

FISCAL COMMITTEE OF THE GENERAL COURT

MINUTES

November 15, 2010

The Fiscal Committee of the General Court met on Monday, November 15, 2010 at 1:00 p.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
Representative Douglas Scamman
Representative Robert Foose
Representative Daniel Eaton, Alternate
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 1:22 p.m.

ACCEPTANCE OF MINUTES:

On a motion by Representative Foose, seconded by Senator D'Allesandro, that the minutes of the October 19, 2010 be accepted as written. MOTION ADOPTED.

OLD BUSINESS:

FIS 10-298 Department of Environmental Services – Chapter 1:33, Laws of 2010, Special Session – Thomas Burack, Commissioner, Department of Environmental Services, responded to questions of the Committee regarding the FY 2011 additional general fund budget reduction of \$432,335 informational item held from the October 19, 2010 meeting.

NEW BUSINESS:

RSA 9:16-a, TRANSFERS AUTHORIZED:

CONSENT CALENDAR

On a motion by Senator D'Allesandro, seconded by Representative Foose, that the Committee approve the request on the agenda under this section as submitted. MOTION ADOPTED. [FIS 10-335 Department of Administrative Services – transfer \$275,000]

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 Representative Foose, seconded by Senator D'Allesandro, that the Committee approve the requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 10-304 Department of Resources and Economic Development – accept and expend \$183,423, FIS 10-305 Department of Resources and Economic Development – accept and expend \$265,536, FIS 10-306 Department of Safety – accept and expend \$57,358, FIS 10-307 Department of Safety – accept and expend \$300,000, FIS 10-320 Department of Justice – accept and expend \$157,022, FIS 10-321 Department of Resources and Economic Development – accept and expend \$1,200,000, FIS 10-322 Department of Resources and Economic Development – accept and expend \$2,752,000, FIS 10-328 Department of Justice – authorization to amend FIS 09-322, approved September 29, 2009, by reallocating \$54,000 in federal funds through June 30, 2011, FIS 10-336 Banking Department – accept and expend \$265,599]

RSA 124:15 POSITIONS RESTRICTED:

CONSENT CALENDAR

FIS 10-329 Department of Justice was removed from the Consent Calendar at the request of Representative Kurk.

FIS 10-329 Department of Justice – Orville B. Fitch, Deputy Attorney General, and Rosemary Faretra, Director of Administration, Department of Justice 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 Justice to appoint one or more consultants to serve as hearing officers for appeals to any of the environmental councils through June 30, 2011. MOTION ADOPTED. (8-Yes, 2-No)

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

On a motion by Representative Foose, seconded by Senator D'Allesandro that the Committee approve the requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 10-303 Department of Environmental Services – authorization to amend FIS 09-184, approved May 15, 2009 and subsequently amended by FIS 10-114, approved April 12, 2010, by reallocating \$4,829 in federal ARRA funds through August 17, 2011, FIS 10-323 Office of Energy and Planning – authorization to accept and expend \$2,565,000 in federal ARRA funds through March 31, 2012]

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

FIS 10-338 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 to institute a particular, single change to the prescription drug benefit of state retirees, in order to maintain the alignment of the active and retiree prescription drug benefits effective January 1, 2011. MOTION ADOPTED.

CHAPTER 4:5, LAWS OF 2010, DEPARTMENT BUDGETS; TRANSFERS OF FEDERAL FUNDS:

FIS 10-309 Department of Safety – On a motion by Senator D'Allesandro, seconded by Representative Foose, that the Committee approve the request of the Department of Safety to transfer \$437 in federal funds through December 31, 2010. MOTION ADOPTED.

FIS 10-310 Department of Safety – On a motion by Representative Foose, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Safety to transfer \$3,376 in federal funds through June 30, 2011. MOTION ADOPTED.

FIS 10-330 Department of Education – Michael Bieniek, Administrator, Office of Budget and Finance, Department of Education 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 Education to transfer \$280,000 in federal funds through June 30, 2011. MOTION ADOPTED.

CHAPTER 4:5, LAWS OF 2010, DEPARTMENT BUDGETS; TRANSFERS 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 10-308 Department of Safety – Wesley Colby, Director of Administration, Department of Safety presented the requests and responded to questions of the Committee.

On a motion by Representative Foose, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Safety to transfer \$1,908 in federal funds through June 30, 2011 and to further accept and expend \$118,775 in federal funds through June 30, 2011. MOTION ADOPTED.

FIS 10-324 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 transfer \$28,241 in federal funds through June 30, 2011 and to further accept and expend \$96,422 in federal funds through June 30, 2011. MOTION ADOPTED.

FIS 10-325 Department of Justice – On a motion by Representative Foose, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Justice to transfer \$26,029 in federal funds through June 30, 2011 and to further accept and expend \$96,954 in federal funds through June 30, 2011. MOTION ADOPTED.

CHAPTER 143, LAWS OF 2009, BUDGET FOOTNOTE C:

FIS 10-343 Department of Administrative Services – Linda Hodgdon, Commissioner, 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 to budget and expend \$297,600 of revenue in excess of expenditures through June 30, 2011. MOTION ADOPTED.

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

FIS 10-332 Department of Health and Human Services – On a motion by Representative Foose, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$9,142 in federal funds through June 30, 2011. MOTION ADOPTED.

FIS 10-334 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 \$41,745.19 in other funds retroactive to July 1, 2010. MOTION ADOPTED.

FIS 10-339 Department of Health and Human Services – On a motion by Representative Foose, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$861,548 in other funds through June 30, 2011. MOTION ADOPTED.

CHAPTER 144:39, II, LAWS OF 2009, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS AND CHAPTER 144:39, III, LAWS OF 2009, AS AMENDED BY CHAPTER 1:6, LAWS OF 2010 SPECIAL SESSION, DEPARTMENT OF HEALTH AND HUMAN SERVICES; TRANSFER AMONG ACCOUNTS:

FIS 10-311 Department of Health and Human Services – Nicholas Toumpas, Commissioner, Department of Health and Human Services 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 Health and Human Services to transfer \$871,000 in general funds through June 30, 2011 and to further accept and expend \$711,712 in additional federal revenue through June 30, 2011. MOTION ADOPTED.

CHAPTER 144:39, II, LAWS OF 2009, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS AND RSA 124:15 POSITIONS RESTRICTED:

FIS 10-340 Department of Health and Human Services – Nicholas Toumpas, Commissioner, Department of Health and Human Services responded to questions of the Committee.

On a motion by Representative Foose, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$2,460,200 in federal funds through June 30, 2011 and pending approval of Request #1, establish four (4) full-time temporary positions through June 30, 2011. MOTION ADOPTED.

FIS 10-341 Department of Health and Human Services – Nicholas Toumpas, Commissioner, Department of Health and Human Services 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 Health and Human Services to accept and expend \$2,380,059 in federal funds through June 30, 2011 and pending approval of Request #1, establish three (3) full-time temporary positions through June 30, 2011. MOTION ADOPTED.

CHAPTER 144:39, II, LAWS OF 2009, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS AND 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 10-342 Department of Health and Human Services – On a motion by Representative Foose, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Health and Human Services to 1) retroactively accept and expend \$2,374,732 in federal funds from August 30, 2010 through June 30, 2011 and 2) pending approval of Request #1, establish one (1) IT Consultant position, in an amount not to exceed \$100,000, through June 30, 2011 and 3) pending approval of Request #1, amend FIS 10-176, approved June 17, 2010, by extending one (1) temporary Warehouse Supervisor position retroactive from August 30, 2010 to June 30, 2011 and 4) authorization for the Department of Safety to accept and expend \$106,704 in additional other funds retroactive to August 30, 2010 through June 30, 2011. MOTION ADOPTED.

CHAPTER 144:181, LAWS OF 2009, DEPARTMENT OF INFORMATION TECHNOLOGY; TRANSFERS AMONG ACCOUNTS:

FIS 10-326 Department of Information Technology – Peter Hasting, Acting Commissioner, Department of Information Technology and Linda Hodgdon, Commissioner, Department of Administrative Services responded to questions of the Committee.

On a motion by Senator Larsen, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Information Technology to transfer \$380,197 in other funds through June 30, 2011. MOTION ADOPTED.

CHAPTER 334:1, LAWS OF 2007, AS AMENDED BY CHAPTER 87:2, LAWS OF 2008, AS AMENDED BY CHAPTER 144:260, LAWS OF 2009, DISASTER RELIEF PAYMENTS TO LOCAL COMMUNITIES; MAY 2006 DISASTER ASSISTANCE AND CHAPTER 87:3, LAWS OF 2008, AS AMENDED BY CHAPTER 144:261, LAWS OF 2009, DISASTER RELIEF PAYMENTS TO LOCAL COMMUNITIES; APRIL 2007 DISASTER ASSISTANCE:

FIS 10-312 Department of Safety – On a motion by Representative Foose, seconded by Representative Nordgren, that the Committee approve the request of the Department of Safety to expend \$241,702.62 in State Matching Funds for Federal Emergency Management Agency Public Assistance Grants for the amounts of: \$2,692.49 for the May 2006 Floods and \$239,010.13 for the April 2007 Floods. MOTION ADOPTED.

LATE ITEMS:

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 10-344 Department of Justice – Orville B. Fitch, Deputy Attorney General, Department of Justice presented the request and responded to questions of the Committee.

On a motion by Representative Foose, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Justice to accept and expend up to \$150,000 in Fiscal Year 2011 in other funds (from the Department of Banking) through June 30, 2011 and hire two (2) contract attorneys to serve as administrative law prosecutors, one (1) contract paralegal and one (1) contract attorney to serve as a hearings officer for the Department of Banking through June 30, 2011. MOTION ADOPTED.

CHAPTER 144:212, LAWS OF 2009, AND RSA 167:63-65 UNCOMPENSATED CARE FUND AND CHAPTER 144:39, II AND III, LAWS OF 2009, AS AMENDED BY CHAPTER 1:6, LAWS OF 2010 SPECIAL SESSION, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS:

FIS 10-345 Department of Health and Human Services – Nicholas Toumpas, Commissioner, Katie Dunn, Medicaid Director, 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. Kevin Clougherty, Commissioner, and Margaret Fulton, Assistant Commissioner, Department of Revenue Administration were 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 Health and Human Services for approval of schedule of payments for reimbursement of uncompensated care costs from the Uncompensated Care Fund based on five (5) step distribution priorities through June 30, 2011 and to further accept and expend \$44,848,204.40 in additional federal Medicaid revenue; accept and expend \$10,395,813.78 in federal ARRA Medicaid funds and reduce federal DSH revenue by (\$53,809,855.60) and reduce private/local funds by (\$19,338,126.86) and to transfer \$89,606,802 through June 30, 2011 and approval of DHHS distribution plan for payment to hospitals from the Uncompensated Care Fund for fiscal year 2012 effective July 1, 2011 through June 30, 2012. MOTION ADOPTED. (9-Yes, 1-No)

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

FIS 10-346 Department of Health and Human Services – Nicholas Toumpas, Commissioner, Department of Health and Human Services presented the request and responded to questions of the Committee.

On a motion by Representative Foose, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$664,277 in federal ARRA funds retroactive to October 1, 2010 through June 30, 2011. MOTION ADOPTED. (8-Yes, 2-No)

RSA 14:30-a, VI FISCAL COMMITTEE APPROVAL REQUIRED FOR ACCEPTANCE AND EXPENDITURE OF FUNDS OVER \$50,000 FROM ANY NON-STATE SOURCE:

FIS 10-347 Office of Economic Stimulus – Christopher Clement, Director, Office of Economic Stimulus and John Beardmore, Budget Director, Office of the Governor, 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 Economic Stimulus for the New Hampshire Department of Education to accept and expend \$40,988,015 in federal Education Jobs funds through June 30, 2011. No Action Taken.

On an amendment to the motion by Representative Kurk, seconded by Representative Scamman, that the Committee approve the request of the Office of Economic Stimulus for the New Hampshire Department of Education to accept and expend \$40,988,015 in federal Education Jobs funds through June 30, 2011 and that the full \$40,988,015 be used to supplant the adequate education aid for the state and that the LBA be directed to make the appropriate changes in each of the line items to accomplish this. MOTION FAILED. (4-Yes, 6-No)

On the original motion by Senator D'Allesandro, seconded by Representative Foose, that the Committee approve the request of the Office of Economic Stimulus for the New Hampshire Department of Education to accept and expend \$40,988,015 in federal Education Jobs funds through June 30, 2011. MOTION ADOPTED. (6-Yes, 4-No)

LATE INFORMATIONAL ITEM:

FIS 10-348 State Treasury – No discussion was held regarding the response to the Committee, dated November 12, 2010, regarding the \$6.8 million discrepancy cited in the LBA Abandoned Property audit report and the recommendation in Observation No. 2, that the Division determine the cause and proper resolution of the \$6.8 million difference between UPMS and NH First and the report was accepted and placed on file.

INFORMATIONAL MATERIALS:

The informational items were accepted and placed on file.

ADJOURNMENT:

The next regular meeting of the Fiscal Committee is at the Call of the Chair. (Whereupon the meeting adjourned.)

Representative Neal Kurk, Clerk