

FISCAL COMMITTEE OF THE GENERAL COURT

MINUTES

March 26, 2008

The Fiscal Committee of the General Court met on Wednesday, March 26, 2008 at 9:00 a.m. in Room 210-211 of the Legislative Office Building.

Members in attendance were as follows:

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

Chairman Smith opened the meeting at 9:05 a.m.

ACCEPTANCE OF MINUTES:

On a motion by Representative Eaton, seconded by Representative Franklin, that the minutes of the February 22, 2008 be accepted as written. MOTION ADOPTED.

OLD BUSINESS:

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

FIS 07-238 Department of Health and Human Services – authorization to complete the bid process for the GraniteCare Selective Contracting Program. **Tabled 7/24/07.** No action taken.

FIS 07-342 Department of Administrative Services – request for various departments to retain state owned passenger automobiles with FY 2007 reported mileage less than 12,000 miles. **Tabled 11/14/07.** On a motion by Representative Kurk, seconded by Representative Eaton, that this request be removed from the table. MOTION ADOPTED

Representative Weyler presented an update to the Committee on the bill, he and Senator D'Allesandro are sponsoring, for a commission to study appointing or contracting with a fleet manager for state-owned motor vehicles and Chairman Smith further reported that the Joint Legislative Performance Audit and Oversight Committee is moving ahead with an audit that would address this and other related motor vehicle issues.

On a motion by Representative Kurk, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Administrative Services for various departments to retain state owned passenger automobiles with FY 2007 reported mileage less than 12,000 miles. MOTION ADOPTED.

FIS 07-360 Department of Health and Human Services – requests approval of one of four options for a new rate structure for pediatric specialty care **Tabled 11/14/07**. Replacement Item submitted for approval of one of five options for a new rate structure for pediatric specialty care. **Tabled 12/13/07**. No action taken.

RSA 9:16-a, TRANSFERS AUTHORIZED:

CONSENT CALENDAR

Items FIS 08-085 Department of Safety – transfer \$39,000 and FIS 08-096 Department of Corrections – transfer \$1,800,000 were removed from the Consent Calendar at the request of Representative Kurk.

FIS 08-085 Department of Safety - Wesley Colby, Director, Division of Administration, Department of Safety, responded to questions of the Committee.

On a motion by Representative Eaton, seconded by Representative King, that the Committee approve the request of the Department of Safety to transfer \$39,000. MOTION ADOPTED. 8-Yes, 2-No) The Committee requested that the Department of Safety submit an update as an informational item.

FIS 08-096 Department of Corrections – William Wrenn, Commissioner, Robert Mullen, Director of Administration, and Dr. Robert MacLeod, Director of Medical and Forensic Services, Department of Corrections responded to questions of the Committee.

On a motion by Representative Eaton, seconded by Representative King, that the Committee approve the request of the Department of Corrections to transfer \$1,800,000. MOTION ADOPTED.

CHAPTER 263:28, II, LAWS OF 2007, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS AND RSA 124:15 POSITIONS RESTRICTED:

FIS 08-087 Department of Health and Human Services – Nicholas Toumpas, Commissioner, and James Fredyma, Controller, Department of Health and Human Services presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Eaton, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$216,705 and further authorization to establish a full-time temporary Laboratory Scientist position. MOTION ADOPTED.

FIS 08-108 Department of Health and Human Services – Nicholas Toumpas, Commissioner, Dr. John Wallace, Assistant Commissioner, and James Fredyma, Controller, Department of Health and Human Services presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Eaton, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$12,653 in SFY 2008 and \$118,094.67 in SFY 2009 from parental reimbursement funds and further authorization to accept and expend \$12,653 in SFY 2008 and \$118,094.68 in SFY 2009 in federal funds and authorization to establish; one (1) Supervisor V, one (1) Program Specialist II and two (2) Program Assistant II full-time temporary positions through June 30, 2009. MOTION ADOPTED.

Commissioner Toumpas spoke briefly on the Enterprise Resource Planning (ERP) Project, reporting; a July schedule for the Chart of Accounts, an August schedule for the Budget System and no specific go live date, pending testing and training, has been set. He also gave an update on the new Medicaid Management Information System (MMIS).

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

CONSENT CALENDAR

Item FIS 08-097 Department of Corrections – accept and expend \$222,861 was removed from the Consent Calendar at the request of Chairman Smith.

On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve all the remainder of the requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 08-077 Office of Energy and Planning – accept and expend \$1,621,798, FIS 08-078 Department of Safety – amend the grant award termination date from March 31, 2008 to March 31, 2009, with no increase in funding (approved FIS 07-020 February 16, 2007 and subsequently amended and approved by FIS 07-192 June 28, 2007), FIS 08-083 Department of Environmental Services – accept and expend \$112,791.11, FIS 08-088 Department of Safety – accept and expend \$488,956, FIS 08-089 Department of Safety – accept and expend \$387,457, FIS 08-098 Office of Energy and Planning – accept and expend \$1,549,697, FIS 08-099 Department of Safety – accept and expend \$73,090.30, FIS 08-101 Department of Safety – amend FIS 08-004 approved January 15, 2008 by reallocating \$3,500 in federal grant funds]

FIS 08-097 Department of Corrections – William Wrenn, Commissioner, and Robert Mullen, Director of Administration, responded to questions of the Committee.

On a motion by Representative Eaton, seconded by Representative King, that the Committee approve the request of the Department of Corrections to accept and expend \$222,861. MOTION ADOPTED. (9-Yes, 1-No)

RSA 7:12, I ASSISTANTS:

FIS 08-095 Department of Justice – Orville B. Fitch, Deputy Attorney General, and Rosemary Faretra, Director of Administration, presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Senator Gallus, that the Committee approve the request of the Department of Justice to expend a sum not to exceed \$482,833 from funds not otherwise appropriated. MOTION ADOPTED.

FIS 08-103 Department of Justice – Orville B. Fitch, Deputy Attorney General, and Rosemary Faretra, Director of Administration, presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Eaton, that the Committee approve the request of the Department of Justice to expend a sum not to exceed \$200,000 from funds not otherwise appropriated. MOTION ADOPTED.

RSA 9:16-a, TRANSFERS AUTHORIZED AND RSA 228:12 TRANSFERS FROM HIGHWAY SURPLUS ACCOUNT AND CHAPTER 262, LAWS OF 2007, BUDGET FOOTNOTE C:

FIS 08-082 Department of Transportation – Jeff Brillhart, Assistant Commissioner, and Thomas Martin, Director of Finance, Department of Transportation presented the request and responded to questions of the Committee.

On a motion by Representative Eaton, seconded by Representative Franklin, that the Committee approve the request of the Department of Transportation to transfer \$3,478,000 between Highway Fund accounts, authorization to transfer \$2,482,000 from Highway Surplus account and further authorization to accept and expend \$729,550 for the Mechanical Services Bureau and accept and expend \$180,000 for the Bridge Maintenance Bureau. MOTION ADOPTED. (6-Yes, 4-No)

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:

FIS 08-102 Department of Environmental Services – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Environmental Services to accept and expend \$100,000 in federal flow through funds from the Department of Safety and further authorization to establish a full-time temporary Environmentalist IV position and hire a consultant through September 30, 2008. MOTION ADOPTED.

RSA 14:30-a, VI FISCAL COMMITTEE APPROVAL REQUIRED FOR ACCEPTANCE AND EXPENDITURE OF FUNDS OVER \$50,000 FROM ANY NON-STATE SOURCE AND 228:69 APPROPRIATION AND USE OF SPECIAL RAILROAD FUND:

FIS 08-104 Department of Transportation – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Transportation to budget and expend revenue in the amount of \$330,855.77 and further authorization to expend an amount not to exceed \$330,855.77 for maintenance and repairs to active state-owned railroad lines. MOTION ADOPTED.

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

FIS 08-084 Department of Resources and Economic Development – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Resources and Economic Development of rate changes for camping, day use and historic sites. MOTION ADOPTED.

CHAPTER 262:1, LAWS OF 2007, JUDICIAL COUNCIL, PAU 02-18-01 INDIGENT DEFENSE FOOTNOTE:

FIS 08-093 Replacement #2 Judicial Council – Nina C. Gardner, Executive Director, Judicial Council, presented the request and responded to questions of the Committee.

On a motion by Representative Eaton, seconded by Senator Larsen, that the Committee approve the request of the Judicial Council for additional funding in the amount of \$350,000 from the general fund through June 30, 2008. MOTION ADOPTED.

CHAPTER 262:4, LAWS OF 2007, LOTTERY COMMISSION; AUTHORITY GRANTED:

FIS 08-086 New Hampshire Lottery Commission – Rick Wisler, Executive Director, New Hampshire Lottery Commission presented the request and responded to questions of the Committee.

On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the New Hampshire Lottery Commission to purchase instant gaming tickets and related services from July 1, 2008 through June 30, 2009 in an amount not to exceed \$2,300,000. MOTION ADOPTED.

CHAPTER 334:1, LAWS OF 2007, APPROPRIATION; STATE MATCHING FUNDS FOR MAY 2006 DISASTER ASSISTANCE GRANTS:

FIS 08-100 Department of Safety – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Safety to distribute \$369,145.81 in State Matching Funds for Federal Emergency Management Agency Disaster Assistance Grants for the May 2006 Floods. MOTION ADOPTED.

CHAPTER 334:2, LAWS OF 2007, APPROPRIATION; STATE MATCHING FUNDS FOR APRIL 2007 DISASTER ASSISTANCE GRANTS:

FIS 08-106 Department of Safety – Wesley Colby, Director, Division of Administration, Department of Safety, responded to questions of the Committee.

On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Safety to distribute \$610,678.34 in State Matching Funds for Federal Emergency Management Agency Disaster Assistance Grants for the April 2007 Floods. MOTION ADOPTED.

INFORMATIONAL MATERIALS:

The informational items were accepted and placed on file.

AUDITS:

State of New Hampshire, Department of Transportation, Turnpike System, Report on Internal Control over Financial Reporting and on Compliance And Other Matters, Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, Year Ended June 30, 2007 – Shawn Warren, Partner, representing KPMG presented the report and responded to questions of the Committee.

On a motion by Representative Kurk, seconded by Representative King, that the report be accepted, placed on file and released in the usual manner. MOTION ADOPTED

New Hampshire Lottery Commission, Management Letter For the Fiscal Year Ended June 30, 2007 – Shawn Warren, Partner, representing KPMG presented the report and responded to questions of the Committee.

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

State of New Hampshire, Single Audit of Federal Financial Assistance Programs for the Fiscal Year Ended June 30, 2007 – Shawn Warren, Partner, representing KPMG presented the report and responded to questions of the Committee.

On a motion by Representative Kurk, seconded by Representative Eaton, that the report be accepted, placed on file and released in the usual manner. MOTION ADOPTED

ADJOURNMENT:

The next regular meeting of the Fiscal Committee was set for Tuesday, April 29, 2008 at 9:00 a.m. (Whereupon the meeting adjourned at 11:05 a.m.)

Representative Neal Kurk, Clerk