

FISCAL COMMITTEE OF THE GENERAL COURT
MINUTES
September 23, 2011

The Fiscal Committee of the General Court met on Friday, September 23, 2011 at 10:00 a.m. in Room 210-211 of the Legislative Office Building.

Members in attendance were as follows:

Representative Ken Weyler, Chairman
Representative Beverly Rodeschin
Representative Daniel McGuire
Representative Stephen Stepanek
Representative Benjamin Baroody (Alternate)
Representative John Reagan (Alternate)
Senator Chuck Morse
Senator Bob Odell
Senate President Peter Bragdon
Senator Amanda Merrill (Alternate)
Senator John Gallus

Chairman Weyler opened the meeting at 10:07 a.m.

ACCEPTANCE OF MINUTES:

On a motion by Representative Rodeschin, seconded by Representative McGuire, that the minutes of the July 15, 2011 be accepted as written. MOTION ADOPTED. (8-Yes, 2-Abstain)

OLD BUSINESS:

Office of Legislative Budget Assistant – Administrative Procedures. Tabled 12/29/10.
No Action Taken.

NEW BUSINESS:

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

At the request of Representative McGuire FIS 11-212 Department of Justice, FIS 11-238 New Hampshire Fish and Game Department and FIS 11-253 Department of Safety were removed from the Consent Calendar.

On a motion by Senator Morse, seconded by Senator Gallus, that the Committee approve the remaining requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 11-221 Department of Safety – authorization to amend FIS 11-041, approved February 18, 2011 and subsequently amended by FIS 11-188, approved June 17, 2011, by reallocating \$33,788 in federal funds through September 30, 2012, FIS 11-222 Department of Resources and Economic Development –

authorization to retroactively accept and expend \$78,178 in federal grant funds through July 31, 2012, FIS 11-232 Department of Justice – authorization to amend FIS 09-339, approved October 20, 2009, and subsequently amended by FIS 11-108, approved March 25, 2011, and FIS 11-196, approved July 15, 2011, by extending the end date from September 30, 2011 to March 31, 2012, with no increase in funding, FIS 11-236 Department of Resources and Economic Development – authorization to retroactively amend FIS 10-148, approved May 18, 2010, by extending the end date from June 30, 2011 to June 30, 2012, with no increase in funding, FIS 11-239 Department of Justice – authorization to amend FIS 09-387, approved December 3, 2009, and subsequently amended by FIS 11-107, approved March 25, 2011, and FIS 11-193, approved July 15, 2011, by extending the end date from September 30, 2011 to March 31, 2012, with no increase in funding, FIS 11-245 Department of Corrections – accept and expend \$99,361, FIS 11-246 Department of Justice – authorization to retroactively amend FIS 11-062, approved February 18, 2011, by extending the end date from June 30, 2011 to September 12, 2012, with no increase in funding, FIS 11-250 Department of Environmental Services – accept and expend \$250,000 in other funds through September 30, 2012, FIS 11-251 Department of Safety – accept and expend \$5,000,000 in federal Disaster Assistance funds through June 30, 2013, FIS 11-252 Department of Safety – accept and expend \$2,447,569 in federal Emergency Assistance funds through June 30, 2013, FIS 11-254 Department of Safety – accept and expend \$1,784,265 in federal Disaster Assistance funds through June 30, 2013, FIS 11-271 Department of Safety – accept and expend \$5,000,000 in federal Emergency Declaration Assistance funds through June 30, 2013, FIS 11-272 Department of Safety – accept and expend \$20,000,000 in federal Major Disaster Assistance funds through June 30, 2013]

FIS 11-212 Department of Justice – Timothy Brackett, Criminal Justice Program Specialist, Department of Justice presented the request and responded to questions of the Committee. Attorney General Michael Delaney was also present.

On a motion by Senator Bragdon, seconded by Senator Morse, that the Committee approve the request of the Department of Justice to accept and expend \$54,665. MOTION ADOPTED. (9-Yes, 1-No)

FIS 11-238 New Hampshire Fish and Game Department – Glenn Normandeau, Director, New Hampshire Fish and Game Department presented the request and responded to questions of the Committee.

On a motion by Senator Morse, seconded by Representative McGuire, that the Committee table the request of the New Hampshire Fish and Game Department to accept and expend \$198,192. MOTION FAILED. (4-Yes, 6-No)

On a further motion by Senator Bragdon, seconded by Senator Odell, that the Committee approve the request of the New Hampshire Fish and Game Department to accept and expend \$198,192. MOTION ADOPTED. (6-Yes, 4-No)

FIS 11-253 Department of Safety – Wesley Colby, Director of Administration, and Perry Plummer, Director, Fire Standards and Training, Department of Safety responded to questions of the Committee.

On a motion by Representative Baroody, seconded by Senator Bragdon, that the Committee approve the request of the Department of Safety to accept and expend \$353,925. 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:

ARRA FUNDS CONSENT CALENDAR

The Department of Education issued a replacement request to FIS 11-255.

On a motion by Senator Bragdon, seconded by Senator Merrill, that the Committee approve the replacement request on the agenda under this section as submitted. MOTION ADOPTED. [FIS 11-255 Replacement Department of Education – accept and expend \$603,892 in federal ARRA funds through June 30, 2012]

RSA 9:17-d TRANSFER OF APPROPRIATIONS, SUPREME COURT:

FIS 11-247 Administrative Office of the Courts – On a motion by Senator Bragdon, seconded by Senator Morse, that the Committee approve the request of the Administrative Office of the Courts to transfer \$247,388 in FY 2012 and \$134,851 in FY 2013. MOTION ADOPTED.

RSA 21-I:30, I MEDICAL AND SURGICAL BENEFITS:

FIS 11-256 Department of Administrative Services – On a motion by Senator Bragdon, seconded by Senator Morse, that the Committee approve the request of the Department of Administrative Services for certain changes to the State's retiree health plans. MOTION ADOPTED. (9-Yes, 1-No)

RSA 215-A:23, IX AND RSA 215-C:39, X, REGISTRATION FEES:

FIS 11-234 New Hampshire Fish and Game Department – On a motion by Senator Bragdon, seconded by Senator Morse, that the Committee approve the request of the New Hampshire Fish and Game Department to transfer \$268,241 in other funds. MOTION ADOPTED.

CHAPTER 223:4, LAWS OF 2011, LOTTERY COMMISSION; AUTHORITY GRANTED:

FIS 11-223 New Hampshire Lottery Commission – On a motion by Senator Bragdon, seconded by Senator Gallus, that the Committee approve the request of the New Hampshire Lottery Commission to transfer \$2,300,000 from the Lottery Special Revenue Account for the purchase of instant tickets and related services through June 30, 2012. MOTION ADOPTED.

CHAPTER 223:19, LAWS OF 2011, DEPARTMENT OF TRANSPORTATION; HIGHWAY FUND APPROPRIATION REDUCTIONS:

FIS 11-224 Department of Transportation – The Department of Transportation issued a replacement to item FIS 11-224. Christopher Clement, Commissioner, and Michael Pillsbury, Deputy Commissioner, Department of Transportation presented the request and responded to questions of the Committee. Jeff Brillhart, Assistant Commissioner, Department of Transportation was also present.

On a motion by Senator Gallus, seconded by Representative Rodeschin, that the Committee approve the request of the Department of Transportation to reduce Highway Fund appropriations and positions in the amount of \$27,562,749 over FY 2012-2013 biennium. No Action Taken.

On a motion by Representative Stepanek, seconded by Senator Morse, that the Committee **amend** the item, **to strike under the Capital Program: paragraph two**, found on the last page of the request letter. MOTION ADOPTED.

On a motion by Senator Morse, seconded by Representative Stepanek, that the Committee **approve as amended** the replacement request by the Department of Transportation to reduce Highway Fund appropriations and positions in the amount of \$27,562,749 over FY 2012-2013 biennium, as specified in your letter dated September 21, 2011. This item was amended **to strike under the Capital Program: paragraph two**, found on the last page of the request letter. MOTION ADOPTED.

CHAPTER 224:14, II, LAWS OF 2011, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS:

FIS 11-213 Department of Health and Human Services – On a motion by Senator Bragdon, seconded by Senator Merrill, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$50,050 in federal funds through June 30, 2012. MOTION ADOPTED.

FIS 11-225 Department of Health and Human Services – On a motion by Senator Bragdon, seconded by Senator Gallus, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$152,950 in other funds through June 30, 2012. MOTION ADOPTED.

CHAPTER 224:14, II AND III, LAWS OF 2011, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS:

FIS 11-260 Department of Health and Human Services – On a motion by Senator Bragdon, seconded by Senator Gallus, that the Committee approve the request of the Department of Health and Human Services to transfer \$300,000 in general funds and accept and expend \$520,521 in federal funds through June 30, 2012. MOTION ADOPTED.

CHAPTER 224:203, LAWS OF 2011, DEPARTMENT BUDGETS; TRANSFER OF FEDERAL FUNDS:

FIS 11-233 Department of Safety – On a motion by Senator Bragdon, seconded by Representative McGuire, that the Committee approve the request of the Department of Safety to transfer \$15,600 in federal funds through June 30, 2012. MOTION ADOPTED.

Jeffrey Pattison, Legislative Budget Assistant, responded to questions of the Committee regarding fiscal items requesting transfers \$25,000 or less pursuant to the Laws of 2011, Chapter 224:203 and recommended that the Committee authorize the Chairman to have signature authority over such items.

On a motion by Senator Bragdon, seconded by Representative Baroody, that the Committee jointly approve the remaining items under this section as submitted. [FIS 11-243 Department of Safety – authorization to transfer \$283,887 in federal funds through June 30, 2012, FIS 11-257 Department of Health and Human Services – transfer \$6,000 in federal funds through June 30, 2012, FIS 11-258 Department of Health and Human Services – transfer \$17,500 in federal funds through June 30, 2012 and further transfer \$9,500 in federal funds through June 30, 2013, FIS 11-259 Department of Health and Human Services – transfer \$400 in federal funds through June 30, 2012]

On a motion by Senator Bragdon, seconded by Representative Stepanek, that the Committee authorize the Chairman to have signature authority over transfers \$25,000 or less that require Fiscal Committee approval pursuant to the Laws of 2011, Chapter 224:203. MOTION ADOPTED.

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:

FIS 11-226 Department of Safety – On a motion by Senator Bragdon, seconded by Representative McGuire, that the Committee approve the request of the Department of Safety to transfer \$28,457 in federal funds through June 30, 2013 and accept and expend \$175,497 in federal funds through June 30, 2013. MOTION ADOPTED.

CHAPTER 224:210, LAWS OF 2011, DEPARTMENT OF INFORMATION TECHNOLOGY; TRANSFERS AMONG ACCOUNTS AND RSA 124:15 POSITIONS RESTRICTED:

FIS 11-261 Department of Information Technology – On a motion by Senator Bragdon, seconded by Senator Merrill, that the Committee approve the request of the Department of Information Technology to transfer \$30,000 in SFY 2012 other funds through June 30, 2012 and establish one part-time temporary Business Systems Analyst II position through June 30, 2012. MOTION ADOPTED.

CHAPTER 263.160, LAWS OF 2007, STATE EMPLOYEE HEALTH PLAN; APPLICATION AND RSA 21-I:30, I, MEDICAL AND SURGICAL BENEFITS:

FIS 11-262 Department of Administrative Services – Linda Hodgdon, Commissioner, and Monica Ciolfi, Administrator, Risk Management Unit, Department of Administrative Services presented the request and responded to questions of the Committee.

On a motion by Representative Rodeschin, seconded by Representative Baroody, that the Committee table the request of the Department of Administrative Services seeking authorization to change the premium equivalent sharing of unrepresented active state employees who participate in the state health plans. MOTION ADOPTED.

CHAPTER 224:365, I, MEDICAID MANAGEMENT INFORMATION SYSTEM; REPORTS:

FIS 11-274 Department of Information Technology – Senator Morse requested to address Attorney General Michael Delaney.

On a motion by Senator Morse, seconded by Representative Stepanek, that the Committee approve the request of Senator Morse to have Attorney General Michael Delaney meet with the Office of General Counsel of ACS to review the contract performance and deal with the delays and report back to the Fiscal Committee by October 28, 2011. MOTION ADOPTED.

On a motion by Senator Morse, seconded by Senator Bragdon, that the Committee table the request of the Department of Information Technology for an extension to the October 1, 2011 requirement to present the consultant's report on the MMIS system to the Fiscal Committee to December 31, 2011. MOTION ADOPTED.

MISCELLANEOUS:

Office of the Governor – At the request of the Committee, John Beardmore, Budget Director, Office of the Governor presented an update on the status of the collective bargaining savings.

Office of Legislative Budget Assistant – Jeffry Pattison, Legislative Budget Assistant, requested authority to fill one (1) vacancy in the Audit Division, Office of Legislative Budget Assistant.

On a motion by Representative Baroody, seconded by Senator Morse, that the Committee approve the request of the Office of Legislative Budget Assistant to fill one (1) vacancy in the Audit Division. MOTION ADOPTED.

INFORMATIONAL MATERIALS:

FIS 11-265 Department of Health and Human Services – Chapter 125, Laws of 2011 – Nicholas Toumpas, Commissioner, Department of Health and Human Services, responded to questions of the Committee regarding the Medicaid Managed Care and Children's Health Insurance Update, dated September 1, 2011.

The informational items were accepted and placed on file.

The Committee recessed at 11:36 a.m. for a Republican caucus and reconvened at 11:52 a.m.

RSA 490-F:7, III, CIRCUIT COURT JUDGES; NUMBER AND CHAPTER 224:219, II (b), LAWS OF 2011, JUDICIAL APPOINTMENTS; NUMBER LIMITED; VACANCIES:

FIS 11-249 Administrative Office of the Courts – On a motion by Representative Stepanek, seconded by Representative Baroody, that the Committee approve the request of the Administrative Office of the Courts to convert a marital master position to a circuit court judge position. MOTION ADOPTED.

CHAPTER 263,160, LAWS OF 2007, STATE EMPLOYEE HEALTH PLAN; APPLICATION AND RSA 21-I:30, I, MEDICAL AND SURGICAL BENEFITS:

FIS 11-262 Department of Administrative Services – Linda Hodgdon, Commissioner, and Monica Ciolfi, Administrator, Risk Management Unit, Department of Administrative Services responded to questions of the Committee.

On a motion by Representative McGuire, seconded by Representative Stepanek, that the item be removed from the table. MOTION ADOPTED.

On a motion by Representative Stepanek, seconded by Senator Bragdon, that the Committee **amend** the request of the Department of Administrative Services to change the premium equivalent sharing of unrepresented active state employees who participate in the state health plans, however **eliminate the inclusion of approximately 137 full-time Legislative and Legislative Budget Assistant employees, resulting in a reduction in the calculated savings to approximately \$570,000.** MOTION ADOPTED.

On a motion by Representative Stepanek, seconded by Senator Bragdon, that the Committee **approve as amended** the request of the Department of Administrative Services to change the premium equivalent sharing of unrepresented active state employees who participate in the state health plans, however **eliminate the inclusion of approximately 137 full-time Legislative and Legislative Budget Assistant employees, resulting in a reduction in the calculated savings to approximately \$570,000.** MOTION ADOPTED.

AUDITS:

State of New Hampshire, McAuliffe-Shepard Discovery Center, Financial Audit Report For the Nine Months Ended March 31, 2011 – Richard Mahoney, Director of Audits, and Monica Mezzapelle, Audit Manager, Audit Division, Office of Legislative Budget Assistant, presented the report and responded to questions of the Committee. Also present to respond to questions of the Committee were Jeanne Gerulskis, Executive Director, McAuliffe-Shepard Discovery Center and Paul Burkett, Commission Chair.

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

State of New Hampshire, Department of Safety, Division of State Police, Forensic Laboratory Performance Audit, September 2011 – Richard Mahoney, Director of Audits, and Steven Grady, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant, presented the report and responded to questions of the Committee. Also present to respond to questions of the Committee were Earl Sweeney, Assistant Commissioner, Tim Pifer, Director, State Police Forensic Lab, Department of Safety and Attorney General Michael Delaney, Department of Justice.

On a motion by Representative Rodeschin, seconded by Senator Merrill, 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 Friday, October 28, 2011 at 10:00 a.m.

On a motion by Senator Morse, seconded by Senator Gallus, that the meeting adjourn. MOTION ADOPTED. (Whereupon the meeting adjourned at 12:41 p.m.)

Representative Beverly Rodeschin, Clerk