, 2006), FIS 07-189 Department of Justice – amend the grant award termination date from June 30, 2007 to December 31, 2008, with no increase in funding (approved FIS 06-196 June 7, 2006), FIS 07-190 Department of Justice – amend the grant award termination date from June 30, 2007 to May 31, 2008, with no increase in funding (approved FIS 06-305 October 18, 2006), FIS 07-191 Department of Justice – amend the grant award termination date from June 30, 2007 to September 30, 2008, with no increase in funding (approved FIS 06-302 October 18, 2006), FIS 07-192 Department of Safety – amend the grant award termination date from June 30, 2007 to March 31, 2008, with no increase in funding (approved FIS 07-020 February 16, 2007), FIS 07-193 Department of Safety – amend the grant award termination date from June 30, 2007 to September 30, 2007, with no increase in funding (approved FIS 05-247 November 16, 2005 and subsequent approval FIS 06-276 September 19, 2006), FIS 07-194 Department of Safety – amend the grant award termination date from June 30, 2007 to September 15, 2007, with no increase in funding (approved FIS 06-326 November 14, 2006), FIS 07-195 Department of Safety – amend the grant award termination date from June 30, 2007 to July 31, 2007, with no increase in funding (approved FIS 06-312 October 18, 2006), FIS 07-196 Department of Safety – amend the grant award termination date from June 30, 2007 to September 30, 2007, with no increase in funding (approved FIS 07-084 April 19, 2007), FIS 07-197 Department of Safety – amend the grant award termination date from June 30, 2007 to September 30, 2008, with no increase in funding (approved FIS 07-075 March 16, 2007), FIS 07-198 Department of Safety – amend the grant award termination date from June 30, 2007 to September 30, 2007, with no increase in funding (approved FIS 06-361 January 17, 2007), FIS 07-199 Department of Safety – amend the grant award termination date from June 30, 2007 to September 30, 2007, with no increase in funding (approved FIS 07-013 January 17, 2007), FIS 07-202 Department of Justice – amend the grant award termination date from June 30, 2007 to September 30, 2007, with no increase in funding (approved FIS 06-267 September 19, 2006), FIS 07-203 Department of Justice – amend the grant award termination date from June 30, 2007 to June 30, 2009, with no increase in funding (approved FIS 06-194 June 7, 2006), FIS 07-204 Department of Justice – amend the grant award termination date from June 30, 2007 to June 30, 2009, with no increase in funding (approved FIS 06-197 June 7, 2006), FIS 07-205 Department of Justice – amend the grant award termination date from June 30, 2007 to May 31, 2008, with no increase in funding (approved FIS 07-113 April 19, 2007), FIS 07-206 Department of Justice – amend the grant award termination date from June 30, 2007 to May 31, 2008, with no increase in funding (approved FIS 07-107 April 19, 2007), FIS 07-207 Department of Justice – amend the grant award termination date from June 30, 2007 to September 30, 2007, with no increase in funding (approved FIS 06-303 October 18, 2006), FIS 07-208 Department of Justice – amend the grant award termination date from June 30, 2007 to September 30, 2007, with no increase in funding (approved FIS 06-265 September 19, 2006)]

FIS 07-209 Department of Corrections – William Wrenn, Commissioner, and Robert Mullen, Director of Administration, responded to questions of the Committee.

On a motion by Representative King, seconded by Representative Eaton, that the Committee approve the request of the Department of Corrections to accept and expend \$1,528,526.30 in federal funds from July 1, 2007 through March 31, 2009. MOTION ADOPTED.

FIS 07-216 Department of Justice – Orville B. Fitch, Deputy Attorney General, and Rosemary Faretra, Director of Administration, responded to questions of the Committee.

On a motion by Representative Eaton, seconded by Representative King, that the Committee approve the request of the Department of Justice to accept and expend \$1,992,000 in federal funds from July 1, 2007 through June 30, 2009. MOTION ADOPTED.

RSA 14:30-a, VI, FISCAL COMMITTEE APPROVAL REQUIRED FOR ACCEPTANCE AND EXPENDITURE OF FUNDS OVER \$50,000 FROM ANY NON-STATE SOURCE and RSA 124:15 POSITIONS RESTRICTED:

On a motion by Representative Eaton, seconded by Representative King, that the Committee approve all the requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 07-211 Department of Safety – to amend the grant award termination date from June 30, 2007 to March 30, 2008, with no increase in funding, and extend the end date of six (6) part-time temporary Word Processor Operator I positions, with no increase in funding, from June 30, 2007 to March 30, 2008 (approved FIS 06-327 November 14, 2006), and FIS 07-212 Department of Safety – to amend the grant award termination date from June 30, 2007 to November 21, 2008, with no increase in funding, and extend the end date of the Consultants hired, with no increase in funding, from June 30, 2007 to November 21, 2008 (approved FIS 06-358 November 14, 2006)]

RSA 124:15 POSITIONS RESTRICTED:

On a motion by Representative Eaton, seconded by Senator Larsen, that the Committee approve all the requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 07-215 Department of Justice – to amend a consultant contract end date from June 30, 2007 to September 30, 2007 (approved FIS 06-366 January 17, 2007), and FIS 07-217 Department of Justice – to amend a full-time temporary unclassified attorney position end date from June 30, 2007 to September 30, 2007 (approved FIS 07-047 February 16, 2007)]

INFORMATIONAL MATERIALS:

Chairman Smith had questions on informational items FIS 07-169 Department of Health and Human Services, FIS 07-176 Department of Health and Human Services, and FIS 07-218 Department of Environmental Services.

FIS 07-169 Department of Health and Human Services and FIS 07-176 Department of Health and Human Services – James P. Fredyma, Controller, responded to questions of the Committee regarding expenditures for the Medicaid Program, the surplus in the nursing home account and Proshare.

FIS 07-218 Department of Environmental Services – Susan Carlson, Chief Financial Officer, responded to questions of the Committee regarding footnote reductions in grant classes.

The informational items were accepted and placed on file.

LATE ITEMS:

FIS 07-219 New Hampshire Retirement System – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the New Hampshire Retirement System to transfer \$3,000,000. MOTION ADOPTED.

MISCELLANEOUS:

Nicholas Toumpas, Deputy Commissioner, Department of Health and Human Services, presented an update on the status of the implementation of the Enterprise Resource Systems (ERP) New Hampshire First Project and the new Medicaid Management Information System (MMIS) and responded to questions of the Committee.

AUDITS:

State of New Hampshire, Management Letter, June 30, 2006 – Shawn Warren, Partner, representing KPMG presented the reports and responded to questions of the Committee. Also responding to questions were; Donald Hill, Commissioner, Department of Administrative Services; Charles O'Leary, Commissioner and Thomas Martin, Director of Finance, Department of Transportation; G. Philip Blatsos, Commissioner, Department of Revenue Administration; Wesley Colby, Director of Administration, Department of Safety; Barbara Richardson, Director of Operations, New Hampshire Insurance Department; and Catherine Provencher, State Treasurer.

State of New Hampshire, Single Audit of Federal Financial Assistance Programs, For the Year Ended June 30, 2006 – Brock Romano and Scott Warnetski, representing KPMG presented the reports and responded to questions of the Committee. Also present was Michael Marr, Director of Financial Management, New Hampshire Community Technical College System to respond to questions.

On a motion by Representative Kurk, seconded by Senator D'Allesandro, that both reports be accepted, placed on file and released in the usual manner. MOTION ADOPTED.

ADJOURNMENT:

The next regular meeting of the Fiscal Committee was set for Tuesday, July 24, 2007.
(Whereupon the meeting adjourned)

Representative Neal Kurk, Clerk