

FISCAL COMMITTEE OF THE GENERAL COURT

MINUTES

April 12, 2010

The Fiscal Committee of the General Court met on Monday, April 12, 2010 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 Daniel Eaton, Alternate  
Representative Douglas Scamman  
Representative Robert Foose  
Representative Fran Wendelboe, Alternate  
Senator Lou D'Allesandro  
Senate President Sylvia Larsen  
Senator Kathleen Sgambati  
Senator John Gallus  
Senator Peter Bragdon

Chairman Smith opened the meeting at 9:07 a.m.

LATE ITEM:

FIS 10-125 Office of the Governor – His Excellency, Governor John H. Lynch and Kristyn Van Ostern, the Governor's Budget Director, presented Executive Order 2010-02 and responded to questions of the Committee.

On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Office of the Governor, for "an order directing a reduction in Executive Branch expenditures" totaling \$25,183,082, as specified in Executive Order 2010-02. MOTION ADOPTED.

ACCEPTANCE OF MINUTES:

On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the minutes of the March 12, 2010 meeting be accepted as written. MOTION ADOPTED.

NEW BUSINESS:

RSA 9:16-a, TRANSFERS AUTHORIZED:

CONSENT CALENDAR

On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 10-097 Department of Safety – transfer \$350,000, FIS 10-106 Department of Safety –

transfer \$162,200, FIS 10-107 Department of Safety – transfer \$70,000, FIS 10-120 Department of Transportation – transfer \$127,800]

**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 Representative Eaton, seconded by Senator D'Allesandro that the Committee approve the requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 10-098 Department of Safety – accept and expend \$175,000, FIS 10-108 Department of Safety – accept and expend \$59,320, FIS 10-109 Office of Energy and Planning – accept and expend \$150,000 in federal grant funds and further accept and expend \$55,000 in federal grant funds, FIS 10-110 Department of Environmental Services – accept and expend \$72,137, FIS 10-118 Office of Energy and Planning – accept and expend \$270,806, FIS 10-124 Department of Resources and Economic Development – accept and expend \$263,152 in federal funds retroactive to January 29, 2010 through June 30, 2011]

**RSA 124:15 POSITIONS RESTRICTED:**

**CONSENT CALENDAR**

Jeffry A. Pattison, Legislative Budget Assistant, addressed the Committee with the request from the agency to table item FIS 10-116 until the next meeting.

On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee table the request on the agenda under this section as submitted at the agency's request. MOTION ADOPTED. [FIS 10-116 New Hampshire Liquor Commission – authorization to establish one (1) part-time temporary Drug Recognition Expert (DRE) Program Assistant through September 30, 2010]

**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**

On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 10-111 Department of Environmental Services – accept and expend \$400,000 in other ARRA funds (from the Office of Energy and Planning) through June 30, 2012, FIS 10-112 Public Utilities Commission – accept and expend \$516,000 in other ARRA funds (from the Office of Energy and Planning) through March 20, 2012, FIS 10-114 Department of Environmental Services – request to amend FIS 09-184, approved May 15, 2009, by reallocating \$25,836 in federal ARRA funds, FIS 10-117 Department of Environmental Services – request to amend FIS 09-095, approved April 17, 2009 and subsequently amended July 9, 2009 (FIS 09-246), by reallocating \$107,362 in federal ARRA funds, FIS 10-121 Department of Transportation – accept and expend \$1,304,433 in FY 2010 and \$3,130,638 in FY 2011 in federal ARRA funds through June 30, 2011]

CHAPTER 144:39, II, LAWS OF 2009, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS:

ARRA FUNDS

On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 10-092 Department of Health and Human Services – authorization to accept and expend \$658,482 in federal ARRA funds effective retroactive to February 6, 2010 through June 30, 2011, FIS 10-093 Department of Health and Human Services – authorization to accept and expend \$197,658 in federal ARRA funds effective retroactive to October 1, 2009 through June 30, 2010, FIS 10-094 Department of Health and Human Services – authorization to accept and expend \$499,020 in federal ARRA funds effective retroactive to October 1, 2009 through June 30, 2010, FIS 10-102 Department of Health and Human Services – authorization to 1) accept and expend \$2,716,339.62 in federal ARRA funds and decrease revenue adjustments in non-ARRA federal funds by \$384,797.56 and local funds by \$502,863.50, and 2) accept and expend \$2,892,446.55 in federal ARRA funds and decrease revenue adjustments in local funds by \$2,051,217 and general funds by \$838,340, and 3) accept and expend \$252,964.35 in federal ARRA funds and to further accept and expend \$1,092,665.51 in federal funds and make use of general funds from Requested Action 2 in the amount of \$838,340, with all requests effective retroactive to October 1, 2009 through June 30, 2010]

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 10-091 Department of Education –Michael Bieniek, Administrator, and Sharon Deangelis, Business Administrator, Office of Business Management, Department of Education presented the request and responded to questions of the Committee.

On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approved the request of the Department of Education to establish four (4) full-time temporary positions consisting of; three (3) Disability Examiner positions and one (1) Case Technician through June 30, 2011 and to further accept and expend \$243,910 in SFY 2010 and \$351,272 in SFY 2011 in additional federal grant funds through June 30, 2011. MOTION ADOPTED.

FIS 10-101 Department of Safety – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Safety to accept and expend \$1,007,322 in federal grant funds through June 30, 2011 and to hire temporary consultants through June 30, 2011. MOTION ADOPTED.

RSA 216-A:3-g FEES FOR PARK SYSTEM:

FIS 10-113 Department of Resources and Economic Development – John DeVivo, General Manager, Franconia Notch State Park and Cannon Mountain Ski Area, Department of Resources and Economic Development presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Eaton, that the Committee approve the request of the Department of Resources and Economic Development for rate changes on the primary summer 2010 products and primary winter 2010/11 products at Cannon Mountain Aerial Tramway and Ski Area and of the 2010/11 Cannon Mountain Winter Special Use Policy. MOTION ADOPTED.

CHAPTER 144:39, II AND III, LAWS OF 2009, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS:

ARRA FUNDS

FIS 10-099 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 1) accept and expend \$110,275 in federal ARRA funds and decrease revenue adjustments to general funds in the amount of \$110,165, and 2) make use of general funds from Requested Action 1 in the amount of \$110,165, with all requests effective retroactive to October 1, 2009 through June 30, 2010. MOTION ADOPTED.

FIS 10-103 Department of Health and Human Services – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Health and Human Services to 1) accept and expend \$3,451 in additional federal funds and accept and expend \$3,447,599 in federal ARRA funds and decrease revenue adjustments to general funds in the amount of \$3,447,599, and 2) make use of general funds from Requested Action 1 in the amount of \$45,427 and decrease revenue adjustments in federal funds by \$45 and federal ARRA funds by \$45,427, and 3) to accept and expend \$108,178 in federal funds and \$25,045 in additional federal ARRA funds and make use of general funds from Requested Action 1 in the amount of \$3,402,172, with all requests effective retroactive to October 1, 2009 through June 30, 2010. MOTION ADOPTED.

FIS 10-104 Department of Health and Human Services – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Health and Human Services to 1) accept and expend \$1,048 in additional federal funds and \$1,047,127 in federal ARRA funds and decrease revenue adjustments to general funds in the amount of \$1,047,127, and 2) to accept and expend \$1,364,771 in additional federal revenue and \$315,695 in additional federal ARRA funds, and make use of general funds from Requested Action 1 in the amount of \$1,047,127, with all requests effective retroactive to October 1, 2009 through June 30, 2010. MOTION ADOPTED.

FIS 10-115 Department of Health and Human Services – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Health and Human Services to 1) accept and expend \$798,153.36 in additional federal ARRA funds and decrease revenue adjustments of general funds in the amount of \$797,356, and 2) accept and expend \$223,687 in additional federal ARRA funds, further accept and expend \$966,188.69 in federal funds and make use of general funds from Requested Action 1 in the amount of \$741,313, and 3) accept and expend \$16,910.66 in federal ARRA funds and further accept and expend \$73,043.61 in federal funds, and make use of general funds from Requested Action 1 in the amount of \$56,043, and 4) accept and expend \$4,011,507.50 in federal ARRA funds and decrease revenue adjustments of general funds in the amount of \$4,007,500, and 5) accept and expend \$1,209,240.43 in federal ARRA funds, further accept and expend \$5,223,172.84 in federal funds, and make use of general funds from Requested Action 4 in the amount of \$4,007,500, with all requests effective retroactive to October 1, 2009 through June 30, 2010. MOTION ADOPTED.

INFORMATIONAL MATERIALS:

The Committee requested that Jeffrey Pattison, Legislative Budget Assistant, notify the Department of Revenue Administration that the Committee would like to see the monthly report on March refunds and also a comparison that would include prior months in the current Fiscal Year and at least the same month in the prior Fiscal Year for the April 14, 2010 meeting.

The informational items were accepted and placed on file.

ADJOURNMENT:

The meeting was recessed until Wednesday, April 14, 2010 at 3:00 p.m.

Chairman Smith reconvened the April 12, 2010 meeting on Wednesday, April 14, 2010 at 3:00 p.m. with the following members in attendance:

Representative Marjorie Smith, Chairman  
Representative Neal Kurk  
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 3:07 p.m.

AUDITS:

State of New Hampshire, Single Audit of Federal Financial Assistance Programs For the Year Ended June 30, 2009 – Shawn Warren, KPMG Partner, presented the report and responded to questions of the Committee. Also present to address material weaknesses and significant deficiencies found in the audit and respond to questions of the Committee were: Jeff Brillhart, Assistant Commissioner and Leonard Russell, Financial Analyst, Department of Transportation, who presented a handout; Kevin Clougherty, Commissioner, and Carol Guyer, Internal Auditor, Department of Revenue Administration; Stephen Mosher, Administrator, Financial Support Services, and Anne Mattice, Business Administrator, Department of Health and Human Services; Linda Hodgdon, Commissioner, and Stephen Smith, Administrator, Financial Reporting, Department of Administrative Services; Michael Marr, Director of Finance, Community College System of New Hampshire; Catherine Provencher, State Treasurer; and Tara Reardon, Commissioner, and Darrell Gates, Deputy Commissioner, Department of Employment Security.

This report was accepted, placed on file and released at the March 12, 2010 meeting of the Fiscal Committee.

State of New Hampshire, Department of Employment Security, Financial Audit Report For the Fiscal Year Ended June 30, 2009 – Richard Mahoney, Director of Audits, and Pamela Veeder, 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 Tara Reardon, Commissioner, Darrell Gates, Deputy Commissioner, and Jill Revels, Business Administrator, Department of Employment Security.

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

OLD BUSINESS:

FIS 10-116 New Hampshire Liquor Commission – authorization to establish one (1) part-time temporary Drug Recognition Expert (DRE) Program Assistant through September 30, 2010. **Tabled 04/12/10.**

On a motion by Senator D'Allesandro, seconded by Representative Foose, that the item be removed from the table. MOTION ADOPTED.

Eddie Edwards, Chief Enforcement Officer, New Hampshire Liquor Commission, and Peter Thomson, Coordinator, New Hampshire Highway Safety Agency, presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Senator Larsen, that the Committee approve the request of the New Hampshire Liquor Commission to establish one (1) part-time temporary Drug Recognition Expert (DRE) Program Assistant through September 30, 2010. No Action Taken.

On a motion by Representative Kurk, seconded by Representative Eaton, that the Committee table the request of the New Hampshire Liquor Commission to establish one (1) part-time temporary Drug Recognition Expert (DRE) Program Assistant through September 30, 2010. MOTION ADOPTED. (5-Yes, 3-No)

ADJOURNMENT:

The next regular meeting of the Fiscal Committee was set for Friday, May 14, 2010 at 9:00 a.m. (Whereupon the meeting adjourned.)

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Representative Neal Kurk, Clerk