

FISCAL COMMITTEE OF THE GENERAL COURT
MINUTES
September 10, 2008

The Fiscal Committee of the General Court met on Wednesday, September 10, 2008 at 9:00 a.m. in Room 201-203 of the Legislative Office Building.

Members in attendance were as follows:

Representative Marjorie Smith, Chairman
Representative Neal Kurk
Representative Mary Jane Wallner
Representative Kenneth Weyler
Representative Peter Franklin
Representative Fran Wendelboe
Senator Lou D'Allesandro
Senate President Sylvia Larsen
Senator Kathleen Sgambati
Senator Theodore Gatsas
Senator John Gallus

Chairman Smith opened the meeting at 9:17 a.m.

ACCEPTANCE OF MINUTES:

On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the minutes of the July 29, 2008 meeting 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 07-360 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.

FIS 08-130 Department of Health and Human Services – authorization to revise the reimbursement rate paid to non-critical access hospitals for outpatient services from 81.24% of Medicare allowable costs to 62.82% of Medicare allowable costs retroactively to January 1, 2008 **Tabled 4/29/08**. No action taken.

FIS 08-163 New Hampshire Retirement System - actuarial certification of funds available in the respective member classifications "special account" for the purpose of determining COLA's **Tabled 5/29/08**. No action taken.

RSA 9:16-a, TRANSFERS AUTHORIZED:

CONSENT CALENDAR

On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the Committee approve the request on the agenda under this section as submitted. MOTION ADOPTED. [FIS 08-246 Racing & Charitable Gaming Commission – transfer \$67,000]

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

FIS 08-257 Department of Education – authorization to budget and expend \$27,490.93 in prior year carry forward funds and further authorization to budget and expend \$269,824.10 in additional federal grant funds was withdrawn by the agency.

On a motion by Senator D'Allesandro, seconded by Representative Wallner, that the Committee approve the requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 08-230 Department of Environmental Services – accept and expend \$80,536, FIS 08-231 Department of Environmental Services – accept and expend \$50,000, \$75,000, \$10,000 and \$5,000 for a total of \$140,000 for the removal of the Merrimack Village Dam, FIS 08-233 Department of Justice – accept and expend \$630,203, FIS 08-247 Department of Justice – accept and expend \$70,395, FIS 08-249 Department of Justice – accept and expend \$949,678, FIS 08-250 Department of Justice – authorization to retroactively accept and expend \$1,721,000 from July 1, 2008 through June 30, 2009, FIS 08-252 Department of Safety – accept and expend \$5,000,000, FIS 08-254 Department of Justice – authorization to amend the grant award termination date from September 30, 2008 to June 30, 2009, with no increase in funding (approved FIS 07-047 February 16, 2007 and subsequently amended FIS 07-279 August 29, 2007) and further authorization to rebudget the remaining grant award funds through June 30, 2009, FIS 08-258 Department of Education – budget and expend \$668,884.07, FIS 08-261 Department of Administrative Services – accept and expend \$126,294]

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:

CONSENT CALENDAR

At the request of Representative Kurk, FIS 08-234 Department of Safety and FIS 08-260 Department of Safety were removed from the Consent Calendar for discussion.

On a motion by Senator Larsen, seconded by Representative Franklin, that the Committee approve all the remainder of the requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 08-235 Department of Justice – authorization to budget and expend \$25,032 and, pending approval of the proceeding request, authorization to establish one part-time temporary classified Paralegal I position through June 30, 2009, FIS 08-248 Department of Safety –

authorization to accept and expend \$56,275 and further authorization to hire outside consultants through June 30, 2009, FIS 08-253 Department of Safety – authorization to accept and expend \$41,176.23 in federal grant funds from the New Hampshire Highway Safety Agency through June 30, 2009 and further authorization, pending approval of the proceeding request, to amend the end date for one Program Assistant II position from September 30, 2008 to June 30, 2009 (approved FIS 07-330 October 17, 2007), FIS 08-255 Department of Justice – authorization to amend the end date of one full-time temporary unclassified Attorney position from September 30, 2008 to June 30, 2009 (FIS 07-047 February 16, 2007 and subsequently amended FIS 07-279 August 29, 2007) and further authorization to accept and expend \$81,941 in grant funds from New Hampshire Highway Safety for this position through June 30, 2009, FIS 08-259 Department of Safety – authorization to accept and expend \$303,128.68 in federal grant funds and, pending approval of the proceeding request, further authorization to amend the end date for a Program Specialist IV position from September 30, 2008 through June 30, 2009 (approved FIS 08-185 May 29, 2008)]

FIS 08-234 Department of Safety – Wesley Colby, Director, Division of Administration, Department of Safety, responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the Committee approve the request of the Department of Safety to accept and expend \$57,609.98 and, pending approval of the proceeding request, authorization to amend the end date for a Paralegal I position from September 30, 2008 through June 30, 2009 (approved FIS 07-027 February 16, 2007 and subsequently amended FIS 07-270 August 29, 2007). MOTION ADOPTED.

FIS 08-260 Department of Safety – Wesley Colby, Director, Division of Administration, and Pam Urban-Morin, Administrator, Homeland Security, Department of Safety, responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the Committee approve the request of the Department of Safety to accept and expend \$3,369,436 in federal grant funds and, pending approval of the proceeding request, authorization to create temporary consulting positions through June 30, 2009 and authorization to establish two (2) full-time temporary Planning Analyst positions through June 30, 2009. MOTION ADOPTED.

RSA 14:30-a, VI FISCAL COMMITTEE APPROVAL REQUIRED FOR ACCEPTANCE AND EXPENDITURE OF FUNDS OVER \$50,000 FROM ANY NON-STATE SOURCE AND CHAPTER 263:28, II, LAWS OF 2007, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS:

FIS 08-229 Office of The Adjutant General – On a motion by Senator D'Allesandro, seconded by Representative Weyler, that the Committee approve the request of the Office of The Adjutant General to accept and expend \$1,000,000 and further authorization for the Department of Health and Human Services, Division of Community Based Care Services to accept and expend \$999,000 in additional revenue from the Office of The Adjutant General. MOTION ADOPTED.

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

FIS 08-237 Department of Health and Human Services – On a motion by Senator Larsen, seconded by Representative Wallner, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$90,500 in prior year carryover funds. MOTION ADOPTED.

INFORMATIONAL MATERIALS:

Representative Kurk congratulated the Department of Health and Human Services on the improved formatting and usefulness of the Rate Setting – report of expenditures for the Medicaid program (FIS 08-239 Department of Health and Human Services).

FIS 08-238 New Hampshire Fish and Game Department – RSA 206:42 – Search and Rescue Quarterly Report of Expenditures for April 1, 2008 to June 30, 2008. Glenn Normandeau, Executive Director, responded to questions of the Committee.

The informational items were accepted and placed on file.

AUDITS:

New Hampshire Retirement System, Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2007, and New Hampshire Retirement System Management Letter Year Ended June 30, 2007, and New Hampshire Retirement System, Auditors' 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 – Brock Romano, representing KPMG, presented the reports and responded to questions of the Committee. Constance Donovan, Executive Director, and Richard Joyal, Business and Finance Director, New Hampshire Retirement System, responded to questions of the Committee. Also present from the New Hampshire Retirement System to respond to questions were Jeff Gendron, Chief Investment Officer, Merelise O'Connor, Chief of Member Services and Interim Deputy Director, and Tim Crutchfield, Chief Legal Counsel.

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

LATE ITEM:

FIS 08-263 Department of Safety – Wesley Colby, Director, Division of Administration, Department of Safety, responded to questions of the Committee. Michael Buckley, Legislative Budget Assistant, also respond to questions of the Committee.

On a motion by Representative Kurk, seconded by Senator Larsen that the Committee approve the request of the Department of Safety, Division of Homeland Security and Emergency Management, to accept and expend \$10,000,000 in Federal Emergency Management Agency funds through June 30, 2009 for the July/August 2008 Flooding. MOTION ADOPTED.

AUDITS:

State of New Hampshire, Department of Resources and Economic Development, Division of Parks and Recreation, Revenues of the State Park Fund Audit Report, September 2008 – Richard Mahoney, Director of Audits, Kimberly Seamans, Senior Audit Manager, and Stephen Fox, Performance Audit Supervisor, Audit Division, Office of Legislative Budget Assistant, presented the report and responded to questions of the Committee. George Bald, Commissioner, and Kenneth Plourde, Business Administrator, Department of Resources and Economic Development were also present to respond 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, Fleet Management Performance Audit, September 2008 – Richard Mahoney, Director of Audits, and Vilay DiCicco, Audit Manager, Audit Division, Office of Legislative Budget Assistant, presented the report and responded to questions of the Committee. Linda Hodgdon, Commissioner, and Thomas Kehr, Rules Administrator, Department of Administrative Services were also present to respond 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.

ADJOURNMENT:

The next regular meeting of the Fiscal Committee was set for Wednesday, October 8, 2008 at 9:00 a.m. (Whereupon the meeting adjourned.)

Representative Neal Kurk, Clerk