

FISCAL COMMITTEE OF THE GENERAL COURT
MINUTES

February 22, 2008

The Fiscal Committee of the General Court met on Friday, February 22, 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 Sharon Nordgren, Alternate
Representative Frederick King
Representative Peter Franklin
Senator Lou D'Allesandro
Senate President Sylvia Larsen
Senator Kathleen Sgambati
Senator Bob Odell, Alternate
Senator Maggie Hassan, Alternate

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

NEW BUSINESS:

FIS 08-073 Office of the Governor – His Excellency, Governor John H. Lynch and Linda Hodgdon, the Governor's Budget Director, presented Executive Orders 2008-1 and 2008-2 and responded to questions of the Committee. Also present was Nicholas Toumpas, Commissioner, Department of Health and Human Services, to respond to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the Committee approve the request of the Office of the Governor, for "an order directing a freeze of Executive Branch hiring, equipment purchases and out-of-state travel", as specified in Executive Order 2008-1. MOTION ADOPTED. (Yes-9, Abstain-1)

On a motion by Senator D'Allesandro, seconded by Representative Kurk, that the Committee approve the request of the Office of the Governor, for "an order directing a reduction in Executive Branch expenditures" totaling \$46,366,437, as specified in Executive Order 2008-2. MOTION ADOPTED. (Yes-9, No-1)

ACCEPTANCE OF MINUTES:

On a motion by Representative Franklin, seconded by Senator D'Allesandro, that the minutes of the January 15, 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.** 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 08-010 New Hampshire Fish and Game Department – authorization to transfer \$258,824 of unexpended Excess Registration Fees to the Fish and Game OHRV Fiscal Year 2008 Operating Budget. **Tabled 01/15/08.** On a motion by Senator D'Allesandro, seconded by Representative Kurk, that this request be removed from the table. MOTION ADOPTED

Timothy Acerno, Assistant Chief, Law Enforcement Division, New Hampshire Fish and Game Department, responded to questions of the Committee. Also present was Donald Clarke, Acting Executive Director.

On a motion by Senator D'Allesandro, seconded by Senator Larsen, that the Committee approve the request of the New Hampshire Fish and Game Department to transfer \$258,824 of unexpended Excess Registration Fees to the Fish and Game OHRV Fiscal Year 2008 Operating Budget. MOTION ADOPTED.

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 08-041 Department of Safety – transfer \$65,000]

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

On a motion by Senator D'Allesandro, seconded by Representative Nordgren, that the Committee approve all the requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 08-029 Office of Energy and Planning – accept and expend \$299,312.21, FIS 08-030 Office of Energy and Planning – accept and expend \$4,361,180.20, FIS 08-042 Department of Justice – accept and expend \$135,697, FIS 08-043 Department of Agriculture – accept and expend \$79,538, FIS 08-049 Department of Labor – retroactively accept and expend \$250,000 on behalf of the Workforce Opportunity Council, Inc., FIS 08-053 Liquor Commission – accept and expend \$450,000, FIS 08-054 Department of Health and Human Services – joint request with the Department of Environmental Services – Department of Environmental Services accept and expend \$98,727.49, FIS 08-055 Department of Justice – accept and expend \$94,452, FIS 08-056 Department of Environmental Services – accept and expend \$230,523, FIS 08-057 Department of Environmental Services – accept and expend \$72,935, FIS 08-058 Department of Justice – accept and expend \$64,430 on behalf of the Office of Chief Medical Examiner, FIS 08-059 Department of Safety – accept and expend \$88,350, FIS 08-060 Department of Safety – accept and expend \$504,643, FIS 08-061 Department of Safety – accept and expend \$170,085, FIS 08-066 Department of Safety – authorization to rebudget \$8,270.96 (amended FIS 07-310 October 17, 2007)]

RSA 124:15 POSITIONS RESTRICTED:

CONSENT CALENDAR

On a motion by Senator Larsen, seconded by Representative Franklin, that the Committee approve the request on the agenda under this section as submitted. MOTION ADOPTED. [FIS 08-015 Department of Corrections – authorization to establish one (1) consultant position through November 30, 2008]

RSA 9:16-a, TRANSFERS AUTHORIZED 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 08-052 Department of Safety – On a motion by Representative Franklin, seconded by Representative Kurk, that the Committee approve the request of the Department of Safety to transfer \$67,290 and further authorization to accept and expend \$405,867.86 through June 30, 2008. MOTION ADOPTED.

RSA 9:16-a, TRANSFERS AUTHORIZED AND RSA 124:15 POSITIONS RESTRICTED:

FIS 08-051 Department of Administrative Services – Donald Hill, Commissioner, Department of Administrative Services responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative King, that the Committee approve the request of the Department of Administrative Services to transfer \$269,400 and further authorization to hire two (2) part-time Building Service Worker II positions through June 30, 2008. MOTION ADOPTED. (Yes-6, No-4)

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

FIS 08-050 Administrative Office of the Courts – Donald D. Goodnow, Esq., Director, and Dale Trombley, Fiscal Manager, Administrative Office of the Courts, Judicial Branch presented the request and responded to questions of the Committee.

On a motion by Representative King, seconded by Senator Larsen, that the Committee approve the request of the Administrative Office of the Courts to transfer \$107,000. 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 124:15 POSITIONS RESTRICTED:

FIS 08-009 Department of Cultural Resources – On a motion by Representative Franklin, seconded by Representative King, that the Committee approve the request of the Department of Cultural Resources to retroactively continue a full time temporary Historian, Old State House, position from July 1, 2007 to June 30, 2009 and approval to retroactively amend the grant award termination date from July 1, 2007 to June 30, 2009, and reallocate \$84,782.49 (approved FIS 06-182 June 7, 2006). MOTION ADOPTED.

FIS 08-065 Department of Safety – On a motion by Representative Franklin, seconded by Senator Larsen, that the Committee approve the request of the Department of Safety to retroactively amend the grant award termination date from December 7, 2007 to November 30, 2008, with no increase in funding (approved FIS 05-245 November 16, 2005) and further authorization to establish one (1) consultant position through November 30, 2008. MOTION ADOPTED.

RSA 228:69, I(b) APPROPRIATION AND USE OF SPECIAL RAILROAD FUND:

FIS 08-018 Department of Transportation – On a by Senator D'Allesandro, seconded by Representative Franklin, that the Committee approve the request of the Department of Transportation to expend an amount not to exceed \$40,000 for necessary maintenance and repairs to the state-owned inactive and abandoned railroad corridors. MOTION ADOPTED.

CHAPTER 42:1, LAWS OF 2006, APPROPRIATION; STATE MATCHING FUNDS FOR FEDERAL EMERGENCY MANAGEMENT AGENCY DISASTER ASSISTANCE GRANTS:

FIS 08-062 Department of Safety – On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the Committee approve the request of the Department of Safety to distribute \$185,086.06 in State Matching Funds for Federal Emergency Management Agency Disaster Assistance Grants for the October 2005 Floods. MOTION ADOPTED.

CHAPTER 262, LAWS OF 2007, DEPARTMENT OF ADMINISTRATIVE SERVICES, BUREAU OF PUBLIC WORKS DESIGN AND CONSTRUCTION BUDGET FOOTNOTE C AND RSA 124:15 POSITIONS RESTRICTED:

FIS 08-023 Department of Administrative Services – On a motion by Representative Franklin, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Administrative Services to budget and expend \$79,502 of excess revenue and further authorization to hire a part-time Word Processor I and a Project Manager IV through June 30, 2008. MOTION ADOPTED.

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

FIS 08-017 Department of Health and Human Services – On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$8,263,492. MOTION ADOPTED.

FIS 08-031 Department of Health and Human Services – On a motion by Representative Franklin, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$734,490. MOTION ADOPTED.

FIS 08-032 Department of Health and Human Services – On a motion by Senator Larsen, seconded by Representative Nordgren, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$693,944. MOTION ADOPTED.

FIS 08-044 Department of Health and Human Services – On a motion by Representative Franklin, seconded by Senator Larsen, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$64,026. MOTION ADOPTED.

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

FIS 08-039 Department of Health and Human Services – On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the Committee approve the request of the Department of Health and Human Services to transfer \$6,556,221 in general funds and increase related revenue adjustments of \$944,309 in federal funds and decrease revenue adjustments of (\$787,197) in other funds. MOTION ADOPTED.

FIS 08-045 Department of Health and Human Services – On a motion by Representative Nordgren, seconded by Senator Larsen, that the Committee approve the request of the Department of Health and Human Services to transfer \$2,056,545 in general funds and increase related revenue adjustments of \$226,933 in federal funds and increase revenue adjustments of \$28,303 in other funds. 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 08-019 Department of Health and Human Services – On a motion by Representative Franklin, seconded by Representative Nordgren, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$361,969 in federal carryover balances and further authorization to establish a full time temporary Senior Management Analyst position through June 30, 2008. MOTION ADOPTED.

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

FIS 08-046 Department of Health and Human Services – On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the Committee approve the request of the Department of Health and Human Services to transfer \$2,120,917. MOTION ADOPTED.

CHAPTER 263:109 DEPARTMENT OF HEALTH AND HUMAN SERVICES; RATE SETTING AND CHAPTER 262:1, LAWS OF 2007, PAU 05-01-08-04-01, CLASS 86, CEDARCREST RATES FOOTNOTE :

FIS 08-047 Department of Health and Human Services – On a motion by Senator Larsen, seconded by Representative Franklin, that the Committee approve the request of the Department of Health and Human Services to increase atypical rates for services to children under three years of age at Cedarcrest, Inc. retroactively from January 1, 2008 through June 30, 2009. MOTION ADOPTED.

LATE ITEM:

FIS 08-070 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 transfer \$36,610. MOTION ADOPTED.

OLD BUSINESS AUDITS:

Note: Presentation of these reports were postponed at the December 13, 2007 Fiscal Committee meeting.

State of New Hampshire, Adjutant General's Department, Revenues Collected and Expenditures Paid, Financial and Compliance Audit Report, For the Nine Months Ended March 31, 2007 – Richard Mahoney, Director, and James LaRiviere, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant presented the report and responded to questions of the Committee. Brigadier General Stephen Burritt, Deputy Adjutant General, Adjutant Generals Department, was also present to respond to questions of the Committee.

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

State of New Hampshire, Department of Cultural Resources, Revenues Collected and Expenditures Paid, Financial and Compliance Audit Report, For the Nine Months Ended March 31, 2007 – Richard Mahoney, Director, and Christine Young, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant presented the report and responded to questions of the Committee. Van McLeod, Commissioner, and Kathleen Stanick, Business Administrator, Department of Cultural Resources, were also present to respond to questions of the Committee.

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

INFORMATIONAL MATERIALS:

FIS 08-024 Department of Health and Human Services – Chapter 262:1, Laws of 2007 – update on the status of the new Medicaid Management Information System (MMIS).

Nicholas Toumpas, Commissioner, Department of Health and Human Services responded to questions of the Committee.

FIS 08-025 Department of Health and Human Services – follow-up report, in response to questions raised at the December 13, 2007 Fiscal Committee meeting, regarding county financial impacts resulting from enactment of Chapter 129, Laws of 2007, and 2008 ProShare payments.

Nicholas Toumpas, Commissioner, John Wallace, Assistant Commissioner, and James Fredyma, Controller, Department of Health and Human Services responded to questions of the Committee.

FIS 08-021 Department of Corrections – Chapter 262:14, Laws of 2007 – General Fund Appropriation Reduction Report, November 23, 2007.

William Wrenn, Commissioner, and Robert Mullen, Director of Administration, Department of Corrections responded to questions of the Committee.

FIS 08-037 Department of Resources and Economic Development, jointly with the New Hampshire Insurance Department – Chapter 277:4, Laws of 2006 – Monthly report on status to Retain Domestic Insurers and Recruit Foreign Insurers as of January 25, 2008

George Bald, Commissioner, Department of Resources and Economic Development and Roger Sevigny, Commissioner, Insurance Department responded to questions of the Committee.

FIS 08-068 Department of Administrative Services – Chapter 259:16, II, Laws of 2005 – 60 Day Report on the progress and implementation of the Enterprise Resource Planning (ERP) Project for the period of January 1, 2008 through February 29, 2008

Nicholas Toumpas, Commissioner, Department of Health and Human Services and Richard C. Bailey, Jr. Chief Information Officer, Office of Information Technology responded to questions of the Committee.

The informational items were accepted and placed on file.

LATE ITEM:

FIS 08-072 Office of Legislative Budget Assistant – Review of the NHFIRST ERP Project.

Michael Buckley, Legislative Budget Assistant, presented the report and responded to questions of the Committee.

ADJOURNMENT:

The next regular meeting of the Fiscal Committee still to be determined by the Chair and Vice Chair. (Whereupon the meeting adjourned at 1:00 p.m.)

Representative Neal Kurk, Clerk