

FISCAL COMMITTEE OF THE GENERAL COURT
MINUTES

December 22, 2005

The Fiscal Committee of the General Court met on Thursday, December 22, 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 Theodore Gatsas
Senator Robert Clegg, Jr.
Senator Richard Green
Senator Lou D'Allesandro

Chairman King opened the meeting at 9:25 a.m.

ACCEPTANCE OF MINUTES:

On a motion by Representative Stone, seconded by Representative Franklin, that the minutes of the November 16, 2005 meeting be accepted as written. MOTION ADOPTED.

OLD BUSINESS:

Update from Commissioner Murray on the Status of the Highway Surplus Account and Letter dated October 12, 2005 and attachments from Michael L. Buckley, Legislative Budget Assistant (Chapter 176:9,I, Laws of 2005) 90-day Report on Examination of the Accounting for the Financial Reporting of the Highway Fund - Michael Buckley, Legislative Budget Assistant addressed both items under Old Business. Mr. Buckley stated that the Department of Administrative Services, Department of Transportation and the Office of Legislative Budget Assistant will be bringing forward a report in January which will be even more comprehensive than what appeared in the unaudited financial statements that were issued. And because of another item on this agenda that asks for a delay in the issuance of the audited financial statements, we're going to bring forward a report in January which will include the capital and operating components of the Highway Fund, and the projects that are involved in each. (These items were accepted and placed on file.)

FIS 05-195 Department of Health and Human Services (Chapter 176:15, Laws of 2005) Report on Administrative Contract Savings in FY 2006 - John Stephen, Commissioner responded to questions of Senator Green and various other members of the Committee. (This item was accepted and placed on file.)

OLD BUSINESS (continued)

FIS 05-204 Department of Administrative Services (Chapter 319:32, Laws of 2003) Report on the Implementation of the State Employee Self-Insured Health Plan - Donald Hill, Commissioner responded to questions of Senator Green and various other members of the Committee. (This item was accepted and placed on file.)

FIS 05-248 Department of Education - Lyonel Tracy, Commissioner responded to questions of the Committee.

On a motion by Senator Gatsas, seconded by Representative Hager, that the Committee approve the request from the Department of Education to accept and expend \$489,428.90 and establish a Program Assistant I position through June 30, 2007. MOTION ADOPTED.

CHAPTER 177:4,II, LAWS OF 2005 ADDITIONAL REVENUES:

FIS 05-251 Department of Health and Human Services, Office of Minority Health - John Stephen, Commissioner presented the request and responded to questions of the Committee.

On a motion by Representative Hager, seconded by Senator D'Allesandro, that the Committee approve the request from the Department of Health and Human Services, Office of Minority Health to accept and expend \$147,696. MOTION ADOPTED.

FIS 05-252 Department of Health and Human Services, Division of Community Based Care Services - John Stephen, Commissioner presented the request and responded to questions of the Committee.

On a motion by Senator Green, seconded by Representative Franklin, that the Committee approve the request from the Department of Health and Human Services, Division of Community Based Care Services to accept and expend \$400,000. MOTION ADOPTED.

CHAPTER 177:123,IV, LAWS OF 2005 DEPARTMENT OF HEALTH AND HUMAN SERVICES; CARE MANAGEMENT PILOT PROGRAM:

FIS 05-270 Department of Health and Human Services - John Stephen, Commissioner presented the plan and responded to questions of the Committee.

On a motion by Senator Clegg, seconded by Senator Morse, that this request be tabled until the next scheduled meeting of the Fiscal Committee. MOTION ADOPTED.

CHAPTER 568:11, LAWS OF 1981 USE OF STATE-OWNED PASSENGER VEHICLES:

FIS 05-265 Department of Administrative Services - Donald Hill, Commissioner presented the request and responded to questions of the Committee.

On a motion by Representative Stone, seconded by Senator Green, that the Committee authorize various state agencies to retain state-owned passenger automobiles which have traveled less than 12,000 during FY 2005, as submitted. MOTION ADOPTED.

RSA 7:12 ASSISTANTS:

FIS 05-266 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 Green, seconded by Representative Franklin, that the Committee grant authorization to expend up to \$75,000 from the general fund for the purpose of paying for autopsies conducted under RSA 611:7. 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:

FIS 05-256 Department of Resources and Economic Development, Division of Parks and Recreation - Allison McLean, Director of Parks and Recreation and Kenneth Plourde, Administrator IV presented the request and responded to questions of the Committee.

Senator Clegg asked if the Department had gone before the Capital Budget Overview Committee or the Long Range Capital Planning and Utilization Committee to discuss the various phases of this project. Ms. McLean and Mr. Plourde stated they had not discussed Phase 2 and 3 with either Committee, and it appeared to be an oversight on the Department's part.

Senator Clegg stated that we all agree that this is a great project and let's go get the money, but make sure the process is followed and the respective committees be notified about all phases of any project.

On a motion by Senator Green, seconded by Senator Morse, that this request be tabled until Chairman Chandler of the Capital Budget Overview Committee has been notified of this project. MOTION ADOPTED.

On a motion by Senator Green, seconded by Representative Hager, that the remaining requests on the agenda under this section be approved as submitted. MOTION ADOPTED. (FIS 05-255, FIS 05-259, FIS 05-260, FIS 05-261, FIS 05-262, FIS 05-271 and FIS 05-269)

Michael Buckley, Legislative Budget Assistant suggested that in the future this section may be under the consent calendar. If any member has a question on any item they can be removed from the consent calendar and discussed individually, and if not the items on consent calendar can be approved as a group with one motion.

It was the consensus of the Committee to have these items under a consent calendar.

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 05-253 Department of Education - On a motion by Representative Hager, seconded by Senator D'Allesandro, that the Committee approve the request from the Department of Education to accept and expend \$709,991.30 and establish an Education Consultant I position through June 30, 2007. MOTION ADOPTED.

FIS 05-258 Department of Education - On a motion by Senator D'Allesandro, seconded by Representative Hager, that the Committee approve the request from the Department of Education to accept and expend \$1,397,113 and establish a Program Specialist II position through June 30, 2007. MOTION ADOPTED.

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

FIS 05-268 Department of Transportation, Bureau of Rail and Transit - On a motion by Senator D'Allesandro, seconded by Representative Hager, that the Committee approve the request from the Department of Transportation, Bureau of Rail and Transit to accept and expend \$364,318.12 and authorization to expend \$51,864.44 from the Special Railroad Fund for maintenance and repairs to active state-owned railroad lines. MOTION ADOPTED.

RSA 21-I:8, I(h) DIVISION OF ACCOUNTING SERVICES:

FIS 05-267 Department of Administrative Services - Donald Hill, Commissioner presented the request and responded to questions of the Committee.

Kelley Ayotte, Attorney General and Michael Delaney, Deputy Attorney General were also present to respond to questions of the Committee. Chairman King asked if the Committee could go into non-public session to discuss this further and obtain additional information on whether this delay will have any affect on the agenda item for COLA's from the Retirement System. Ms. Ayotte and Mr. Delaney stated that the Committee could go into non-public session to discuss this further.

On a motion by Representative Hager, seconded by Senator D'Allesandro, that the Committee go into non-public session to discuss the ramifications of the extension as presented by Commissioner Hill and how it may relate to the COLA's from the Retirement System. (This motion was withdrawn to accommodate the remainder of the agenda items.)

Chairman King requested that the remainder of the agenda be completed previous to going into non-public session so that various agencies do not have to wait for the Committee to go into and come out of non-public session.

RSA 21-P:23 HIGHWAY FUND SURPLUS AND RSA 124:15 POSITIONS RESTRICTED:

FIS 05-276 Department of Safety, Division of Administration - Wesley Colby, Director of Administration presented the request and responded to questions of the Committee.

On a motion by Senator Green, seconded by Representative Hager, that the Committee approve the request from the Department of Safety, Division of Administration to transfer \$85,130 from the Highway Surplus Account and establish three (3) Carpenter II positions through June 30, 2006. MOTION ADOPTED.

RSA 188-F:14-c NON-LAPSING ACCOUNT:

FIS 05-275 Community Technical College System - William Simonton, Commissioner and Michael Marr, Chief Financial Officer presented the request and responded to questions of the Committee.

Senator Clegg requested that the Committee be provided with information that Richard Bailey, Director of the Office of Information Technology gave the Community Technical College to show that this item had been presented to the Capital Budget and that the correct amount of money was requested to cover this project. Mr. Marr stated that he would provide the Committee with backup.

On a motion by Senator Gatsas, seconded by Senator D'Allesandro, that the Committee table this request until further information can be provided as requested. MOTION ADOPTED. (8-yes, 2-no)

RSA 188-F:14-c NON-LAPSING ACCOUNT AND RSA 124:15 POSITIONS RESTRICTED:

FIS 05-274 Community Technical College System - On a motion by Representative Hager, seconded by Senator Morse, that the Committee grant authorization to expend \$94,183 from the NHCTCS non-lapsing account for the purpose of enhancing program offerings at the Berlin campus and establish a Program Coordinator position through June 30, 2007. MOTION ADOPTED.

LATE ITEMS:

FIS 05-277 Department of Justice - Linda Hodgdon, Director of Administration presented the request and responded to questions of the Committee.

On a motion by Representative Hager, seconded by Representative Stone, that the Committee approve the request from the Department of Justice to accept and expend \$39,994 and establish a Legal Secretary III position through June 30, 2007. MOTION ADOPTED.

FIS 05-278 N.H. Retirement System - On a motion by Senator Green, seconded by Representative Hager, that the Committee table this request. MOTION ADOPTED.

FIS 05-281 Department of Labor - George Copadis, Commissioner presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Stone, that the Committee approve the request from the Department of Labor to accept and expend \$24,846,504.90. MOTION ADOPTED.

Senator Gatsas requested that the Department of Labor report on the \$15 million and how it is utilized and what programs are available for people. Chairman King suggested that the Commissioner bring someone from the Workforce Council to explain how this money is spent.

NON-PUBLIC SESSION:

On a motion by Representative Hager, seconded by Senator Green, that the Committee go into non-public session under the provisions of RSA 91-A:2(c) consultation with legal counsel and RSA 91-A:3,II(e), discussion of claims before the State.

The Clerk called the roll, which was as follows:

Representative King - Yes
Representative Hager - Yes
Representative Stone - Yes
Representative Wallner - Yes
Representative Franklin - Yes
Senator Gatsas - Yes
Senator Morse - Yes
Senator Green - Yes
Senator D'Allesandro - Yes

Whereupon the Committee went into Non-public Session.

On a motion by Representative Hager, seconded by Senator Morse, that the Committee come out of non-public session. MOTION ADOPTED.

On a motion by Representative Hager, seconded by Senator D'Allesandro, that FIS 05-267 from the Department of Administrative Services be removed from the table. MOTION ADOPTED.

On a motion by Senator Green, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Administrative Services to extend the release of the FY 2005 audited comprehensive annual financial report from December 31, 2005 until such time as both internal and external investigations on the New Hampshire Retirement System and the Community Technical Colleges are complete. MOTION ADOPTED.

INFORMATIONAL MATERIALS:

The informational items were accepted and placed on file.

DATE OF NEXT MEETING AND ADJOURNMENT:

The next regular meeting of the Fiscal Committee will be on Monday, January 23, 2006 at 9:00 a.m. in Room 210-211 of the LOB.

On a motion by Senator Morse, seconded by Senator Green, that the meeting adjourn. MOTION ADOPTED.

Representative Joseph Stone, Clerk