

JOINT FISCAL COMMITTEE

Legislative Office Building, Rooms 210-211
Concord, NH
Friday, September 14, 2012

MEMBERS PRESENT:

Rep. Ken Weyler (Chairman)
Rep. Beverly Rodeschin
Rep. Dan McGuire
Rep. Stephen Stepanek
Rep. Randy Foose
Sen. Chuck Morse
Sen. Bob Odell
Sen. Jeanne Forrester
Sen. Sylvia Larsen
Sen. David Boutin

(It is 10:06 a.m.)

(1) Acceptance of Minutes of the July 23, 2012 Meeting

CHAIRMAN WEYLER: Call the meeting to order for the Joint Fiscal Committee on October 14th, 2012. The first item on the agenda is acceptance of the minutes of the last meeting, July 23rd. I'll entertain a motion to accept the minutes.

**** REP. STEPANEK**: So moved.

CHAIRMAN WEYLER: Motion by Representative Stepanek, second by Senator Morse to accept the minutes as written. Any further discussion? Any corrections or omissions? Seeing none; are you ready for the question? All in favor say aye? Opposed no? The motion is adopted.

*** {MOTION ADOPTED}

(2) Old Business:

CHAIRMAN WEYLER: Moving on to Tab 2, Tabled Items and Old Business. We have a request on one of them to withdraw so we'll have to remove Item 12-240 from the table.

** REP. MCGUIRE: So moved.

CHAIRMAN WEYLER: Motion by --

REP. STEPANEK: Second.

CHAIRMAN WEYLER: Representative McGuire, seconded by Representative Stepanek to remove Item 12-240 from the table. Are you ready for the question?

All in favor say aye? Opposed no?

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: We will turn to Item 12-240, and the Legislative Budget Assistant, Mr. Pattison, has a letter to read or just acknowledge that we have a request to withdraw the item.

JEFFRY PATTISON, Legislative Budget Assistant, Office of Legislative Budget Assistant: Yes, you do.

CHAIRMAN WEYLER: There is a request to withdraw the item. I'll entertain a motion to do so.

** REP. FOOSE: So moved.

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REP. STEPANEK: Second.

CHAIRMAN WEYLER: Motion by Representative Foose, seconded by Representative Stepanek, to withdraw the item from our list. All in favor say aye? Opposed no? The motion passes. The item is withdrawn.

***** {MOTION ADOPTED}**

CHAIRMAN WEYLER: We also have additional information on Item 12-250, which was put on the table awaiting further information. We have people here who will discuss it with us, 12 dash -- is it 242 is going to have to be removed as well?

REP. MCGUIRE: I thought there might have been additional information.

CHAIRMAN WEYLER: Okay. Is that 242 would be next?

MR. PATTISON: Yes.

CHAIRMAN WEYLER: All right. We also have additional information on 12-242 to remove that from the table. Senator Morse moves that it be moved from the table.

SEN. BOUTIN: Second.

CHAIRMAN WEYLER: Senator Boutin seconds. All in favor say aye? Opposed no? And that motion is adopted.

***** {MOTION ADOPTED}**

CHAIRMAN WEYLER: We will remove Item 12-242 from the table. And we have people from Safety to

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discuss it. Is anybody here from Safety to answer questions?

REP. MCGUIRE: Transportation.

CHAIRMAN WEYLER: Transportation, I'm sorry. We have Commissioner Brillhart. Good morning.

JEFF BRILLHART, Assistant Commissioner, Department of Transportation: Good morning, Mr. Chairman. My name is Jeff Brillhart. I'm Assistant Commissioner with the Department of Transportation. With me is Bill Janelle, Director of Operations with the Department of Transportation.

CHAIRMAN WEYLER: When we put it on the table before, we needed to find out information about whether this training was already covered somewhere, why there was money being transferred into that and so on, so those are the types of things that we'd like you to address today. We do have your additional information.

MR. BRILLHART: We forwarded a letter to you back in August about this item. And we are looking for the training money for Safety in environmental training. We have been doing this kind of training for about 12 years now. We have seen a dramatic decline in accidents at work and improvements in our environmental stewardship. And this money would go a long ways towards maintaining the progress that we've made thus far and that's why we're asking to include it. It is --

CHAIRMAN WEYLER: I guess our curiosity is that if you've been doing this for a number of years, you obviously have a line in the budget, why would you need the additional money?

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MR. BRILLHART: The money that -- we used to put this training money in Class 20 and my understanding is that that's not the proper way to do it in terms of the budget. And so we're asking to transfer this money from -- from Class 20 to Class 66.

CHAIRMAN WEYLER: Questions from the Committee? Seeing none; I'll entertain a motion.

** SEN. LARSEN: Move approval.

REP. MCGUIRE: Representative Stepanek.

CHAIRMAN WEYLER: Okay. I have a motion from Senator Larsen to move approval, second by Senator Forrester. And we have -- and I'll accept a motion and we are open for discussion. Representative Stepanek has a question.

REP. STEPANEK: Thank you, Mr. Chairman. I just want to clarify. So you're just transferring this around from -- you had this in another line item and this is money that you've always used in the past and you're just putting it into the proper line going forward; is that correct?

WILLIAM JANELLE, Director of Operations, Department of Transportation: Unfortunately, we can't just -- we would have preferred to do that. But technically, because the organization code that we're putting into doesn't have Highway funds in it, it only has Federal funds in it, these funds needed to come from the Highway Surplus Account into the training org.

REP. STEPANEK: Where were they in the budget? Follow-up.

CHAIRMAN WEYLER: Follow-up question.

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REP. STEPANEK: Where did you have them in your original budget?

MR. JANELLE: Typically, in our budget we would fund this out of Class 20, which is current expenses. But as we've become more granular in that class identification, we've put all of our training funds in Class 66, and that's where when we do training now, we're required to spend funds from Class 66. We didn't have any money in Class 66, so we weren't able to do the training.

REP. STEPANEK: Final follow-up.

CHAIRMAN WEYLER: Final follow-up.

REP. STEPANEK: I'm just trying to get to the bottom of how they're doing this. So the money that you had in Line 20 --

MR. JANELLE: Hm-hum.

REP. STEPANEK: -- that you wanted to transfer, you couldn't transfer that out.

MR. JANELLE: That's right.

REP. STEPANEK: So you're transferring it from surplus. So you're going to have a surplus in Line 20 for this amount of money at the end of the budget; is that correct?

MR. JANELLE: Yes.

REP. STEPANEK: And that will lapse at the end?

MR. JANELLE: Yes.

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REP. STEPANEK: Thank you.

CHAIRMAN WEYLER: Further questions. Seeing none; are you ready for the question. The motion is to approve. All those in favor say aye? Opposed no? The motion is adopted. Thank you, gentlemen.

*** {MOTION ADOPTED}

MR. BRILLHART: Thank you.

MR. JANELLE: Thank you.

CHAIRMAN WEYLER: The next item that is laid on the table is item 12-250. We have the additional information, but we must remove it from the table --

** REP. STEPANEK: Motion to remove.

CHAIRMAN WEYLER: -- to take any further action. Representative Stepanek moves to remove it from the table. Senator Boutin seconds. All in favor say aye?

REP. MCGUIRE: This is for discussion?

REP. STEPANEK: Yes, it's for discussion.

CHAIRMAN WEYLER: Excuse me. There is to be some discussion to be had on this. That's after we remove it from the table.

REP. STEPANEK: We have to remove it from the table.

CHAIRMAN WEYLER: Now we removed from the table now we can discuss it. All right.

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REP. MCGUIRE: Why don't we discuss the untabled motion, but I don't know if that's discussable.

CHAIRMAN WEYLER: It's one of those things that's non-debatable.

REP. MCGUIRE: Okay.

CHAIRMAN WEYLER: The item is removed from the table.

REP. MCGUIRE: I vote no.

CHAIRMAN WEYLER: And you voted negative on removing it from the table. So be reported.

***** {MOTION ADOPTED}**

CHAIRMAN WEYLER: All right. We have a slew of additional information and I believe we have people that are ready to come forward to answer any further questions, some of which may not have been in the material that we received. I recognize Commissioner Bald.

GEORGE M. BALD, Commissioner, Department of Resources and Economic Development: Good morning.

CHAIRMAN WEYLER: Good morning.

BRAD SIMPKINS, Director, Division of Forests and Lands, Department of Resources and Economic Development: Good morning. I'm Brad Simpkins, Director of Division of Forests and Lands.

CHAIRMAN WEYLER: Thank you, gentlemen. One of the questions I had was normally when you see an organization with a large tract of land, quite often it is left to them with codicils to not be

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developed. And I was curious as to whether, in fact, there were any codicils on this land that was surrounding the hospital. Any restrictions on not being sold or not being developed or anything of that nature?

MR. SIMPKINS: None that I'm aware of. However, we do have Mr. Shumway here today.

CHAIRMAN WEYLER: Why don't we invite him to join us as well.

DONALD SHUMWAY, President & CEO, Crotchet Mountain Rehabilitation Center: Good morning, Mr. Chairman. Thank you.

CHAIRMAN WEYLER: Good morning, Mr. Shumway. Welcome back. Do you know of any restrictions that were on these lands that you have in your oversight?

MR. SHUMWAY: As part of establishing the easement, a complete title search was completed. There are no restrictions of the type that you mention. There were some that allowed, for example, a small segment of the land to be used as an access for water by a neighbor. All of those were cleared up as part of the title search and as such there are no restrictions relevant.

CHAIRMAN WEYLER: Do you remember if this land was all obtained in one parcel or several different parcels? Does that go way back before any of us have any memory?

MR. SHUMWAY: That's not far back.

CHAIRMAN WEYLER: I remember seeing this hospital when I was about 11 years old and hiding

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at Crotchet Mountain. It existed then and that was a long time ago.

MR. SHUMWAY: Yes, Mr. Chair. It ceased being primarily a farming operation in the '30s and that was the smaller core of the property. Parcels were assembled and initially was used as a summer camp for children from New Hampshire's cities back in the '40s. And in 1951 it began operations as the rehabilitation center and that is when its formal legal structure as we now know it and the conveyance of land was all assembled. Did I answer your question?

CHAIRMAN WEYLER: Yes, you did. Thank you. Further questions from the Committee? Senator Odell.

SEN. ODELL: Thank you, Mr. Chairman. Subsequent to the July meeting, and as some may recall I was concerned that we would be tabling this piece -- this item because I felt so strongly that I assumed that a lot of work had gone into it, it had gone through a preparatory period. So I went and visited with the Select Board in Frankestown and they were shocked because of the fact that they had worked with you, Mr. Shumway, and others, I guess, on their own conservation lands that are parallel to them. For example, a resource evaluation was made, they also had to look at the Town's conservation lands and so they thought there was great benefit in working with you and having these contiguous pieces of land for all our advantage but for all the kinds of things that we think are important in terms of conservation in New Hampshire.

Subsequent to that, as you'll recall, Mr. Shumway, you and I happened to be at the Bennington

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Select Board the same -- approximately the same time, and one man there had -- the second time being a Selectman he said he was shocked this was being held up because he goes back to 1994. He recalled when the first discussions of this started. So, you know, over 20 years of people working on this, and so they were stunned. But if I'm correct, this has gone through all the kinds of rigorous evaluations, competitively bid, that this has nothing to do with the national debt, that it has to do with New Hampshire competing with other groups in the Northeast in terms of getting a grant like this?

MR. BALD: Senator, this really is a wonderful program, because the land stays in public ownership. But we're assured forever that forestry will be practiced on that -- on that site. And it's very important. Forest products are the third largest part of the State's economy. And as time goes on, it gets more difficult as land is -- big blocks of land are purchased by people who decide to restrict it for whatever reason it is, whether it's recreational uses or forestry practices. And so whenever land is taken out of forestry practice, it puts greater pressure on our saw mills and the opportunity to get wood. It also is important that they'll continue to pay property taxes so the community isn't harmed in any way, and it allows all the uses. And this specific location for us is exciting because they allow hunting on that site. And because of the trail network that they have there, it allows that people that have mobility problems to be able to use it. So it really is a wonderful opportunity.

You know, when we talk about economic development, it is -- I'm fond of saying it's as important to me to have water and sewer in Nashua

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and Manchester as it is to be 84% forested. When Fidelity decided to come to New Hampshire, Mr. Gilpin, who was the manager at the time, argued in favor of New Hampshire as a location. And he said, I go there on vacation, my family loves it, which means our workers will love it and we'll be able to attract people. So there's always been a good mixture of having wonderful industries in our state, but also having that focus on making sure we're preserving a lot of our land for recreational uses.

I've been told that somebody has raised the issue of the Federal Government shouldn't be spending money for these projects. And I would -- I'm not going to try to dissuade anybody from that opinion. The problem is if you truly feel that way, you'll do nothing by voting against this. Because the money will be re-appropriated to Maine, Vermont, and other states. And so the money still will be spent, but New Hampshire will not get the benefit of that. If you truly believe that the Federal Government shouldn't be spending this money and it's not tax money, it's royalties that come from offshore oil leases, so it's not our tax dollars going into it, then my suggestion that you would write the Congressional Delegation and say we shouldn't be spending money there. But as long as it's available for the State of New Hampshire, if we turn it down, other states will get it, other states will protect their property. This is to me, one of the great projects that we can fund for our state. And it will be there for, a long, long time, it will provide benefits for our state, but it will still continue to promote the economy by good forestry practices that will occur on that site.

CHAIRMAN WEYLER: Thank you, Commissioner. Anything further, Senator?

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SEN. ODELL: Nothing. Thank you.

CHAIRMAN WEYLER: Any other member wish to -- Representative Foose.

REP. FOOSE: Thank you, Mr. Chairman. In trying to listen and read as carefully as I can, it just -- it seems like this is a win/win situation and deserves our support. I think it was probably important that we took the extra time to really make sure we had all of the information. But I'm persuaded that this is a sound -- sound vote.

CHAIRMAN WEYLER: Thank you. Anyone else? Representative McGuire.

REP. MCGUIRE: Yeah, I don't really have questions. I just have discussion. So I'm the person who objected to this in the first place and I still do for the same reasons I did before. We've heard the word forever here. I'm not prepared to make decisions for the future people of New Hampshire forever. I mean, recently, you know, in recent memory, this land was used he said for farming, for summer camps, for other purposes. How are we to know what purposes the people living here when we're dead and buried are going to want to do with their land? It seems to me that we're paying money here to not to make any changes in the land. It is currently unused for development, there's no proposals to use it for development, it's used for recreational purposes, and watershed, and timber harvest, and all that sort of stuff. So there's no change going on.

I think that if this \$2 million were in House Bill 1, this is something that almost, I hope, everyone at the table would see as an easy cut if

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we were trying to save money out of House Bill 1. Maybe not everybody; but, you know, to spend money to no change, to no benefit, we wouldn't spend our own money that way. Well, to spend other, you know, just as much we are citizens of New Hampshire, we are citizens of the United States, too. And to spend money belonging to other citizens of the United States, in ways we wouldn't spend it ourselves, I think is just simply wrong. You know, that -- what I just said is not true of a lot of the other things we do here. Right. There's money in here for school lunch programs, for disabled people, for sick people and so on, we would be spending our money on those things. But I don't think we would spend, if it was our money, we wouldn't spend it on this. Thank you.

CHAIRMAN WEYLER: Senator Forrester.

REP. FORRESTER: Did I understand that this is not taxpayer money?

MR. BALD: It's not -- it's not income tax dollars. It's royalties from offshore drilling that are used to fund this program.

REP. FORRESTER: Thank you.

CHAIRMAN WEYLER: Senator Larsen.

SEN. LARSEN: Hum -- having -- just in the mode of discussion, having heard Representative McGuire's statement, I would just have to point out that if we did not have a country that believed in investing long-term, we would not have Yellowstone. We would not have Acadia National Park. We would not have so many of the open spaces that are equally valuable, not only to the spirit of those visiting, but to the diversity of our planet. I

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believe that not only is this a good economic plan because we've heard of timber harvesting and continued hunting and tourism appealability to open up lands to those with disabilities. I believe that it's an investment that future generations will be glad that we made as continued populations put pressure on our open spaces. So I will be voting for this.

CHAIRMAN WEYLER: The last item that we had discussed amongst ourselves was where the money goes to. Is it going into endowment? Is it going to be held long-term? Is it going to get you out of debt. How -- what is the plan?

MR. SHUMWAY: We are managed by a board of directors. It would basically be used pursuant to the policies of the Board. The intentions of the organization are, first of all, we'll use it for purposes of maintenance of the property, including the wheelchair accessible trail. It's about 2.4 miles in length. It's open for public access. We hope to further develop it for its use. For example, for youth hunting experiences under a club that we're working with, so that's one of the primary intentions. But, really, it's for the long-term stability of this asset as a whole for the State of New Hampshire, people of New Hampshire.

CHAIRMAN WEYLER: Any further discussion?
Representative Stepanek.

REP. STEPANEK: Thank you, Mr. Chairman. It's my understanding that under the current regulation of this property you have it posted as a no hunting piece of property, but if this moves forward under the regulations of the forestry, it will be open to the hunters of New Hampshire; is that correct?

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MR. SHUMWAY: Yes, sir. That is precisely correct. It is a condition of the easement that public access be given that would include specifically hunting. Snowmobiling is also a requirement.

REP. STEPANEK: And follow-up? Mr. Chairman, follow-up.

CHAIRMAN WEYLER: Follow-up.

REP. STEPANEK: So, currently, it is not open to snowmobiling?

MR. SHUMWAY: We have a very small segment on a corner of our property where we do permit a snowmobile club to maintain a -- it's kind of a Class 6 road for that purpose.

REP. STEPANEK: But -- follow-up.

CHAIRMAN WEYLER: Follow-up.

REP. STEPANEK: But under the regulation, the new easements, that the entire property would be available for snowmobiling.

MR. SHUMWAY: Where appropriate.

REP. STEPANEK: Right.

MR. SHUMWAY: Yes.

REP. STEPANEK: Thank you.

CHAIRMAN WEYLER: Further? Representative McGuire.

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REP. MCGUIRE: Thank you, Mr. Chairman. I just wanted to briefly respond to a couple of questions that Senators Forrester and Larsen made. First of all, as far as where the money comes from, money is fungible. So I don't think it really matters where in the budget it's, you know, a dollar in your left pocket is the same as a dollar in your right pocket.

In regard to a point that Senator Larsen made, the actual history of Federal parks are not quite as laudable as you might think. The lands for Yellowstone and the park on the island in Bar Harbor were donated to the Government by some very wealthy people, like the Rockefellers and so on. And they had a strong motivation to protect land outside their existing holdings so that there wouldn't be -- they could effectively have -- be surrounded by conservation space and not have to maintain it themselves. So -- so their motivation wasn't entirely laudable. And that's why there's, you know, that park in Maine, there's some very, very expensive, exclusive property on it -- next to that park. So I don't think the motivations are always entirely in the public interest. Thank you.

CHAIRMAN WEYLER: Senator Odell.

** SEN. ODELL: I'd like to move the item.

REP. FORRESTER: Second.

CHAIRMAN WEYLER: Senator Odell moves to adopt the item.

REP. FORRESTER: Second.

CHAIRMAN WEYLER: Second by Senator Forrester. Seeing no further discussion, are you ready for the

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question? All in favor say aye? Opposed no?

REP. MCGUIRE: No.

CHAIRMAN WEYLER: Motion is adopted. Thank you very much.

*** {MOTION ADOPTED}

MR. BALD: Thank you.

MR. SIMPKINS: Thank you, Mr. Chair.

CONSENT CALENDAR

(3) RSA 9:16-a, Transfers Authorized:

CHAIRMAN WEYLER: Okay. Move on to Tab 3. Moving money around routinely by the Adjutant General. Entertain a motion on that.

** REP. FOOSE: Move approval.

SEN. MORSE: Second.

CHAIRMAN WEYLER: Representative Foose moved approval, Senator Morse seconded. Further discussion? Let' see, the Deputy Attorney General is here if you have any questions but -- I mean Adjutant General, excuse me. If there are any questions. Seeing none; are you ready for the question? All in favor say aye? Opposed no? The item is adopted. Thank you, General.

*** (MOTION ADOPTED)

(4) RSA 14:30-a, VI Fiscal Committee Approval

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**Required for Acceptance and Expenditure of
Funds Over \$50,000 from any Non-State Source:**

CHAIRMAN WEYLER: Moving on to Tab 4. There is items on a Consent Calendar. Excuse me. Okay. Which items have we discussed removing?

REP. STEPANEK: 283 and 294.

CHAIRMAN WEYLER: 283 and 294 to be removed from the Consent Calendar. Any others? All right. Seeing none; I'll entertain a motion on the remaining items under Tab 4 which would be 12-284, 12-285, 12-296 and 12-299.

** SEN. MORSE: So moved.

CHAIRMAN WEYLER: Motion by Senator Morse, second by Representative Stepanek to adopt the remaining items. Any further discussion? Seeing none; are you ready for the question? All in favor say aye? Opposed no? The remaining items are adopted.

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: We'll turn now to Item 12-283 and invite someone from the Department of Education for any questions. I see Commissioner Leather.

REP. STEPANEK: My objection to this is purely on a technical basis, Mr. Chairman.

CHAIRMAN WEYLER: You're recognized, Representative Stepanek.

REP. STEPANEK: This is inappropriately addressed.

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CHAIRMAN WEYLER: Ha.

REP. STEPANEK: I believe that Representative Weyler is the Chairman, not Representative Margie Smith. And being that we're at the end of this term versus somebody who's in charge almost two years ago, I would have thought that the Department of Education would have figured out who the Chairman of Fiscal Committee is. So if they would appropriately address this, I'm sure there'd be no problem.

CHAIRMAN WEYLER: Commissioner.

PAUL LEATHER, Deputy Commissioner, Department of Education: Yes, Paul Leather, Deputy Commissioner, Department of Education.

First off, let me just offer my sincere personal apologies to Representative Weyler. We certainly understand that Representative Weyler is the Chair of the -- both the House Finance Committee and the Fiscal Committee. This was, obviously, a clerical error that we take full responsibility for. It was missed in the process. So just brought to our attention when we came into the room.

By way of explanation, obviously, somebody took the original letter and reframed it for the current action but that is no excuse. We certainly understand that should be addressed to the current Chair of the Committee.

REP. STEPANEK: Thank you.

CHAIRMAN WEYLER: You wish to proceed further?

** REP. STEPANEK: I'll move that we accept this.

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CHAIRMAN WEYLER: Move to adopt the item by Representative Stepanek.

REP. MCGUIRE: Second.

CHAIRMAN WEYLER: Second by Representative McGuire.

REP. STEPANEK: I've made my point.

CHAIRMAN WEYLER: Further discussion? Seeing none; all in favor say aye? Opposed no? The item is adopted. Thank you.

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: Moving on to Item 12-294, and looks like we have the Director of OIT.

RICK BAILEY, Director, Division of Motor Vehicles, Department of Safety: Actually, sir, Rick Bailey, Director of Division of Motor Vehicles, Department of Safety.

CHAIRMAN WEYLER: Can't keep up with all these changes. I missed the notice.

MR. BAILEY: I think the last time that I was before you I probably was still with DoIT.

CHAIRMAN WEYLER: All right. Director of Motor Vehicles. You know, I did hear that some months ago. I'm sorry, I forgot. All right. Questions from the Committee? Representative Stepanek.

REP. STEPANEK: Yes. Thank you, Mr. Chairman. In our discussion we had just -- we just wanted a clarification. You're looking at 146,306 for 250

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wireless air cards. Is this -- and it says monthly. This isn't for a month. This is for the entire year; correct?

MR. BAILEY: Yes. The service is bought on a monthly basis, but the cost here reflected is approximately 12 months.

REP. STEPANEK: Thank you. Follow-up.

CHAIRMAN WEYLER: Follow-up.

REP. STEPANEK: Another question that was brought up is that we're assuming this is being used for our State Police vehicles on the road; correct?

MR. BAILEY: It's -- there are approximately 386 marked State Police cars. This will fund cars for 250 approximately. That represents the Troopers that are assigned to the highway environments. That's what the funding source was for. As you'll recall, State Police also has certain responsibilities in smaller towns that don't have full-time police forces; but since this is for a Highway Safety Grant, the Troopers that will be receiving the cards under this program are the ones that are assigned to areas of patrol that deal with the highways.

REP. STEPANEK: Thank you. I have no further questions.

CHAIRMAN WEYLER: Representative McGuire for a question.

REP. MCGUIRE: Is this related to E-Ticket?

MR. BAILEY: Indirectly. E-Ticketing could

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process through this connection. But E-Ticketing also has an ability to store and forward. So if a Trooper without an air card has his laptop and issued E-Tickets, the next time he comes onto the network at one of the substations or Troop stations, he can upload. I know that in time they would like to get to a real-time environment, but it works either way right now.

REP. MCGUIRE: Thank you. I -- just as discussion.

CHAIRMAN WEYLER: Follow-up.

REP. MCGUIRE: I recently saw a really fascinating use of this technology where they -- a map was made showing locations of accidents and locations of tickets. So the Department of Safety was looking at that to decide maybe they should move their ticketing to more where accidents are occurring. And so because there's GPS in these systems they're able to automatically produce such maps. So it was very good.

CHAIRMAN WEYLER: Is that something you're using?

MR. BAILEY: That's something that they're working on with the GIS folks that the E-Ticketing that Representative McGuire mentioned does capture, if available, a longitude latitude GPS coordinate would then allow the results of a group of tickets to be looked at. The crash data that we have does have location information available and so it's a case and they're working on getting the overlays of those two data sets to compare them.

CHAIRMAN WEYLER: With 386 marked cars, how many of those are State Troopers and how many of those

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are Highway Safety?

MR. BAILEY: Well, Troop G, since it left the Division of Motor Vehicles, is now still considered to be State Police. And I'm not sure how many actual Troopers there are in Troop G be the highway safety folks.

CHAIRMAN WEYLER: Seems like it's a big increase from what I recall from a few years ago on the number of cruisers we had on the road.

MR. BAILEY: I believe the number has gone down over the past couple years, but I don't have that information.

****** REP. STEPANEK: Mr. Chairman, I'll move acceptance.

CHAIRMAN WEYLER: Representative Stepanek moves acceptance. Is there a second? Senator Boutin seconds. Further discussion? Seeing none; all in favor say aye? Opposed no? The item is adopted.

******* {**MOTION ADOPTED**}
(5) RSA 124:15 Positions Restricted:

CHAIRMAN WEYLER: Okay. That finishes Tab 4 and we'll move on to Tab 5. Again, these are consent items. One of them.

REP. STEPANEK: I'll remove 302, please.

CHAIRMAN WEYLER: Representative Stepanek moves Item 302.

REP. STEPANEK: No, remove.

CHAIRMAN WEYLER: Remove.

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REP. STEPANEK: You said consent.

CHAIRMAN WEYLER: No. I guess since it's only the one item on Tab 5.

REP. STEPANEK: Well, I have some questions then.

CHAIRMAN WEYLER: All right. Do we have somebody from the Department of Justice?

ANN RICE, Associate Attorney General, Department of Justice: Good morning. Ann Rice from the Attorney General's Office and Rosemary Faretra.

CHAIRMAN WEYLER: Good morning, Attorney Rice, and with you?

MS. RICE: Rosemary Faretra, the Director of Administration.

CHAIRMAN WEYLER: Thank you. Representative Stepanek, you're recognized for a question.

REP. STEPANEK: Thank you. Good morning and thank you for taking my question.

In looking at this, it appears that this individual that you're asking to extend their employment, the grant covering their employment ran out on April 30th, which was quite some time ago. Under what authorization have they been -- has their employment been continued from then till now and where did the funds come from, if the money was theoretically ended on April 30th?

MS. RICE: The funding statement was -- we neglected to include this, but funds had been

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approved for this position prior to our asking for the extension of the position. Excuse me for just one second. I'm going to let Director --

ROSEMARY FARRETRA, Director of Administration, Department of Justice: Okay. Just as a clarification, we actually neglected to ask --

CHAIRMAN WEYLER: Get very close to that mic. I don't think it's picking much up.

MS. FARRETRA: Just as a clarification, we did neglect to ask for approval to extend the position through Fiscal which was in RSA 124:15. We had a request that went to G & C to actually authorize the funding for that particular grant. So the funding was there, but we didn't have the permission to extend the position. That's what we are asking for here, and this is a retroactive request to April. The funding itself was there.

CHAIRMAN WEYLER: Funding was but not the authority to spend.

MS. FARRETRA: The authority to have the position in place.

CHAIRMAN WEYLER: So the person was there illegally in the Attorney General's Office that oversees the laws.

MS. RICE: I'm not sure that I would agree with that. The person was there. We neglected to retroactively -- we neglected to ask for permission for the position, extending the position. The funding was in place for the position.

REP. STEPANEK: Follow-up.

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CHAIRMAN WEYLER: Follow-up.

REP. STEPANEK: You say the funding was in place, but don't you have to come to Fiscal to get authorization to spend that money?

MS. FARRETRA: If it's -- if it's under \$50,000, we do not. If you look in the package -- in the package that we gave you, on 8/10/11 we went to Governor and Council and actually requested additional funds to put into that account. What should have happened at that time, we should have brought it here with the request to extend the position at the same time, and we didn't. It was a mistake on our part. It should have been included with that request.

REP. STEPANEK: Thank you.

CHAIRMAN WEYLER: Further questions. I had one, whether this position has actually increased the rate of convictions? That was the whole purpose of having this person.

MS. RICE: Well, the position is to improve the response, the community response to sexual assaults which, ultimately, should improve the rate of conviction. The position has only been in place for approximately a year and a half, and the cases haven't gotten through the system that quickly. So I'm not sure that we can provide you with a prosecution result at this point in time.

CHAIRMAN WEYLER: Hopefully, we'll know by the next budget.

MS. RICE: I would like to be able to say that.

MS. FARRETRA: Yes, that will be budgeted.

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CHAIRMAN WEYLER: Further discussion? Seeing none; do we have a motion?

** SEN. LARSEN: Move approval.

REP. FOOSE: Move approval.

CHAIRMAN WEYLER: Senator Larsen moves approval.

REP. FOOSE: Second.

CHAIRMAN WEYLER: Representative Foose seconds. Further discussion? Seeing none; are you ready for the question? All in favor say aye? Opposed no? The motion is adopted. Thank you very much.

MS. RICE: Thank you.

*** {MOTION ADOPTED}

(6) RSA 12-L:14, I, McAuliffe-Shepard Discovery Center Board

CHAIRMAN WEYLER: Moving on to Tab 6. McAuliffe-Shepherd Discovery Center has given us a list of very distinguished people, many of whom we know, are impressed with their resumes which are more complete than what I've read in the blue book. How does the Committee wish to proceed? Is there a motion to adopt?

** SEN. LARSEN: So move.

CHAIRMAN WEYLER: Senator Larsen moves to adopt the item.

SEN. BOUTIN: Second.

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CHAIRMAN WEYLER: Senator Boutin seconds. Is there any further discussion? See the Director's smiling face ready to answer any questions. If there are none, are you ready for the question? All in favor say aye? Opposed no? The motion is adopted. Thank you very much. Good luck.

JEANNE T. GERULSKIS, Executive Director, McAuliffe-Shepard Discovery Center: Thank you.

*** {MOTION ADOPTED}

(7) 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:

CHAIRMAN WEYLER: To tab -- let's see what the next item is. I thought I had more items under this tab. I wrote a note to myself and blocked out Tab 7. Moving on to Tab 7, Item 12-272. How does the Committee wish to proceed?

** SEN. LARSEN: Move approval.

CHAIRMAN WEYLER: Senator Larsen moves to adopt the item.

REP. FOOSE: Second.

CHAIRMAN WEYLER: Second by Representative Foose. Is there any further discussion? Representative Stepanek has a question. Is there someone here from the Office of Safety? All right. I see Commissioner or Director Bailey back. Is it Director?

MR. BAILEY: Yes, sir.

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CHAIRMAN WEYLER: Director Bailey is back again. Representative Stepanek is recognized for a question.

REP. STEPANEK: Thank you, Mr. Chairman. Thank you for taking my question. We just had a quick question as to -- we looked through the information packet and it didn't indicate how many cameras were being purchased under this program and how many offices would be covered by these cameras.

MR. BAILEY: This is a continuation of a program that we started with this funding last Fiscal Year. And we did the Concord Substation and the Manchester Substation which are up and functional today. We hope with this funding to cover the rest of the southern tier offices, Salem, Nashua, Dover Point, Epping, the busiest locations. Depending on the availability of funding, we would like to get to Keene and Claremont as well. So how many particular cameras involved varies a little bit by location because they're different sizes. The larger locations, of course, having more sizes. The reason the prices have been influx, different bids for this equipment have come in at different prices. So we have plans for all those locations and we are confident we are going to get at least four of them done. I'm hoping we can get six.

REP. STEPANEK: With the same funding?

MR. BAILEY: With this amount of funding, yes.

REP. STEPANEK: Correct. Thank you.

CHAIRMAN WEYLER: Now, are you going to need additional people to view the images the cameras will be bringing you?

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MR. BAILEY: No. We're trying to do this to make up for the staffing model that we have. Some of the places, for instance, the testing rooms, we do not have people to sit in or monitor personally all the testing rooms. The use of cameras to do that and to review them when we think something may be going on allows the current staff to handle that. Some of the value we have seen is in after hours. We had a break in at the Manchester location; but through the use of the cameras, we were able to prove that while they broke into a lobby area, they never went anywhere else. So we're using with this staff that we have.

CHAIRMAN WEYLER: Representative Rodeschin for a question.

REP. RODESCHIN: Are these people notified that they're on camera?

MR. BAILEY: We're looking at that. The cameras have been in use in Concord for a number of years, but we'll be putting up signs to say that video surveillance is in use at all the locations.

REP. RODESCHIN: So they're forewarned?

MR. BAILEY: They will be forewarned.

REP. RODESCHIN: Thank you.

CHAIRMAN WEYLER: Further discussion? Seeing none; I believe we have a motion.

REP. RODESCHIN: Senator Larsen and Foose.

CHAIRMAN WEYLER: Are you ready for the question? All in favor say aye? Opposed no? The

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item is adopted. Thank you. Okay.

***** {MOTION ADOPTED}**

CHAIRMAN WEYLER: Next item is 287. Entertain a motion.

**** SEN. LARSEN**: Move approval.

CHAIRMAN WEYLER: Senator Larsen moves approval. Senator Morse seconds on Item 287. Any further discussion? Seeing none; are you ready for the question? All in favor say aye? Opposed no? The item is adopted.

***** {MOTION ADOPTED}**

CHAIRMAN WEYLER: Next item is 295.

**** REP. FOOSE**: Move approval.

CHAIRMAN WEYLER: Representative Foose moves approval.

SEN. LARSEN: Second.

CHAIRMAN WEYLER: Senator Larsen seconds. Further discussion? Seeing none; are you ready for the question? All in favor say aye? Opposed no? The item is adopted.

***** {MOTION ADOPTED}**

CHAIRMAN WEYLER: Moving on to Item 12-297. I'll entertain a motion.

REP. MCGUIRE: I had some questions about this.

CHAIRMAN WEYLER: Question on this by

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Representative McGuire. Is there someone here from the Department of Education? I see Commissioner Leather is still here. Representative McGuire.

MR. LEATHER: With me is Irene Koffink, the Administrator of this program.

CHAIRMAN WEYLER: Representative McGuire is recognized for a question.

REP. MCGUIRE: Thank you, Mr. Chairman. Thank you for coming. It seems to me when I remember the budget that we cut out some of this -- either cut out or reduced some of this teacher effectiveness sort of money. Is this to replace that or is this unrelated?

MR. LEATHER: It's unrelated. This is really to just support work that school districts are doing around evaluating teachers and leaders and their effectiveness by allowing them to connect student level data with specific teacher and principal level information. It's not a system that we would run, but it would be to provide the data so the local folks could do that.

REP. MCGUIRE: Follow-up.

CHAIRMAN WEYLER: Follow-up.

REP. MCGUIRE: So is this a task that's not being done at all right now?

MR. LEATHER: That's correct. It's something that has long been envisioned to be a part of this system. We had a grant starting in 2007 to the end of 2011 from the Federal Government to build a Longitudinal Data System. We have just now received a second Federal grant. That's what this

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request is for and that's to complete that system. This is one of those items.

REP. MCGUIRE: Can you explain what you mean by longitudinal data?

MR. LEATHER: Really to maintain a system by which as educators work within the system, to follow their performance over time, and also for students as we collect the data of their performance and state assessments, for example, that we're able to run not individual related reports but reports that describe how the system is doing. So, for example, how well a school is doing, how well a school district is doing, how well the state is doing in terms of performance over time.

REP. MCGUIRE: Would this supplement then NECAP and those kinds of data?

MR. LEATHER: Well, it would allow us to use the NECAP data more effectively so that educators and educational leaders at the local level can make better decisions. In fact, one of the -- one of the specific areas that we are working on is what's referred to as informed decision-making, helping educators and educational leaders improve programs based on the results of those programs.

REP. MCGUIRE: And tell us more about how the details of the money, how it will be spent?

MR. LEATHER: Irene will talk to that.

IRENE KOFFINK, Administrator III, Division of Data Management, Department of Education: Sure. The grant is for a three-year period. So the funds that we're asking for approval are for the first year. So the first -- there are three components of

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the grant; the teacher effectiveness component, the informed decision-making and a college and career ready component. So the funds are distributed across all three. So, basically, the funds will be used to extend our data collection, to collect additional data on teachers and students, the grades, for example, that the students are achieving in the courses they're taking.

We are also using funds to expand our reporting. We hope that we'll be able to provide additional data to the Legislature, to the School Districts, to parents, to staff at the DOE to inform education. Is that what you're looking for?

REP. MCGUIRE: No. What I meant is who's being hired and how many, that sort of thing?

MS. KOFFINK: There are currently three positions that were introduced with the first round of funding that we received in 2007. So those three positions are carried over into this grant. We were initially asking to hire one additional program specialist for the three-year period, with an intention that after the three years we would not need that position any longer. We are planning on hiring consultants to help do the work. And we initially had requested in our grant to hire additional DoIT staff to help with the system's development, but we have since decided that we'll put out an RFP for development for that.

REP. MCGUIRE: Thank you.

CHAIRMAN WEYLER: Do we anticipate that this will help more effectively give teacher evaluations?

MR. LEATHER: Absolutely. This will provide the data to the School Districts so that they can do

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that.

CHAIRMAN WEYLER: I'll entertain a motion.

** REP. FOOSE: Move approval.

SEN. LARSEN: Move approval.

CHAIRMAN WEYLER: Okay. I'll accept Representative Foose's motion, and Senator Larsen second to approve 12-297. Further discussion? Seeing none; are you ready for the question? All in favor say aye? Opposed no?

REP. MCGUIRE: No.

REP. STEPANEK: No.

CHAIRMAN WEYLER: Two negative votes.

REP. STEPANEK: Yes.

CHAIRMAN WEYLER: The item is adopted.

*** {MOTION ADOPTED}

(8) Chapter 224:14, II, Laws of 2011, Department Of Health and Human Services; Program Eligibility, Additional Revenues; Transfer Among Accounts

CHAIRMAN WEYLER: Thank you. Moving on to Tab 8. We'll invite -- before we go to any motion on this, I'll invite Commissioner Toumpas. There are some people that thought they had questions. Commissioner, we've all been lobbied by the Counties.

NICHOLAS TOUMPAS, Commissioner, Department of
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Health and Human Services: Good morning, Mr. Chair. For the record, Nick Toumpas, Commissioner of Health and Human Services.

CHAIRMAN WEYLER: Representative McGuire.

REP. MCGUIRE: Thank you, Mr. Chairman. Thank you, Commissioner.

One of our main questions was that this is money coming from the Affordable Care Act, and we believe that there's a special committee that's supposed to approve these sort of items before we would see them. Specifically, things related to the Affordable Care Act, Representative Hunt's Committee. Was this -- and I understand this wasn't asked of them.

MR. TOUMPAS: If I may?

REP. MCGUIRE: Yes.

MR. TOUMPAS: I did receive the letter from the Speaker, as I believe most of you have. So I want to acknowledge the concerns that the Speaker had raised. That said, I do believe we followed the process. And I do believe that it was within our authority in order to be able to secure this and the reasons are several fold. Number one, this is not a policy change. This is not expanding eligibility. This is not expanding and creating new services that are not already in place. What this program does, and we applied for it, was to accelerate our shift that has been a policy of this state for the -- at least for the past decade, towards shifting the balance of the spending in the long-term care program from an institutional focus into a community-based focus.

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2009, forty -- a little over 40% of our long-term care expenditures were in the community. In 2012, it rose up to 47%. So that is clearly the progression. What this money does is we're able to claim additional Federal matching percentage, additional two point on those expenditures that are in the community that move us towards something above 50% to be in the community. Because this did not -- this was not, the way I read things, it was not a rule change. It was not a policy change. It was not a waiver that we were seeking. It was simply money that was available that we could maximize those Federal funds to -- to continue a policy and a shift that the Legislature, along with the Department, has clearly embraced over a period of time.

CHAIRMAN WEYLER: Follow-up.

REP. MCGUIRE: Thank you. Is there some kind of maintenance of effort thing here or would this money replace money that we're currently spending out of the general fund?

MR. TOUMPAS: Thank you for the question on that, Representative McGuire. No. These funds cannot be used to supplant any Federal funds. We are also not using these funds in the manner in which the ARRA funds were used, meaning that the ARRA funds came in and when they -- when they left, it created a -- we went off a cliff, if you will. This does not do that. Because we, A, we are not using these dollars in any manner or fashion in order to be able to provide any direct services or supports or, again, increase eligibility. Rather, what we are looking to use these particular dollars, and this action is really from an accept and expend standpoint, there would be subsequent contracts where we could build out infrastructure.

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Those are one-time dollars that are available until September of 2015 that we would use these one-time dollars in order to be able to enhance our infrastructure to sustain our movement towards a community-based structure in the long-term. It does not create that -- that dynamic that we had with ARRA where it creates an unfunded liability. We have to earn these dollars based on our performance in terms of achieving a 50% goal. And then from there, again, what we wanted to do is basically strengthen some of our infrastructure around training, around other areas that -- that would allow us to be able to maximize the general funds and the county funds and the Federal funds we have for services for long-term care, and to be able to use these funds as a -- almost as an investment pool in order to be able to strengthen our capability going forward. So it does not create a liability for the Department or for the State beyond the period of the program, which is September 30th of 2015.

REP. MCGUIRE: One more follow-up.

CHAIRMAN WEYLER: Follow-up.

REP. MCGUIRE: If we were to delay you a month by asking you to go to Representative Hunt's Committee and get their reaction, would that cost us money or not?

MR. TOUMPAS: No, it will not. It's not a short-term or long-term impact if we -- if we delay significantly, obviously, that would have -- that would have an impact. But there is not a -- there's not a stipulation that if we do not utilize these dollars, the utilization of the dollars needs to come before September 30th of 2013.

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** REP. MCGUIRE: I guess I like to move they go to Commerce Committee and get back.

CHAIRMAN WEYLER: Okay. Representative McGuire moves to table. Senator Morse seconds. There's no discussion on the motion. All in favor say aye? Opposed no?

SEN. LARSEN: No.

CHAIRMAN WEYLER: How many nos?

REP. FOOSE: Two nos.

CHAIRMAN WEYLER: Two. Okay. The item is tabled. And that's next Wednesday at 10 o'clock, Room 302.

*** {MOTION TO TABLE ADOPTED}

CHAIRMAN WEYLER: Next item is 12-275. Is there a motion?

** SEN. MORSE: Approve the item.

CHAIRMAN WEYLER: Senator Morse moves to adopt.

SEN. BOUTIN: Second.

CHAIRMAN WEYLER: Second by Senator Boutin. Further discussion? Seeing none; are you ready for the question? All in favor say aye? Opposed no? The item is adopted.

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: Moving on to Item 12-301.

** REP. MCGUIRE: Move approval.

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CHAIRMAN WEYLER: Representative McGuire moves approval, Senator Morse seconds. Further discussion on 12-301? Seeing none; are you ready for the question? All in favor say aye? Opposed no? The item is adopted.

*** {MOTION ADOPTED}

- (9) Chapter 224:203, Laws of 2011, Department Budgets; Transfer of Federal Funds and 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:

CHAIRMAN WEYLER: Move on to Tab 9. First item is 12-300. The only item. Entertain a motion.

** SEN. MORSE: Move the item.

CHAIRMAN WEYLER: Senator Morse moves. Senator Boutin seconds to adopt Item 12-300. Is there any further discussion? Seeing none; all in favor say aye? Opposed no? The item is adopted.

*** {MOTION ADOPTED}

- (10) Chapter 224:210 Laws of 2011, Department of Information Technology; Transfers Among Accounts:

CHAIRMAN WEYLER: Moving on to Tab 10, 12-292.

** REP. MCGUIRE: Move approval.

CHAIRMAN WEYLER: Let's meet the Commissioner anyway. I think I've met him. Oh, there he is.

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There's a motion by Senator Morse. I guess that was Representative McGuire, second by Senator Morse. I'm sorry that I misidentified the Director. We have seen you before this Committee before. Welcome again.

BILL ROGERS, Commissioner, Department of Information Technology: Thank you.

CHAIRMAN WEYLER: Now I'll try to keep it straight. Thank you for the help. Any further discussions? Any questions for Director Rogers -- Commissioner Rogers? Seeing none; are you ready for the question? All in favor say aye? Opposed no? The item is adopted. Thank you, Commissioner.

MR. ROGERS: Thank you.

*** {MOTION ADOPTED}

(11) Miscellaneous:

(12) Informational Materials:

CHAIRMAN WEYLER: All right. We have information items, and -- and I'd like to have a discussion with Commissioner Toumpas because as you will note on Item 12-260 -- that's not the item. But the one that deals -- we are going to have a discussion about managed care, because this was an important item in our budget and there have been road blocks that have affected the implementation and what we are going to find out about from the Commissioner. Welcome back again, Commissioner Toumpas.

MR. TOUMPAS: Always a pleasure.

CHAIRMAN WEYLER: I hope so.

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MR. TOUMPAS: With the indulgence of the Chair, I have two items that I would like to cover off on.

CHAIRMAN WEYLER: Please.

MR. TOUMPAS: One is the Dashboard for July of 2012, and with your approval I would like to discuss that one first and then move into the discussion of the status on the care management program.

CHAIRMAN WEYLER: Please do.

MR. TOUMPAS: What I wanted to do is, again, provide a little bit of an update in terms of where the Department stands in State Fiscal Year '13. I will get into the Dashboard in a second; but just briefly, over the past several years we've faced significant challenges with our budget. But for each of these we've conceived some different programs and ways in which to be able to stay within -- stay within our appropriations and maintain the focus on the mission. It's an approach that we've taken. Every time we have a challenge, we look for the opportunity in it. But as I will go into in a little bit of detail here in one particular area, my ability, and our ability in order to be able to bridge the gap between the demands that are being put on the Department from a -- from services and the people that need the type of things that the Department provides, and being able to close the gap through innovation and streamlining and so forth is getting -- is really getting compromised. I believe I've almost hit the wall on that. There are things that I can do, but at this particular point there are some things that are just going to create some challenges for us and I'm going to highlight one of those in a moment.

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But on the Dashboard itself, if you turn to the -- it's the first page. I'm looking at Item 12-277. Okay. And after the narrative on Page 2 of 14 is a spreadsheet that looks like this. All right. And I'd just like to share with you just where -- where we stand.

First off, just a word on F12. We finished F12. The lapse figures are not quite finalized. We have been working with Administrative Services, but we believe it's somewhere in the \$20 million range that we have lapsed. But I would -- I would also point out that in State Fiscal Year '12 we had \$10 million that we needed to cover for outpatient claims that we needed to do for the hospitals for restating those claims. And we needed to come up with the first two quarters of the DSH settlement from 2004 of about \$9 million.

Beginning for State Fiscal Year '13, if you look on Line 45 of the Dashboard, you'll see there under Column E that we're running -- right now we're projecting at the end of the Fiscal Year to have a \$1.2 billion general fund shortfall from our operations.

CHAIRMAN WEYLER: Million or billion?

MR. TOUMPAS: Million. My budget is 650 million in general funds.

CHAIRMAN WEYLER: I thought I heard you say billion and it really opened my eyes.

MR. TOUMPAS: Maybe I did. Maybe that's wishful thinking. But, in any event, the -- looking on items 47 on down, you'll see a number of other items that when you combine those will then drive our projected shortfall for the end of Fiscal Year

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'13 to about \$24 million. These include two audits by the Federal Government on the Medicaid To Schools. We estimate that to be two and a half million dollars, although we are actively working with them in order to bring that number down.

Item 50 is something that we do not have a whole lot of leeway on. That is the four quarters of the DSH settlement. And I will remind the Committee that in State Fiscal Year '14 there will be additional two quarters that we will need to cover which is about \$9 million. And then Item 52 is the residential rate services which is a ruling on the part of the Supreme Court and that is \$2.7 million. We are working with the Governor's Office on coming up with ways in which to be able to -- in which to be able to deal with that. But our options are somewhat limited because when the Department's budget was passed, we did lose 475 positions and with that we lost those -- the associated dollars that we could use in order to be able to cover shortfalls elsewhere within the budget.

When you look at the Dashboard on slide -- it would be Page 13 of 14, it shows you the caseload count. Just a couple of points on this. In the three-year period from July of 2009 until July of 2012, elsewhere in the document you would see that the number of filled positions on average, as you look at it, over that period of time, has dropped by 13%. At the same time, the unduplicated count of people has increased by almost 12% over that same period of time. One of the areas that is most challenging in there, although it is all Federal dollars is the SNAP Program which is also known as food stamps. Our caseloads there have gone up 35% from 2009 to 2012. And the reason why I point that out is that for every one of those cases that we

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have in the food stamp program, when we get new applications, for every one hundred applications that we get, 35 will be rejected because they're not eligible. But what that means is that the people who are having to do all the eligibility determinations is a significant amount of work that remains for them and everyone who's on the program. Food stamps and Medicaid needs to be redetermined every six months. So from a workload standpoint, again, there's significant challenges that we face within the Department. We are using some technology. We are doing some things in order to basically try to work with that, because we do know we are not going to get additional resources, staffing resources in order to do that. So we are -- we continue to try to work through that.

An area that is of concern to me beyond -- beyond the things that are going on with the Department is the area of mental health. And I do want to highlight this and just by way of background. We currently through our Community Mental Health Center System, we serve over 51,000 people annually in that system. And an integral part of that system is the ability to be able to deal with crisis response and to do an evaluation to determine if somebody is a danger to themselves or to others, or if they need hospitalization. Over the past number of years, we've seen an erosion, both in the community, as well as in the Department through our New Hampshire Hospital. We have seen an erosion of bed capacity. Specifically, in the New Hampshire Hospital we've gone in July of 2008, we had 212 beds, and in -- in July of 2012 we have 150 beds. At the same time, the number of admissions and the number of people coming into the system has increased by a similar amount. So we've had a 30% reduction in the capacity. What that means is that a number of people who need those type of services

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are ending up in the emergency room of a hospital, and they really don't belong there. And in the period in August, we only had four days where there was not a waiting list for people to get into the New Hampshire Hospital which means, again, that they backed up into the hospital emergency rooms. What does that mean? What we're seeing, and we've heard now from hospitals, as well as from the mental health centers, increasing assaults on the part of patients on staff within the hospital, increased cost in the Medicaid Program because now they're -- they're going into that particular area, and this is part of an uncompensated care.

The critical emergency room beds are lost to be able to use for trauma and other things appropriate because they're now being used for somebody that has a crisis going on. And there are additional issues that are happening in that particular area.

We have a number of things that we're doing in terms of re-engineering how we go about doing discharges. We are looking at doing an evaluation of our cost to see if there's a way in which we can reconfigure some things in order to basically provide additional bed capacity, both in the community and elsewhere. We've added additional Assertive Community Treatment Teams to help to divert people from having to go into these situations, and we are working with our managed care organizations in order to be able to deal with it. So there are a number of things that we're doing; but I will tell you that I'm deeply concerned about that continuing path because the numbers just keep climbing and the available resources that we have in order to be able to deal with it creates a problem.

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I could go into areas elsewhere within the Department, whether it's in our senior services, whether it's in our children's services, or in other areas that we're seeing similar type of challenges where we -- we're up against the wall in terms of being able to keep things moving along because of the increase in the demand and the -- and the constraint in terms of the resources that we have. So in terms of going through the Dashboard, Mr. Chair, I wanted to make sure that you were aware of that, and this is something that you'll be hearing more about as we go through the current Fiscal Year, as well as we will start the budget process beginning with the -- with the Governor's phase of the budget right after the November election. So I'll stop there to see if there are any questions related to the Dashboard before I move into the care management program.

CHAIRMAN WEYLER: Representative McGuire and then Senator Morse.

REP. MCGUIRE: Thank you, Mr. Chairman. Thank you, Commissioner, again. Where on the Dashboard do we see these caseloads for mental health?

MR. TOUMPAS: The mental health is where -- you will not see -- you will not see them here specifically. We have -- there is on page -- I don't have a separate section on -- yes, I do. Excuse me. On Page 8 of 14. And you'll see the number of people and the -- and the expenses. These are people being served in the system. The area that I'm highlighting is in the area of the crisis response and that these are people that are, in many cases, are not part of the Medicaid Program.

REP. MCGUIRE: And follow-up.

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CHAIRMAN WEYLER: Follow-up.

REP. MCGUIRE: You said the capacity of New Hampshire Hospital has declined. Is that simply budget cuts?

MR. TOUMPAS: Budget.

REP. MCGUIRE: There are fewer doctors, fewer orderlies.

MR. TOUMPAS: Not fewer doctors. Basically was -- to basically close certain wings of the New Hampshire Hospital as a budget reduction measure. And, again, because the mental health system has several different elements, the Community Mental Health Centers being one, the New Hampshire Hospital being another, inpatient beds within the -- within the community, as well as other housing and other type of support services, when two of those components, the bed capacity of the New Hampshire Hospital and the bed capacity in the community, when those have gone down and the number of people coming into the system, that's where it's stressing the system in a significant way. And the only outlet that many people have is to go into the emergency room of the hospital. But I will tell you, I'm working with my counterparts in other areas within the State Government is that mental health is also having an impact on the Correction System, has an impact on the Department of Safety, has an impact clearly on the Department of Justice, as well as on -- as well as in counties, because you have a number of people that are in the county jails that are there because they have an underlying mental health or substance abuse issue, they end up in the criminal justice system, as opposed to being treated appropriately within the community.

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REP. MCGUIRE: Just one more.

CHAIRMAN WEYLER: Follow-up.

REP. MCGUIRE: And the management of New Hampshire Hospital, if I remember right, is contracted out; is that right? And, if so, when would that renew?

MR. TOUMPAS: The management of the New Hampshire Hospital is under the management of staff within the Department. It is the clinical staff, the clinical staff – the doctors, if you will – that are coming from -- we have a contract with Dartmouth.

REP. MCGUIRE: When does that renew?

MR. TOUMPAS: We renewed that contract, I think it was two years ago. It's a five-year contract.

REP. MCGUIRE: Thank you.

CHAIRMAN WEYLER: Senator Morse.

SEN. MORSE: Thank you, Mr. Chairman. Commissioner, first let me just thank you for your efforts in 2012, because we knew this was a difficult budget and your efforts have definitely brought the budget in, even when we had to make payments to the Federal Government that we disagreed with. But when it comes to moving forward, and I know you're going to speak on managed care, I want the public to understand that the efficiencies that will be created will keep these people out of the hospital. So as we discuss why managed care isn't moving forward, I think we have to understand it's going to hurt people like

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the mentally ill because they're not getting the services upfront because they're not getting the direction upfront. And I think you need to point that out, too, today. There is no reason that we shouldn't be doing that before we put them in a hospital, before we put them in an institution. I mean, that's just wrong. And I think you're going to point out today where we are but we're not there yet. And I think the Federal Government's doing a disservice to New Hampshire.

MR. TOUMPAS: It is a -- that is one of the reasons -- first off, thank you for your sentiments regarding F12. It clearly is a team effort on the part of my team that we work and we work very closely with Administrative Services at the end in order to be able to get everything straightened out so that to be able to help out the State in any way that we could with respect to the budget.

One of the reasons why I asked the Chair in order to be able to speak first to the Dashboard was really to set the stage in terms of the broader level environment where we're dealing with, to set the stage why managed care is so significant for the State and for the Department. Just a quick summary to let everybody kind of -- 'cause again, it's been a couple months since we've -- we were here to talk about this.

In May, three contracts were approved by the Governor and Executive Council for a three-year period. That would be the first contract was for a three-year period with a two-year -- two-year renewal. We anticipated a three-step process, the first step being all the populations that we could have within the program and but really for the State Plan, medical services, behavioral health services, and prescription drug services. What is

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not in the first step would be in the second step, would be the long-term care services and support for the developmentally disabled, as well as the elderly and chronically ill. And then the third step, should the State choose to move -- the Legislature choose to move forward with the Affordable Care Act, in terms of the Medicaid expansion, that would be the third phase that would begin in January of 2014. Again, assuming that we move forward on that.

The budget contemplated a \$15 million general fund efficiencies. And I call it efficiencies because the dollars that we are spending, the \$15 million efficiencies that we are going to gain through the managed care program is not a cut-off of the spend that we were doing last Fiscal Year. It is a -- it a cut-off of the trend. If we had stayed in the fee-for-service program for the Medicaid Program, that we believe we would spend \$15 million more than what we would do under the managed care program. For every month of a delay that we have with the care management program, we are looking at about a million and a half dollars' worth of general funds that I need to come up with elsewhere that contributes to that problem I was just talking about in the budget on the Dashboard.

We contemplate -- where are we in terms of the process? There were really four phases to our implementation of this. One was the procurement phase which culminated, again, with the approval by the Governor and Executive Council in May of 2012. We're now into the readiness phase. And as part of that, in order for us to be able to move aggressively into -- to get through the readiness phase, which I won't go into all the details unless you want me to get into Q and A on that, but we're working through a number of things that the managed

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care organization need to show their readiness to be able to serve the members appropriately. They need to have certain things in place for providers. They need to have certain things in place for systems. And, likewise, for the Department, we have a number of things that we're doing. They're working that right now. We're working on all those readiness activities. There's one critical activity that we are effectively stalled on at this particular point and that is building out the network capacity, and I'll get to that in a moment.

Why are we stalled on this? At this particular point, there are several levels of approval that we need from the Federal Government. The first level of approval is the State Plan Amendment. And I believe the last time we were here we had received a request for additional information came in toward the end of June, I believe it was. We responded to that. And on August 24th we received a letter from the Federal Government to say that our State Plan Amendment, which gives us the authorization to move forward with the managed care program, was approved.

There are two other components that need to be approved. One are the rates. So the Fiscal Committee approved the rates back in March. You recall there were 22 separate rate cells that needed to be approved. So that has to be approved by the Federal Government. They have to look at that and determine that those rates that we're paying to the managed care organizations for servicing people within a particular eligibility category are actuarially sound, meaning they have some foundation to those particular numbers. And then the second component is the contract itself. So the contracts that were signed by the Governor and Executive Council and signed by the managed

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care organizations and approved, we still need to get the approval on that from the Federal Government.

We have been having -- over the past couple weeks we have been having weekly calls with the Federal Government in order to be able to get the approvals of both the rates, as well as the contract. As I sit before you today, I do not have those -- those approvals. We are making progress, but I cannot tell you whether it will be Monday or the Monday after that or the month after that.

We are confident that the contract that we have put down in front of CMS meets all the requirements put forward by the Federal Government, and they have acknowledged that, but we still have not received their approval.

And then the second part of it is on the rates. They asked us a couple questions. We are -- we are in the process of getting back to them with the information; and again, we will be dealing with them on Monday.

So while other states have been able to make -- and we are making the progress in terms of doing this, but we have a couple of the provider groups that are basically saying we are not going to sign until there are certain things that are done, either the approvals on the part of the Federal Government, as well as the approval of our plan related to dealing with the litigation that is going on, especially with the hospitals, which I don't have any control over. But that is what they are telling the managed care organizations.

So at this point we are -- there's a lot of activity that is going on with the managed care

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organizations working with all the different provider groups regarding the contract, sitting down. They have secured contracts with a number of different provider types, but not as of this particular point with a couple of the key groups, specifically, notably the hospitals, mental health centers, and the health centers. There's activity going on, forward progress, all are optimistic that they will get the job done with the mental health centers and with the federally qualified health centers in a short period of time. It's the hospital side of it that I'm -- that I don't have any control over. And right now they're trying to work that as best as they can. Whatever signal we can get from the Federal Government that they approve the contract and the rates would be extraordinarily helpful for us to be able to move things forward.

So at this particular point, we had -- the intent of the Legislature was for us to move forward on this program by July 1st. Obviously, we did not do that. We now have recalibrated that plan to say we would go live on January 1st with the program. Unless I get the approvals within a short period of time, that date is also at risk. And, again, right now you'll see in the Dashboard that you have roughly, again, six months' worth of managed care savings that we were putting down as a projected shortfall because we're not going to be able to get that because we won't have the program in place.

We did a number of information briefings. We did 12 information briefings across the state. And once people understood, to get to Senator Morse's point, once people understood what the care management program was about, what it was, what it was not, and the anxiety level decreased. I'm not

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saying everybody's doing cartwheels about it, but the anxiety level where they understand the benefit that will happen, and especially those people that have those complex type of conditions, they're the ones that -- that would be the focus in terms of being able to really look at better managing the care, better coordination of the care that would improve health -- improve outcomes, improve quality, and lower the cost. It sounds -- that type of a -- of a framework you look at it and say that can't be but it can be. And we believe very strongly that we can do that. We are confident that we can do that. But we need the approvals of the Federal Government, number one; and then we need the providers to be able to -- to be able to come to the table in order to be able to get this done. Otherwise, we're stalled and we will not be able to move forward and achieve the type of both efficiencies, as well as having the broader level impact that we believe the program could have within the state.

CHAIRMAN WEYLER: Questions or discussions from the Committee? I hope these road blocks go away soon. Thank you very much for that very thorough report. We appreciate the challenges that you're facing, as are we all together with you.

MR. TOUMPAS: Thank you.

CHAIRMAN WEYLER: We know that you'll overcome them. We have complete confidence. Anything further? Any other information items that anybody wishes to discuss or question? If not, we will move on to the audits and we'll recognize Director of Audits Dick Mahoney.

Audits:

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RICHARD MAHONEY, Director, Audit Division,
Office of Legislative Budget Assistant: Good morning, Mr. Chairman, Members of the Committee. For the record, I'm Richard Mahoney, Director of Audits for the Office of Legislative Budget Assistant.

Joining me this morning is Monica Mezzapelle. Monica is an Auditor with our office who was responsible to conduct our audit at the Fuel Distribution Section of the Department of Transportation.

With your permission, Mr. Chairman, I'll turn the presentation of our audit report over to Monica.

CHAIRMAN WEYLER: Thank you, Mr. Mahoney. Monica, good morning.

MONICA MEZZAPELLE, Audit Manager, Audit
Division, Office of Legislative Budget Assistant: Good morning, Mr. Chairman, and Members of the Committee. For the record, my name is Monica Mezzapelle. With me this morning from the Department of Transportation is Patrick McKenna, Director of Finance, and Brian Pike, Fuel Distribution Manager.

I'm here this morning to present a Financial Audit Report for the Department of Transportation Fuel Distribution Section for the nine months ended March 31, 2012.

If you please turn to the Table of Contents, in the comment section there are nine Observations which include eight significant deficiencies and one State Compliance Comment. The Department fully concurred with four Observations, concurring in

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part with four, it did not concur with one.

On Page 1 and 2 we briefly describe some of the responsibilities of fuel distribution, as well as its funding. Fuel distribution currently operates 93 fueling sites and sells approximately 4.5 million gallons of diesel fuel and gasoline a year to state and municipal agencies and some non-profit organizations. The program intends to provide efficiencies for government agencies by allowing customers to purchase fuel at near wholesale cost and avoid the state and federal fuel tax refund processing.

During the audit period, the fuel distribution program generated revenues of approximately \$11.5 million and incurred expenditures, which include a couple projects, of about \$12 million.

I would like to now turn your attention to the Observations included in this report. Our Observations begin with No. 1 on Page 5.

Observations No. 1 and 2 recommend that the Fuel Distribution Section improve controls at its automated and manual fueling sites. Observation No. 1 discusses how fuel distribution has now required customers to fully adhere to control procedures intended to maintain accountability for access and tax-free fuel at their fueling sites. For example, we noted customers were allowed to use the same card or device for the vehicle and driver, even though a separate identifier was issued for the registered vehicles and registered drivers. Also, significant vehicle and driver information maintained in the field management system appear incorrect or incomplete. We also noted there were some sale transactions where the fuel pump was greater than the registered vehicle tank size.

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We are recommending that the Fuel Distribution enforce its procedures intended to maintain accountability, and increase its monitoring procedures to ensure tax-free fuel is only sold to those intended customers.

On Page 7, Observation No. 2 includes recommendations such as performing timely and detailed review of manual fuel logs, performing employee training of Fuel Distribution policies and procedures, and maintaining better accountability for keys which operate the key lock fueling sites.

On Page 8, Observation No. 3 recommends the Department and the Fuel Distribution Section develop written business plans to support the fuel operations. The business plan should include current and future business strategies, goals, and methods to measure those -- measure the progress towards those goals. Also, a disaster recovery and business continuity plan should address the performance of critical jobs and activities necessary to mitigate disruptions in the event of a disaster or other events impacting normal operations.

On Page 10, Observation No. 4 discusses the Department practice established to recover the operating cost of the Fuel Distribution Program. That is RSA 228:24-a authorizes the Department to assess a fair charge for the sale of motor fuel sufficient to defray all administrative, storage, transportation, amortization, and other costs incurred in administering the program. Currently, fuel is sold to customers with a markup over cost intended to recover only a portion of all those costs. A couple of costs are primarily funded by bonds paid by Highway Fund appropriations.

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This Observation recommends the Department and Fuel Distribution develop policies and procedures to properly determine all costs related to the fuel program, as well as sales prices that may be sufficient to recover those costs.

On Page 12 we have Observation No. 5. This Observation talks about certain contract provisions that were not performed during the audit period. Some recommendations included are developing a regular testing program to monitor the quality of fuel delivered, contract effective days should be clearly stated in the contract, and stipulations such as timely fuel deliveries should be adequately enforced.

On Page 14, Observation No 6 recommends Fuel Distribution develop policies and procedures for performing periodic analyses of the costs and benefits of including bio-diesel requirements in its fuel purchase contracts as suggested by State law.

Starting on Page 15, Observations No. 7 and 8 recommend the Fuel Distribution strengthen its Information Technology controls and ensure use of manuals and customer handbooks remain current.

And our last Observation on Page 18 is Observation No. 9. This Observation discusses Fuel Distribution practices to determine who's eligible to purchase tax-free fuel. During the audit, we noted exemption provisions established for Federal fuel tax were not exactly the same as for the State fuel tax. However, procedures performed by this section did not appear to ensure those differences were completely addressed and tax-free fuel was only sold to those intended customers.

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We recommend Fuel Distribution develop policies and procedures to ensure that tax-free fuel is only sold to those entities who meet both Federal and State eligibility requirements.

The financial section of the report started on Page 21 includes our independent auditor's report followed by the financial statements of the Fuel Distribution Section for the nine months ended March 31, 2012.

The last page of the report immediately behind the tab, we are including a summary of the current status of the 2001 Audit Observations. In the summary we note eight Observations that were fully or substantially resolved and another eight that remain partially or completely unresolved. And with that, I conclude my presentation. We would like to thank all employees of Fuel Distribution and the Department for their cooperation throughout the audit process, and especially for their dedication and the preparation of the financial statements included in this report. We will now be glad to answer any questions that the Committee may have.

CHAIRMAN WEYLER: Thank you very much. First I'll ask Mr. McKenna just for his comments.

PATRICK MCKENNA, Chief Financial Officer, Department of Transportation: Thank you, Chairman Weyler, Members of the Committee. We've outlined in the report itself our responses to each of the Observations, and I am willing to entertain questions on any of those that any Committee Members may have, but we don't have further comment.

CHAIRMAN WEYLER: I have a question. It's not
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clear from the report whether the tax is collected and then people apply for rebate or whether there is no tax collected at the pump when they are charged. How that's handled?

MR. MCKENNA: There's no tax collected at that time. So that, essentially, it enables State Agencies and it enables municipalities and others that use to avoid going through the process of the refund process itself.

CHAIRMAN WEYLER: So there isn't a problem with the Federal Government if you don't pay it at the wholesaler. The wholesaler understands that you're tax exempt and doesn't put it on the charge.

MR. MCKENNA: That's correct.

CHAIRMAN WEYLER: Other questions from the Committee? Representative McGuire.

REP. MCGUIRE: Thank you, Mr. Chairman. Thank you.

On Page 11 there's this analysis of what you're spending versus retail costs. Or maybe this is what you could be spending. I'm unclear as to what's that.

MR. MCKENNA: Yes. That's our response. And we appreciate the LBA's view of essentially the RSA that authorizes the Department, the Commissioner, to set a markup over our wholesale price to recoup costs associated with the division itself, the fuel itself and the administrative and capitalized costs.

As noted by LBA, really, the capitalized cost components. So the items that we bring forward in HB 25, the capital projects, replacing underground

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storage tanks, setting up the facilities themselves and otherwise are not -- are not part of the markup that is charged and there are a couple reasons. And one of the reasons for laying this out in this format is to show with those capital costs what the additional markup would be. And the additional markup as it shows here in unleaded and in diesel is 23 and 27-cents respectively per gallon. That at a snapshot in time would effectively put us over the retail price, even -- even to the extent that it exempts taxation in there. And one of the factors that we take into consideration is that primarily the Department of Transportation and the Department of Safety are the primary State users of this fuel. Approximately half of the combined diesel and unleaded fuel is used by those two departments. These departments pay that markup. So to the extent that we'd be charging an additional markup we'd be increasing our own operating budgets by that amount. And certainly get the point of, you know, allocating those costs across those functions, but also involved in that is that about half of the fuel is purchased by other than State Agencies. And to the extent that we had a markup that went beyond the retail price, they're not involved, for instance, when we hedge the fuel. Those other municipalities do not join that contract on the hedge price, and the State is left with that price itself. So we feel that there are a couple considerations that are financial that are kind of an unintended consequence.

If, for instance, our municipalities decided not use the fuel that they typically use, we may well in the future have a higher price by virtue of the purchasing less volume. The other is that -- and really, it gets to the heart of the section and the function itself because, you know, you may well ask, well, why if the State can't perform this

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function at less than retail, then why do we have that function? I sense the follow on question there and it is a good question. And --

CHAIRMAN WEYLER: Very astute.

MR. MCKENNA: There are really two primary factors. Number one is service delivery throughout the state on a 24-7 basis. Certainly, in the last, you know, several years, retail establishments are throughout the state. They're more densely laid out in the southern part of the state. You get into the more remote areas in the northern part of the state, these fuel distribution sites are generally located at our sheds where we run our plow routes out of. And our sheds are positioned about -- to be in about a 20-minute loop from each other so about 40 minutes apart. When we run our plow operations in the wintertime, we generally have a plow beat that runs -- takes about an hour to two hours to run. And we generally have to refuel after the end of that beat. So the trucks come back, they fuel up, and they go out. So service delivery in periods of service need where we have statewide issues on plowing, any type of snowstorm that we're dealing with, the positioning of these fuel sites is critical for that factor.

Another potential unintended consequence of, say, removing these sites, getting out of this business and using the existing retail, beyond the fact that those plow routes would be slower, and our service levels would be less, is that the retail establishments really aren't established for the types of vehicles that we bring in. Certainly, they, you know, tractor-trailer trucks come through them, but they're not as wide as when you have a fully outfitted snowplow coming through. So we believe there'd be some damage potential at the

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retail level and service interruption.

Thirdly, the reason for being here is there is some reference in the report itself to a strategic reserve for the State. We view it more as an emergency reserve in some sense. If, in fact, we have, you know, widespread power outage over the course of two or three days, we do have outfitted in many of these sites, we have emergency generators in place so that we can bring the fuel out of the tanks, and we can continue to plowing and make sure that other services start getting restored. So there is a cost to that. We acknowledge that there is a cost to that. It really ends up being about a half million dollars a year at its present generation of how we manage the business itself.

Certainly, there are considerations on capturing those costs. I think certainly the reporting of those costs and rolling them into periodic financials is a good idea. We believe the cost is reasonable and justified.

CHAIRMAN WEYLER: Follow-up.

REP. MCGUIRE: This is on a slight different area. I wanted to ask about the possible cases of fraud or abuse. There was something in here about on occasion people used more fuel than the vehicle would hold. Does that happen a lot? What's the total sort of percentage that disappears or there's problems?

MR. MCKENNA: Brian Pike will respond to that.

BRIAN PIKE, Program Specialist, Mechanical Services, Department of Transportation: Good morning. Lots of times these folks that come to

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fuel, they will bring like a trailer with some equipment on it. They'll use what we call the fob or tag to access the fuel site. They use that one tag for their vehicle, fuel their vehicle. Then they'll take and continue fueling all their pieces of equipment. So what ends up happening is you'll have a fuel sale that's greater than what the capacity of the tank is. We are working on that with our Mechanical Services Division to take and reduce those red flags but also implement rules within our operating -- our fuel maintenance system to take and limit that. So when it hits to a certain point it will stop and they'll have to take and use the correct tag to continue fueling their other pieces of equipment. We are aware of it and working on, hopefully, implementing that very shortly.

REP. MCGUIRE: Follow-up.

CHAIRMAN WEYLER: Follow-up.

REP. MCGUIRE: So the driver came through, keep this system-wide that you're losing fuel. You're buying more than you're charging out.

MR. PIKE: To my knowledge, we have never seen any disparity between the amount we put in and out. I mean, there is fluctuation because it being a liquid petroleum. You have temperature issues. You have gravity, you know, the pressures and such. So there is a loss in plus or minus with fuel just from the delivery from coming from the terminal. You know, it comes out at 60 degrees there. We deliver it at 40 degrees. You lose some fuel there. So there's that fluctuation. But taking all that into consideration, we have not seen any large scale or even small scale losses we can't account for through that process.

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REP. MCGUIRE: Thank you.

CHAIRMAN WEYLER: Further questions from the Committee? I'll recognize Representative Rodeschin for a motion.

** REP. RODESCHIN: Move to accept the report, place it on file, and release in the usual manner.

CHAIRMAN WEYLER: Is there a second?

REP. FOOSE: Second.

CHAIRMAN WEYLER: Representative Foose seconds. Further discussion? Seeing none; are you ready for the question? All in favor say aye? Opposed no? The report is adopted.

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: Thank you for your fine work and for your good explanation, Mr. McKenna. You anticipated my questions.

MR. MCKENNA: You're welcome.

CHAIRMAN WEYLER: All right. We'll talk about the next meeting. We'll move into October. Our preliminary discussions discussed perhaps Friday, the 26th.

SEN. MORSE: Sure.

CHAIRMAN WEYLER: One day is as good as another.

SEN. ODELL: Yep.

REP. STEPANEK: So move.

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CHAIRMAN WEYLER: All right. Friday the 26th at 10 o'clock for the next Fiscal meeting, 26th of October. And I would like to say to all of you that I congratulate our Legislative Budget Assistant, Jeff Pattison. The NCSL has named him the Vice-Chair of an Operating Committee on -- the name of it is?

MR. PATTISON: Budgets and Revenues.

CHAIRMAN WEYLER: Budgets and Revenues. I've attended meetings with Mr. Pattison and he's well respected in the NCSL community. And I've gotten some very good information there. And I know with him there it will always be excellent. Congratulations to Mr. Pattison.

MR. PATTISON: Thank you.

CHAIRMAN WEYLER: He's going to make certain it doesn't affect his schedule with us, as he always does. Anything further? Thank you all for coming. And look at this, we finished it in the morning.

(Concluded at 11:56 a.m.)

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CERTIFICATION

I, Cecelia A. Trask, a Licensed Court Reporter-Shorthand, do hereby certify that the foregoing transcript is a true and accurate transcript from my shorthand notes taken on said date to the best of my ability, skill, knowledge and judgment.

Cecelia A. Trask

Cecelia A. Trask, LSR, RMR, CRR
State of New Hampshire
License No. 47

