

FISCAL COMMITTEE OF THE GENERAL COURT
MINUTES
March 20, 2009

The Fiscal Committee of the General Court met on Friday, March 20, 2009 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 Fran Wendelboe, Alternate
Representative Daniel Eaton, Alternate
Representative Douglas Scamman
Representative Robert Foose
Senator Lou D'Allesandro
Senate President Sylvia Larsen
Senator Kathleen Sgambati
Senator John Gallus
Senator Peter Bragdon

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

ACCEPTANCE OF MINUTES:

On a motion by Senator D'Allesandro, seconded by Representative Scamman, that the minutes of the February 13, 2009 meeting be accepted as written. MOTION ADOPTED.

RSA 9:16-a, TRANSFERS AUTHORIZED:

CONSENT CALENDAR

On a motion by Senator D'Allesandro, seconded by Representative Foose, that the Committee approve the requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 09-047 Treasury Department – transfer \$1,310,000, FIS 09-048 Treasury Department – transfer \$31,000]

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

At the request of the Chair, FIS 09-043 Department of Safety was removed from the Consent Calendar for discussion.

On a motion by Senator D'Allesandro, seconded by Senator Gallus, that the Committee approve the remaining requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 09-042 Department of Justice – amend the grant award termination date from March 31, 2009 to June 30, 2009, with no increase in funding (approved FIS 07-185 June 28, 2007), FIS 09-049 Department of Cultural Resources – accept and expend \$274,324, FIS 09-050 Fish and Game Department – accept and expend \$567,353, FIS 09-051 Department of Information Technology – accept and expend \$33,916.42, FIS 09-060 Office of Energy and Planning – accept and expend \$175,000, FIS 09-061

Department of Environmental Services – accept and expend \$196,880, FIS 09-062 Postsecondary Education Commission – accept and expend \$119,709, FIS 09-063 Department of Transportation – accept and expend \$2,132,678, FIS 09-064 Department of Transportation – accept and expend \$666,219, FIS 09-068 Department of Environmental Services – authorization for the Oil Fund Disbursement Board to accept and expend \$310,000 in prior year carry forward other funds, FIS 09-069 Department of Justice – accept and expend \$108,812, FIS 09-070 Department of Safety – authorization to amend FIS 08-248, approved September 10, 2008, by reallocating \$33,916.42 in federal grant , FIS 09-071 Department of Safety – accept and expend \$499,720]

FIS 09-043 Department of Safety – Wesley Colby, Director of Administration, Department of Safety presented the request and responded to questions of the Committee. Barbara Hoover, Director of Finance and Administration, Department of Information Technology was also present to respond to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Foose, that the Committee approve the request of the Department of Safety to accept and expend \$131,578.86. MOTION ADOPTED.

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

FIS 09-059 Administrative Office of the Courts – On a motion by Senator D'Allesandro, seconded by Senator Sgambati, that the Committee approve the request of the Administrative Office of the Courts to transfer \$85,000. 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 9:16-a, TRANSFERS AUTHORIZED:

FIS 09-072 Department of Corrections – On a motion by Senator D'Allesandro, seconded by Representative Foose, that the Committee approve the request of the Department of Corrections to accept and expend \$174,754 in federal grant funds and transfer \$64,399.63 in federal grant funds. 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 09-078 Department of Justice – On a motion by Senator D'Allesandro, seconded by Representative Foose, that the Committee approve the request of the Department of Justice to amend FIS 07-334, approved October 17, 2007, by reallocating \$7,800 in federal funds and establish one (1) part-time consultant 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 RSA 228:69 APPROPRIATION AND USE OF SPECIAL RAILROAD FUND:

EIS 09-052 Department of Transportation – George Campbell, Commissioner, and Kit Morgan, Administrator, Bureau of Rail and Transit, Department of Transportation presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Scamman, that the Committee approve the request of the Department of Transportation to budget and expend \$494,651 in revenue, budget and expend \$255,349 in anticipated revenue and expend an amount not to exceed \$750,000 for maintenance and repairs to active state-owned railroad lines. MOTION ADOPTED.

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

EIS 09-081 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 Senator D'Allesandro, seconded by Representative Foose, that the Committee approve the request of the Department of Administrative Services for certain medical and prescription drug benefit design changes to the State's retiree health plans effective July 1, 2009. MOTION ADOPTED.

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

EIS 09-053 Department of Health and Human Services – On a motion by Senator D'Allesandro, seconded by Representative Foose, that the Committee approve the request of the Department of Health and Human Services to modify Food Stamp Program eligibility criteria. MOTION ADOPTED.

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

EIS 09-077 Department of Health and Human Services – On a motion by Senator D'Allesandro, seconded by Senator Gallus, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$100,000. MOTION ADOPTED.

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

EIS 09-044 Department of Health and Human Services – Nicholas Toumpas, Commissioner, and Terry Smith, Director, Division of Family Assistance, Department of Health and Human Services presented the request and responded to questions of the Committee. Also present to respond to questions was Mary Calise, Budget Manager, Department of Health and Human Services.

On a motion by Senator D'Allesandro, seconded by Representative Foose, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$50,050 and transfer \$1,010,000. MOTION ADOPTED.

EIS 09-054 Department of Health and Human Services – On a motion by Senator Larsen, seconded by Representative Foose, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$31,683.49 and transfer the funds among the various existing classes to meet projected expenditures. MOTION ADOPTED.

EIS 09-065 Department of Health and Human Services – On a motion by Senator Sgambati, seconded by Representative Foose, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$1,607,363.47 in federal funds, transfer \$302,231.50 in general funds, and accept and expend \$907,601.19 in federal matching funds. MOTION ADOPTED.

EIS 09-066 Department of Health and Human Services – On a motion by Senator Larsen, seconded by Representative Foose, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$3,202,468 in additional general fund unrestricted revenue, transfer \$3,202,468 in general funds and accept and expend \$3,205,670.47 in federal matching funds. MOTION ADOPTED.

EIS 09-073 Department of Health and Human Services – Nicholas Toumpas, Commissioner, and James Fredyma, Controller, and Marilee Nihan, Director of Finance, Office of Medicaid Business and Policy, Department of Health and Human Services, presented the request and responded to questions of the Committee.

On a motion by Representative Wendelboe, seconded by Representative Eaton, that the Committee table the request of the Department of Health and Human Services to transfer \$7,435,519 in general funds, accept additional revenue of \$3,756,568 in federal funds and accept additional revenue of \$279,092 in other funds. MOTION FAILED. (5-Yes; 5-No)

On a motion by Senator D'Allesandro, seconded by Senator Larsen, that the Committee approve the request of the Department of Health and Human Services to transfer \$7,435,519 in general funds, accept additional revenue of \$3,756,568 in federal funds and accept additional revenue of \$279,092 in other funds. MOTION FAILED. (5-Yes; 5-No)

On a motion by Senator Larsen, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Health and Human Services to transfer \$7,435,519 in general funds, accept additional revenue of \$3,756,568 in federal funds and accept additional revenue of \$279,092 in other funds. MOTION ADOPTED. (5-Yes; 4-No, 1-Abstain)

CHAPTER 263:42, LAWS OF 2007, TRANSFERS AMONG ACCOUNTS; OFFICE OF INFORMATION TECHNOLOGY:

EIS 09-079 Department of Information Technology – On a motion by Senator D'Allesandro, seconded by Representative Eaton, that the Committee approve the request of the Department of Information Technology to transfer \$232,000. MOTION ADOPTED.

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

EIS 09-045 Department of Administrative Services – On a motion by Representative Eaton, seconded by Senator Bragdon, that the Committee table the request of the Department of Administrative Services for authorization for various departments to retain state owned passenger automobiles with FY 2008 reported mileage less than 12,000 miles. MOTION ADOPTED.

LATE ITEM:

EIS 09-084 Department of Transportation – Jeff Brillhart, Assistant Commissioner, Mike Pillsbury, Assistant Director of Operations, and Leonard Russell, Administrator, Bureau of Finance and Contracts, Department of Transportation presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Foose, that the Committee approve the request of the Department of Transportation to transfer \$320,100 and transfer \$5,265,000 from Highway Surplus. MOTION ADOPTED.

EIS 09-085 Department of Health and Human Services – request to transfer \$7,900,000 in federal, county, and state funds between expenditure classes and transfer \$1,000,000 of local restricted revenue was withdrawn by the agency.

EIS 09-086 Department of Health and Human Services – On a motion by Representative Scamman, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$165,193 of Food Stamp Program funds and accept and expend \$16,123 in federal matching funds. MOTION ADOPTED.

On a motion by Chairman Smith, seconded by Senator D'Allesandro, that the Committee amend the current procedure under the provisions of RSA 14:30-a, VI, for acceptance of non-state funds in excess of \$50,000 to allow funds accepted under the American Recovery and Reinvestment Act of 2009 (ARRA) to be approved for a period beyond the current biennium. MOTION ADOPTED.

FIS 09-088 Office of Energy and Planning - Amy Ignatius, Director, and Donna Raymond, Fiscal Director, Office of Energy and Planning presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Foose, that the Committee approve the request of the Office of Energy and Planning to accept and expend \$23,218,594 in American Recovery and Reinvestment Act (ARRA) federal funds through March 31, 2012. MOTION ADOPTED.

At the request of the Chair, Catherine Provencher, State Treasurer, explained the flow of the federal stimulus funds, which vary depending on the programs receiving them, and also stressed the importance of agencies drawing the federal dollars as soon as they are eligible for them.

FIS 09-089 Department of Transportation – George Campbell, Commissioner, and William Janelle, Administrator, Department of Transportation presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Scamman, that the Committee approve the request of the Department of Transportation to accept and expend \$135,700,000 in American Recovery and Reinvestment Act (ARRA) federal funds through February 17, 2012. MOTION ADOPTED.

INFORMATIONAL MATERIALS:

The informational items were accepted and placed on file.

AUDITS:

State of New Hampshire, Management Letter, June 30, 2008 – Richard Mahoney, Director of Audits, Audit Division, Office of Legislative Budget Assistant, Shawn Warren, KPMG Partner, and Scott Warnetski, KPMG Senior Manager, presented the report and responded to questions of the Committee. Catherine Provencher, State Treasurer, was also present to respond to questions of the Committee.

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

[New Hampshire Turnpike System, Auditors' Reports as Required by Government Auditing Standards and Other Information, Year Ended June 30, 2008](#) – Shawn Warren, KPMG Partner, and Karen Farrell, KPMG Manager, presented the report and responded to questions of the Committee. Jeff Brillhart, Assistant Commissioner, Department of Transportation, was also present to respond to questions of the Committee.

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

[New Hampshire Lottery Commission, Auditors' Report as Required by Government Auditing Standards and Other Information, Year Ended June 30, 2008](#) and [New Hampshire Lottery Commission, Management Letter For the Year Ended June 30, 2008](#) – Shawn Warren, KPMG Partner, presented the report and responded to questions of the Committee. Rick Wisler, Executive Director, Lottery Commission was also present to respond to questions of the Committee.

On a motion by Representative Wendelboe, 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 Year Ended June 30, 2008](#) – Shawn Warren, KPMG Partner, and Karen Farrell, KPMG Manager, presented the report and responded to questions of the Committee.

On a motion by Representative Eaton, 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, Service Contracting, Performance Audit Report, March 2009](#) – 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. Linda Hodgdon, Commissioner, Department of Administrative Services, was also present to respond to questions of the Committee.

On a motion by Representative Eaton, 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, District Courts, Financial Audit Report For the Fiscal Year Ended June 30, 2008](#) – Richard Mahoney, Director of Audits, and James LaRiviere, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant, presented the report and responded to questions of the Committee. Justice Edwin Kelly, Judicial Branch, Donald Goodnow, Director, and Dale Trombley, Fiscal Manager, Administrative Office of the Courts, were also present to respond to questions of the Committee.

On a motion by Representative Eaton, 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, Department of Revenue Administration, Financial Audit Report For the Fiscal Year Ended June 30, 2008 – Richard Mahoney, Director of Audits, and Jean Mitchell, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant, presented the report and responded to questions of the Committee. Kevin Clougherty, Commissioner, and Melissa Fulton, Assistant Commissioner, Department of Revenue Administration, were also present to respond to questions of the Committee.

On a motion by Representative Eaton, 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 Friday, April 17, 2009 at 9:00 a.m. (Whereupon the meeting adjourned.)

Representative Neal Kurk, Clerk