

FISCAL COMMITTEE OF THE GENERAL COURT
MINUTES

December 17, 2003

The Fiscal Committee of the General Court met on Wednesday, December 17, 2003 at 9:00 a.m. in Room 210-211 of the Legislative Office Building.

Members in attendance were as follows:

Representative Neal Kurk, Chairman
Senator Richard Green, Vice Chairman
Representative Kenneth Weyler, Clerk
Representative Beverly Rodeschin
Representative Edwin Smith
Representative Marjorie Smith
Senator Thomas Eaton
Senator Robert Clegg
Senator Robert Odell
Senator Lou D'Allesandro

Chairman Kurk opened the meeting at 10:10 a.m.

ACCEPTANCE OF MINUTES:

On a motion by Senator Eaton, seconded by Representative Rodeschin, that the Committee amend and approve the minutes of the November 19, 2003 meeting by adding Representative Edwin Smith's name to the "members present" list. MOTION ADOPTED.

OLD BUSINESS:

Proposed Settlement Agreement Between the State and Charles River Associates - Tabled and Sealed 6/23/03 - On a motion by Senator Clegg, seconded by Representative Weyler, that this request be removed from the table. MOTION ADOPTED.

On a motion by Senator Clegg, seconded by Representative Rodeschin, that this proposal be rejected and sent back to counsel. MOTION ADOPTED.

Letter from Catherine Provencher, Director of Audits, Office of Legislative Budget Assistant relative to the Communications Services Tax Audit Project - Tabled 11/19/03 - On a motion by Senator Green, seconded by Senator Eaton, that this item be removed from the table. MOTION ADOPTED.

On a motion by Senator Green, seconded by Representative Weyler, that this item be filed along with the response received from the Department of Revenue Administration. MOTION ADOPTED.

NEW BUSINESS:

RSA 9:16-a - Transfer Authorized:

FIS 03-192 Office of the Adjutant General - On a motion by Senator Clegg, seconded by Representative Edwin Smith, that the

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Committee approve the request of the Office of the Adjutant General to transfer \$15,000. MOTION ADOPTED.

RSA 124:15 Positions Restricted:

FIS 03-196 Department of Agriculture, Markets & Food - On a motion by Senator Eaton, seconded by Representative Edwin Smith, that the Committee approve the request from the Department of Agriculture, Markets & Food to establish a Consultant position through September 24, 2004. MOTION ADOPTED.

FIS 03-198 Community Technical College System - Thomas Wisbey, President, Manchester-Stratham presented the request and responded to questions of the Committee.

On a motion by Representative Weyler, seconded by Senator Green, that the Committee approve the request from the Community Technical College System to establish two (2) Teacher Assistant positions, two (2) Program Specialist III positions, two (2) Tech Support Specialist I positions, one (1) Statistician II position, one (1) Secretary II position and one (1) Consultant position through June 30, 2005. MOTION ADOPTED.

FIS 03-199 Community Technical College System - On a motion by Senator Green, seconded by Representative Weyler, that the Committee approve the request from the Community Technical College System to establish one (1) Educational Consultant III position and one (1) Consultant position through June 30, 2005. MOTION ADOPTED.

FIS 03-203 Office of the Adjutant General - On a motion by Senator Clegg, seconded by Representative Weyler, that the Committee approve the request from the Office of the Adjutant General to establish three (3) Equipment Operator positions through June 30, 2004. MOTION ADOPTED.

Chapter 223, Laws of 2003 - Transfer of Information Technology Personnel and Related Expenditures:

FIS 03-205 Office of the Governor, Office of Information Technology - Robert Anderson, Chief Information Officer presented the request and responded to questions of the Committee.

On a motion by Representative Weyler, seconded by Representative Edwin Smith, that the Committee approve the request from the Office of the Governor, Office of Information Technology to authorize the remaining 9/12th of FY 2004 transfer of 315 positions from various state agencies and transfer \$40,165,339 in related expenses, which would bring the total FY 2004 transfer to \$53,007,164. MOTION ADOPTED.

Chairman Kurk also requested Mr. Anderson respond to questions of the Committee relative to informational request FIS 03-204 regarding the estimated cost savings report as of December 1, 2003.

Chairman Kurk requested that in the future Mr. Anderson present this information in a different format so that Committee members could see total savings. Chairman Kurk noted that Mr. Anderson reported approximately \$4.8 million in savings but never totaled it. The savings should also be broken down by fund because of the projected \$11 million general fund savings. It should also be broken down by time period - are these savings in FY 2004 or FY 2005. The Committee also will need to know what savings have already occurred and what savings are projected to occur. And finally, the Committee would like to know on a monthly basis, with each month separated from prior months savings so additional savings can be compared to past savings. In summary, the monthly report would show what has been done in each of the prior months and then what is being proposed for changes in each of the funds projected versus future for the current month.

Chairman Kurk also requested that Mr. Anderson attend the next meeting to present the report and respond to questions of the Committee.

RSA 7:12 Assistants:

FIS 03-193 Department of Justice - On a motion by Senator Green, seconded by Representative Edwin Smith, that the Committee approve the request from the Department of Justice for authorization to expend a sum not to exceed \$142,275 in general funds in the case of *State v. Manuel Gehring*. MOTION ADOPTED.

RSA 12-G:42,XI Adoption of Rules:

FIS 03-201 Pease Development Authority - Geno Marconi, Director, Division of Ports and Harbors and Robert Cheney, PDA Special Counsel presented the request and responded to questions of the Committee.

On a motion by Senator Eaton, seconded by Representative Edwin Smith, that the Committee approve the request from the Pease Development Authority for approval of administrative rules relating to mooring permit and wait list fees and 2004 schedule of mooring permit fees. MOTION ADOPTED.

RSA 124:15 Positions Restricted and Chapter 158:107, Laws of 2001 - Authority for New or Omitted Positions or Technical Corrections:

FIS 03-206 Department of Environmental Services - Michael Nolin, Commissioner presented the request and responded to questions of the Committee.

On a motion by Senator Green, seconded by Representative Edwin Smith, that the Committee approve the request from the Department of Environmental Services to establish an unclassified position of Chief Operations Officer through June 30, 2005 and place this position in salary grade GG (step 3) with a salary of \$69,533. MOTION ADOPTED.

RSA 188-F:14,c Non-Lapsing Account:

FIS 03-197 Community Technical College System - Thomas Wisbey, President, Manchester-Stratham presented the request and responded to questions of the Committee.

On a motion by Representative Weyler, seconded by Senator Odell, that the Committee approve the request from the Community Technical College System for authorization to expend \$261,393.72 from the Regional Community Technical Colleges Non-lapsing Account. MOTION ADOPTED.

RSA 228:69,I(b) Appropriation and Use of Special Railroad Fund:

FIS 03-200 Department of Transportation - On a motion by Senator D'Allesandro, seconded by Senator Green, that the Committee approve the request from the Department of Transportation for authorization to expend \$80,000 from the Special Railroad Fund to complete repairs to the Westboro Railroad Yard and Bridge. MOTION ADOPTED.

RSA 622:28-a,V - Industries Inventory Account:

FIS 03-202 Department of Corrections - On a motion by Senator D'Allesandro, seconded by Representative Edwin Smith, that the Committee approve the request from the Department of Corrections for authorization to expend \$11,000 from the Correctional Industries Revolving Account to purchase a 1993 Ford diesel farm tractor. MOTION ADOPTED.

Chapter 319:1, Laws of 2003 - Department of Health and Human Services; Additional Revenues:

FIS 03-207 Department of Health and Human Services, Office of Community & Public Health - On a motion by Senator Green, seconded by Senator D'Allesandro, that the Committee approve the request from the Department of Health and Human Services, Office of Community & Public Health to accept and expend \$230,347 in federal funds. MOTION ADOPTED.

FIS 03-208 Department of Health and Human Services, Office of Community & Public Health - On a motion by Senator Green, seconded by Representative Edwin Smith, that the Committee approve the request from the Department of Health and Human Services, Office of Community & Public Health to accept and expend \$340,718 in federal funds. MOTION ADOPTED.

LATE ITEMS:

FIS 03-211 Department of Education - Virginia Irwin, Career Development Bureau presented the request and responded to questions of the Committee.

On a motion by Senator Clegg, seconded by Senator D'Allesandro, that this request be tabled to allow time to verify some information and do some research on this request. MOTION FAILED. (4 yes, 6 no)

On a motion by Representative Rodeschin, seconded by Senator Odell, that the Committee approve the request of the Department of Education to establish one (1) Administrator II, one (1) Education Consultant II, and one (1) Program Assistant II positions through June 30, 2005. MOTION ADOPTED.

(Senator Clegg wished to be recorded as voting "no" on this request.)

FIS 03-209 Department of Health and Human Services - John Stephen, Commissioner and Tim Mason, Department of Safety presented an amended request and responded to questions of the Committee.

On a motion by Senator Clegg, seconded by Representative Weyler, that the Committee approve items number 1 and 5 only on the request from the Department of Health and Human Services, Office of Community & Public Health to transfer funds, as specified in their letter dated December 16, 2003. MOTION ADOPTED.

FIS 03-210 Department of Administrative Services - Thomas Martin, Comptroller presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Senator Green, that the Committee approve the request from the Department of Administrative Services to transfer \$37,856,539 from the Revenue Stabilization Account to the General Fund Surplus for the fiscal year ended June 30, 2003. MOTION ADOPTED.

INFORMATIONAL MATERIALS:

The informational items were accepted and placed on file.

AUDITS:

New Hampshire Retirement System Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2003 - Eric Henry, Executive Director, N.H. Retirement System and Brock Romano, Audit Partner, KPMG presented the report and responded to questions of the Committee.

New Hampshire Retirement System Management Letter and Auditors' Report on Compliance and on Internal Control Over Financial Reporting in Accordance with Government Auditing Standards Year Ended June 30, 2003 - Eric Henry, Executive Director, N.H. Retirement System and Brock Romano, Audit Partner, KPMG presented the report and responded to questions of the Committee.

On a motion by Representative Weyler, seconded by Representative Edwin Smith, that the N.H. Retirement System Comprehensive Annual Financial Report and the Management Letter and Auditors' Report on Compliance and on Internal Control over Financial Reporting in Accordance with *Government Auditing Standards* for the Fiscal Year Ended June 30, 2003 be accepted, placed on file and released in the usual manner. MOTION ADOPTED.

Field Services Performance Audit Report, December 2003 - Chairman Kurk requested that the presentation of this report be postponed until the January 2004 Fiscal Committee meeting.

On a motion by Representative Weyler, seconded by Representative Rodeschin, that the Department of Corrections, Division of Field Services Performance Audit Report be accepted, placed on file and released in the usual manner. MOTION ADOPTED.

DATE OF NEXT MEETING AND ADJOURNMENT:

The next meeting of the Fiscal Committee will be on Wednesday, January 21, 2004 at 9:00 a.m. in the Legislative Office Building, Room 210-211. (Future meeting dates were also set for Wednesday, February 18, 2004, Wednesday, March 17, 2004 and Wednesday, April 21, 2004.)

(Whereupon the Committee adjourned.)

Representative Kenneth Weyler, Clerk