

FISCAL COMMITTEE OF THE GENERAL COURT
MINUTES

January 19, 2005

The Fiscal Committee of the General Court met on Wednesday, January 19, 2005 at 9:00 a.m. in Room 210-211 of the Legislative Office Building.

Members in attendance were as follows:

Representative Frederick King, Chairman
Senator Charles Morse, Vice Chairman
Representative Joseph Stone, Clerk
Representative Elizabeth Hager
Representative Mary Jane Wallner
Representative Peter Franklin
Senator Thomas Eaton
Senator Robert Clegg
Senator Robert Odell
Senator Lou D'Allesandro
Senator Robert Boyce
Senator Peter Bragdon

Chairman King opened the meeting at 9:28 a.m.

ORGANIZATION OF COMMITTEE:

On a motion by Senator D'Allesandro, seconded by Representative Hager, that Senator Morse be nominated as Vice Chairman of the Fiscal Committee.

No other nominations were received. The Chairman closed nominations and requested the Acting Clerk, Representative Stone, cast one ballot, and Senator Morse was unanimously elected Vice Chairman of the Fiscal Committee.

On a motion by Representative Hager, seconded by Senator Eaton, that Representative Stone be nominated as Clerk of the Fiscal Committee.

No other nominations were received. The Chairman closed nominations and requested the Acting Clerk, Representative Stone, cast one ballot, and Representative Stone was unanimously elected Clerk of the Fiscal Committee.

ADOPTION OF FISCAL COMMITTEE RULES AND PROCEDURES:

Chairman King requested that Michael Buckley, Legislative Budget Assistant brief the Committee on the suggested motions that would continue the past practices of the Fiscal Committee.

On a motion by Representative Hager, seconded by Senator D'Allesandro, that the Committee accept the following past practices:

- That the Fiscal Committee require any requests made to the Fiscal Committee requesting new positions authorized by RSA 124:15, that extend beyond the current budgeted biennium, be amended to authorize them only through the end of the current biennium.

ADOPTION OF FISCAL COMMITTEE RULES AND PROCEDURES (continued):

- That the Chairman of the Fiscal Committee be authorized to approve all requests in accordance with Chapter 319:1, Laws of 2003, for the Department of Health and Human Services, for acceptance and expenditure of funds that are less than \$10,000, and that the Legislative Budget Assistant be directed to prepare a schedule for the Fiscal Committee on a monthly basis on all such acceptances and expenditures which will be included on the agenda under informational materials; and further, the Legislative Budget Assistant shall also be directed to prepare on a monthly basis, a report on the year-to-date acceptance and expenditures of all requests over \$10,000 from the Department of Health and Human Services approved by the Fiscal Committee under Chapter 319:1, Laws of 2003, which will be included on the agenda under informational materials.
- That the Committee authorize the Chairman of the Fiscal Committee to have signature approval authority for transfers that are in accordance with RSA 9:16-a and less than \$10,000, and that the Legislative Budget Assistant be directed to prepare a report for the Fiscal Committee on a monthly basis on all such transfers which will be included on the agenda under informational materials.
- That any item listed on the Fiscal Committee agenda under RSA 9:16-a, Transfer Authorized and RSA 124:15, Positions Restricted, shall be placed on a consent calendar and voted on as a block. Any member may request that any item be removed from the consent calendar for further discussion and/or clarification prior to or during the Fiscal Committee meeting.
- Authorize the Legislative Budget Assistant to grant step increases for employees of the LBA Office on the employee's anniversary dates, and at such other times for exceptional service, as determined by the Legislative Budget Assistant. The Legislative Budget Assistant will inform the Fiscal Committee in writing, when these step increases have been granted. Further, when any LBA employee is promoted from one position to another, the Legislative Budget Assistant will seek approval from the Chairman of the Fiscal Committee, and hiring a new individual in the LBA Office would be brought before the full Fiscal Committee. MOTION ADOPTED.

RSA 14:30 APPOINTMENT AND COMPENSATION OF LEGISLATIVE BUDGET ASSISTANT:

On a motion by Senator D'Allesandro, seconded by Representative Hager, that Michael L. Buckley be re-appointed as the Legislative Budget Assistant, pursuant to the provisions of RSA 14:30, for the next two years at the continued compensation. MOTION ADOPTED.

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ACCEPTANCE OF MINUTES:

On a motion by Senator D'Allesandro, seconded by Representative Wallner, that the minutes of the November 23, 2004 meeting be accepted as written. MOTION ADOPTED. (Representatives King, Hager and Franklin and Senator Morse abstained from the vote as they are new members of the Committee.)

AUDIT:

Department of Education Adequate Education Grant Data Performance Audit Report December 2004 - Catherine Provencher, Director of Audits, Office of Legislative Budget Assistant presented the report and responded to questions of the Committee. Paul Ezen, Deputy Commissioner, Sallie Fellows, Administrator, Bureau of Information Services and Sarah Browning, Special Assistant to the Commissioner of the Department of Education were also present to respond to questions.

RSA 216-A:3-g FEES FOR PARK SYSTEM:

FIS 04-223 Department of Resources and Economic Development, Division of Parks and Recreation - Kenneth Plourde, Business Administrator and Allison McLean, Supervisor of Park Operations presented the request and responded to questions of the Committee.

Chairman King distributed copies of a letter he had received regarding this request.

On a motion by Senator Odell, seconded by Representative Stone, that the Committee approve the request of the Department of Resources and Economic Development, Division of Parks and Recreation for rate changes for camping, day use, and historic sites. MOTION ADOPTED.

AUDITS:

New Hampshire Retirement System Management Letter and Auditors' Report on Compliance and On Internal Control Over Financial Reporting in Accordance with Government Auditing Standards for the Year Ended June 30, 2004 and New Hampshire Retirement System Comprehensive Annual Financial Report For the Year Ended June 30, 2004 - Brock Romano, Auditor, KPMG presented the management letter and report and responded to questions of the Committee. Robert Leggett, Executive Director of the New Hampshire Retirement System was also present to respond to questions of the Committee.

RSA 100-A:41-a,II SUPPLEMENTAL ALLOWANCES:

FIS 05-008 New Hampshire Retirement System - Robert Leggett, Executive Director and J.P. Singh, Director of Finance, New Hampshire Retirement System responded to questions of the Committee.

On a motion by Senator Morse, seconded by Senator Eaton, that the Committee grant COLAs for employees, teachers and firemen at 1% and firemen at 1½%.

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(The Committee then went into Recess.)

RSA 9:16-a TRANSFER AUTHORIZED - CONSENT CALENDAR:

FIS 05-010 Board of Pharmacy - On a motion by Representative Hager, seconded by Senator D'Allesandro, that the Committee approve the request of the Board of Pharmacy to transfer \$1,800. MOTION ADOPTED.

RSA 124:15 POSITIONS RESTRICTED - CONSENT CALENDAR:

On a motion by Representative Hager, seconded by Representative Franklin, that the Committee approve all the requests as submitted under this item on the agenda. (**FIS 05-007 was amended and approved through June 30, 2005 only, not May 31, 2006.**) MOTION ADOPTED.

CHAPTER 319:1,II, LAWS OF 2003 ADDITIONAL REVENUES:

John Stephen, Commissioner, Department of Health and Human Services responded to questions of the Committee.

On a motion by Senator Clegg, seconded by Representative Wallner, that the Committee approve all the requests as submitted under this item on the agenda. MOTION ADOPTED.

RSA 7:12 ASSISTANTS:

FIS 05-006 Department of Justice - Michael Delaney, Deputy Attorney General and Linda Hodgdon, Director of Administration presented the request and responded to questions of the Committee.

On a motion by Senator Clegg, seconded by Senator Boyce, that this request be tabled until the next meeting to allow the Department of Justice to get the Committee additional information on education funding and tobacco litigation. MOTION ADOPTED.

Chairman King noted that this item will be discussed on January 26th at 3:00 p.m., which will be a continuation of today's meeting.

LATE ITEM:

FIS 05-013 Department of Justice - Michael Delaney presented the request and responded to questions of the Committee.

On a motion by Senator Clegg, seconded by Senator Morse, that the Committee approve the request of the Department of Justice to establish one (1) Consultant position through June 30, 2005. MOTION ADOPTED.

RSA 12-G:42,XI ADOPTION OF RULES:

FIS 04-221 Pease Development Authority - Geno Marconi, Director, Division of Ports and Harbors presented the request and responded to questions of the Committee.

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RSA 12-G:42,XI ADOPTION OF RULES (continued):

On a motion by Senator Clegg, seconded by Representative Stone, that the Committee approve the request from the Pease Development Authority, Division of Ports and Harbors rates entitled "Schedule of Pilotage Fees and Pilotage Unit Rates for the Portsmouth Harbor and Piscataqua River." MOTION ADOPTED.

RSA 215-A:23,IX TRANSFERS OF EXCESS REGISTRATION FEES:

FIS 05-009 Fish and Game Department - Daniel Lynch, Assistant Director presented the request and responded to questions of the Committee.

On a motion by Representative Stone, seconded by Representative Franklin, that the Committee approve the request from the Fish and Game Department to transfer \$297,000 in excess OHRV registration fees collected. MOTION ADOPTED.

INFORMATIONAL MATERIALS:

Michael Buckley, Legislative Budget Assistant noted that one of the topics under the informational items is "Statutory References to the Fiscal Committee - January 1, 2005." Mr. Buckley noted that the Office did a search of all RSAs and came up with 123 hits and a binder was prepared to include all those references. Mr. Buckley further noted that because of its bulk, this binder was not included in the packet. Mr. Buckley invited each member to take a copy for their reference and use.

AUDITS:

Department of Administrative Services Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2004 - Sheri Rockburn, Comptroller, Department of Administrative Services presented the report and responded to questions of the Committee. Karen Farrell and Shawn Warren from KPMG were also present to respond to questions.

New Hampshire Lottery Commission Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2004 - James LaRiviere, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant presented the report and responded to questions of the Committee. Rick Wisler, Executive Director, Lottery Commission was also present to respond to questions of the Committee.

On a motion by Senator Morse, seconded by Senator D'Allesandro, that the Committee accept all the reports on the agenda, release them in the usual manner and place them on file. MOTION ADOPTED.

The Committee then recessed until January 26th at 3:00 p.m. at which time the Committee will continue discussion on FIS 05-006 from the Department of Justice and FIS 05-008 from the New Hampshire Retirement System.

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Committee Reconvened on January 26, 2005 at 3:00 p.m.

Chairman King opened the recessed meeting at 3:40 p.m. and noted there are two items left to complete the agenda from January 19th.

RSA 7:12 ASSISTANTS:

FIS 05-006 Department of Justice - Michael Buckley distributed copies of a letter provided by the Department of Justice.

Linda Hodgdon, Director of Administration and Kristin Spath, Chief of Staff presented the request and responded to questions of the Committee.

On a motion by Representative Stone, seconded by Senator Clegg, that this request be removed from the table. MOTION ADOPTED.

On a motion by Representative Stone, seconded by Senator Clegg, that the Committee approve the request from the Department of Justice to expend up to \$425,000 from the general fund for the purpose of covering projected shortfalls in the general litigation expenses incurred in the defense of the State and the prosecution of criminal law. MOTION ADOPTED.

RSA 100-A:41-a,II SUPPLEMENTAL ALLOWANCES:

FIS 05-008 New Hampshire Retirement System - On a motion by Representative Stone, seconded by Representative Hager, that the Fiscal Committee grant a 2% COLA for the employees, teachers, policemen and firemen. A roll call was requested and the vote was as follows:

Senator Morse	No
Senator Clegg	No
Senator D'Allesandro	No
Senator Eaton	No
Senator Odell	No
Representative Hager	Yes
Representative Wallner	Yes
Representative Franklin	Yes
Representative King	Yes
Representative Stone	Yes

MOTION FAILED. 5-Yes 5-No

On a motion by Senator Morse, seconded by Senator Clegg, that the Fiscal Committee grant a 1% COLA for employees, teachers, policemen and 1 ½% for firemen. A roll call was requested and the vote was as follows:

Senator Morse	Yes
Senator Clegg	Yes
Senator D'Allesandro	Yes
Senator Eaton	Yes
Senator Odell	Yes
Representative Hager	Yes

Representative Wallner	Yes
Representative Franklin	Yes
Representative King	Yes
Representative Stone	Yes

MOTION APPROVED UNANIMOUSLY.

LATE INFORMATIONAL ITEM:

Chairman King distributed copies of a report from the Pari-Mutuel Commission on the cost of laboratory analysis of urine samples secured from various racetracks for the quarter ending December 31, 2004.

ADJOURNMENT:

On a motion by Representative Stone, seconded by Representative Hager that the meeting adjourn. MOTION ADOPTED.

Representative Joseph Stone, Clerk