

FISCAL COMMITTEE OF THE GENERAL COURT  
MINUTES  
August 5, 2016

The Fiscal Committee of the General Court met on Friday, August 5, 2016 at 10:00 a.m. in Room 210-211 of the Legislative Office Building.

Members in attendance were as follows:

Representative Neal Kurk, Chairman  
Representative Ken Weyler  
Representative Lynne Ober  
Representative Mary Jane Wallner  
Representative Daniel Eaton  
Senator Jeanie Forrester  
Senator Gary Daniels (Alternate)  
Senate President Chuck Morse  
Senator Andy Sanborn  
Senator Lou D'Allesandro

Chairman Kurk opened the meeting at 10:15 a.m.

ACCEPTANCE OF MINUTES:

On a motion by Senator D'Allesandro, seconded by Representative Ober, that the minutes of the June 24, 2016 meeting be accepted as written. MOTION ADOPTED.

OLD BUSINESS:

FIS 15-229 Department of Health and Human Services – authorization to implement the actions contained in the Cost Savings Plan to support the dual purposes within the Sununu Youth Services Center of providing both secure youth detention and psychiatric residential treatment. (FIS 15-229 Additional Information – Letter from Representative Kurk, dated November 18, 2015, containing two separate provisions relative to the funding of the Sununu Youth Services Center). Tabled 12/18/15. No Action Taken.

FIS 16-082 New Hampshire Liquor Commission – authorization to accept and expend \$249,270 in other funds through September 30, 2016. Tabled 05/20/16. No Action Taken.

FIS 16-087 Department of Health and Human Services – On a motion by Senator D'Allesandro, seconded by Representative Wallner, that the item be removed from the table. MOTION FAILED. (5-Yes, 5-No)

The request of the Department of Health and Human Services to accept and expend \$8,298,168 in federal funds effective July 1, 2016 through December 31, 2016, postponed May 20, 2016 and tabled June 24, 2016 remained on the table. No Action Taken.

FIS 16-093 New Hampshire Liquor Commission – authorization to accept and expend \$109,692 in other funds through September 30, 2016. Tabled 06/24/16. No Action Taken.

FIS 16-098 Replacement Department of Education - contingent upon Fiscal Committee approval of FIS 16-087, authorization to accept and expend \$612,500 in other funds for the period of September 1, 2016 through February 28, 2017, which replaces request FIS 16-098 Department of Education - contingent upon Fiscal Committee approval of FIS 16-087, to accept and expend \$612,500 in other funds for the period of July 1, 2016 through December 31, 2016. Tabled 06/24/16. No Action Taken.

FIS 16-099 Replacement New Hampshire Employment Security – contingent upon Fiscal Committee approval of FIS 16-087, authorization to 1) accept and expend \$477,930 in other funds for the period of September 1, 2016 through February 28, 2017, and 2) establish seven (7) full-time temporary positions consisting of; six (6) Employment Counselor Specialist (LG 19) and one (1) Program Specialist I (LG 19) for the period of September 1, 2016 through February 28, 2017, which replaces request FIS 16-099 New Hampshire Employment Security – contingent upon Fiscal Committee approval of FIS 16-087, to; 1) accept and expend \$477,930 in other funds through December 31, 2016, and 2) establish seven (7) full-time temporary positions consisting of; six (6) Employment Counselor Specialist (LG 19) and one (1) Program Specialist I (LG 19) for the period beginning July 1, 2016 through December 31, 2016. Tabled 06/24/16. No Action Taken.

RSA 14:30-a, III AUDIT TOPIC RECOMMENDATION BY LEGISLATIVE PERFORMANCE AUDIT AND OVERSIGHT COMMITTEE:

FIS 16-112 Letter from Senator John Reagan, Chairman of the Legislative Performance Audit and Oversight Committee – On a motion by Representative Ober, seconded by Senator Sanborn, that the Committee approve the request of the Legislative Performance Audit and Oversight Committee relative to the recommendation of the following new performance audit topic: 1) Community College System of New Hampshire, Efficient and Effective Operations. MOTION ADOPTED.

RSA 14:30-a, VI FISCAL COMMITTEE APPROVAL REQUIRED FOR ACCEPTANCE AND EXPENDITURE OF FUNDS OVER \$100,000 FROM ANY NON-STATE SOURCE:

CONSENT CALENDAR

FIS 16-123 Department of Administrative Services was removed from the Consent Calendar.

On a motion by Representative Ober, seconded by Senator D’Allesandro, that the Committee approve the remaining request under this section as submitted. MOTION ADOPTED. [FIS 16-115 Department of Resources and Economic Development – authorization to retroactively budget and expend \$150,000 in other funds for the period of July 1, 2016 through June 30, 2017 (FIS 16-042 originally approved March 18, 2016)]

FIS 16-123 Department of Administrative Services – Vicki Quiram, Commissioner, Catherine Keane, Director of Risk and Benefits, and Sarah Trask, Senior Financial Analyst, Department of Administrative Services 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 Administrative Services to; 1) release \$379,000 in Active Health Benefit Reserve Funds retroactive to April 1, 2016, to support Active Dental (\$341,000) and Active Trooper (\$38,000) plan expenditures, and 2) reduce the Active Trooper Health Benefit reserve from 100% of estimated annual claims and administrative expenses to 90% of estimated annual claims and administrative expenses thereby releasing \$384,400 (including the \$38,000 noted in Request #1) to be made available for fluctuations in plan costs that occur on a monthly basis. MOTION ADOPTED.

The Committee requested the Department provide monthly data, to include the projected costs and the actual expenditures for Medical and Prescription claims.

RSA 14:30-a, VI FISCAL COMMITTEE APPROVAL REQUIRED FOR ACCEPTANCE AND EXPENDITURE OF FUNDS OVER \$100,000 FROM ANY NON-STATE SOURCE AND RSA 124:15 POSITIONS AUTHORIZED:

CONSENT CALENDAR

FIS 16-126 Department of Justice was removed from the Consent Calendar.

FIS 16-126 Department of Justice – Joseph Foster, Attorney General, and Kathleen Carr, Director of Administration, Department of Justice, 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 Justice to; 1) accept and expend \$108,223 in other funds through June 30, 2017, and 2) pending approval of request #1, establish one (1) full-time salaried Drug Prosecutor position through June 30, 2017. MOTION ADOPTED.

RSA 14:30-a, VI FISCAL COMMITTEE APPROVAL REQUIRED FOR ACCEPTANCE AND EXPENDITURE OF FUNDS OVER \$100,000 FROM ANY NON-STATE SOURCE AND RSA 21-I:30, II, MEDICAL AND SURGICAL BENEFITS:

FIS 16-124 Department of Administrative Services – Vicki Quiram, Commissioner, Catherine Keane, Director of Risk and Benefits, and Sarah Trask, Senior Financial Analyst, Department of Administrative Services 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 Administrative Services to; 1) reduce Retiree Health Benefit Reserve Funds from 5% to 4%, a reduction in the amount of \$800,000 of projected annual claims and administrative expenses, and 2) schedule and hold a public hearing

before the Fiscal Committee to review the retiree health benefit plan design and premium contribution changes. No action taken.

On a motion by Representative Ober, seconded by Representative Weyler, that the Committee table the request of the Department of Administrative Services to; 1) reduce Retiree Health Benefit Reserve Funds from 5% to 4%, a reduction in the amount of \$800,000 of projected annual claims and administrative expenses, and 2) schedule and hold a public hearing before the Fiscal Committee to review the retiree health benefit plan design and premium contribution changes. MOTION FAILED. (3-Yes, 6-No)

On a motion by Senator D'Allesandro, seconded by Representative Eaton, that the Committee approve the request of the Department of Administrative Services to; 1) reduce Retiree Health Benefit Reserve Funds from 5% to 4%, a reduction in the amount of \$800,000 of projected annual claims and administrative expenses, and 2) schedule and hold a public hearing before the Fiscal Committee to review the retiree health benefit plan design and premium contribution changes. MOTION ADOPTED. (6-Yes, 3-No)

The Fiscal Committee, pursuant to the provisions of RSA 21-I:30, II., scheduled a public hearing to be held in Representative's Hall on Friday, September 23, 2016 at 1:00 p.m. regarding Retiree Health Benefit Plan design and premium contribution changes, and further requested that the Department of Administrative Services, in their presentation of the proposed plan design and premium contribution changes, also include alternative options.

RSA 7:12, I, ASSISTANTS:

FIS 16-117 Department of Justice – Joseph Foster, Attorney General, and Kathleen Carr, Director of Administration, Department of Justice, responded to questions of the Committee.

The Committee recessed at 11:15 a.m., and reconvened at 11:24 a.m.

On a motion by Senator D'Allesandro, seconded by Representative Eaton, that the Committee approve the request of the Department of Justice to accept and expend a sum not to exceed \$1,352,300 from funds not otherwise appropriated for the purpose of covering projected shortfalls in the general litigation expenses incurred in the defense of the State and the prosecution of criminal law through June 30, 2017. MOTION ADOPTED.

RSA 167:4, I. (b), ELIGIBILITY FOR ASSISTANCE:

FIS 16-122 Health and Human Services Oversight Committee – On a motion by Senator D'Allesandro, seconded by Representative Ober, that the Committee approve the request of the Health and Human Services Oversight Committee for consideration of proposed administrative rules regarding asset transfers as reviewed and recommended by the Health and Human Services Oversight Committee. MOTION ADOPTED.

RSA 177:2, II, CLOSING OF STATE STORES:

FIS 16-120 New Hampshire Liquor Commission – On a motion by Senator D’Allesandro, seconded by Senator Forrester, that the Committee approve the request of the New Hampshire Liquor Commission for approval of the Indirect Cost Allocation Plan for State Fiscal Year 2017. MOTION ADOPTED.

RSA 363:28, III, OFFICE OF THE CONSUMER ADVOCATE:

FIS 16-121 Office of Consumer Advocate – On a motion by Representative Ober, seconded by Senator Forrester, that the Committee approve the request of the Office of Consumer Advocate to enter into a contract with Strategen Consulting, LLC to provide expert services to support participation in the Net Energy Metering proceeding, docket number DE 16-576, before the NH Public Utilities Commission (NHPUC) in an amount not to exceed \$75,000 through June 30, 2017. MOTION ADOPTED.

CHAPTER 276:4, LAWS OF 2015, DEPARTMENT OF ADMINISTRATIVE SERVICES; TRANSFER AMONG ACCOUNTS AND CLASSES:

FIS 16-119 Department of Administrative Services – On a motion by Representative Ober, seconded by Senator Forrester, that the Committee approve the request of the Department of Administrative Services to transfer \$100,000 in general funds in and among accounting units through June 30, 2017. MOTION ADOPTED.

CHAPTER 276:29, LAWS OF 2015, DEPARTMENT OF TRANSPORTATION; TRANSFER OF FUNDS:

FIS 16-118 Department of Transportation – Marie Mullen, Director of Finance, and Patrick Herlihy, Director of Aeronautics, Rail and Transit, Department of Transportation, responded to questions of the Committee.

On a motion by Representative Eaton, seconded by Representative Weyler, that the Committee approve the request of the Department of Transportation to transfer \$324,800 in federal funds in and among accounting units through June 30, 2017. MOTION ADOPTED.

FIS 16-127 Department of Transportation – Marie Mullen, Director of Finance, Department of Transportation, responded to questions of the Committee.

On a motion by Representative Ober, seconded by Representative Eaton, that the Committee approve the request of the Department of Transportation to establish a non-budgeted class in an accounting unit and transfer \$22,000 between accounts and classes through June 30, 2017. MOTION ADOPTED.

CHAPTER 276:143, LAWS OF 2015, DEPARTMENT OF HEALTH AND HUMAN SERVICES; TRANSFER AMONG ACCOUNTS AND RSA 14:30-a, VI FISCAL COMMITTEE APPROVAL REQUIRED FOR ACCEPTANCE AND EXPENDITURE OF FUNDS OVER \$100,000 FROM ANY NON-STATE SOURCE:

FIS 16-116 Department of Health and Human Services – Jeffrey Meyers, Commissioner, and Sheri Rockburn, Chief Financial Officer, Department of Health and Human Services responded to questions of the Committee.

On a motion by Senator D’Allesandro, seconded by Representative Weyler, that the Committee approve the request of the Department of Health and Human Services to transfer \$2,815,934 in general funds, increase related federal revenues in the amount of \$813,000, and increase related other revenues in the amount of \$160,965 through June 30, 2017. MOTION ADOPTED.

LATE ITEM:

FIS 16-130 Department of Health and Human Services – Jeffrey Meyers, Commissioner, Department of Health and Human Services presented the request and responded to questions of the Committee.

On a motion by Representative Ober, seconded by Senator Daniels, that the Committee approve the request of the Department of Health and Human Services for approval of its application for Amendment to the Special Terms and Conditions for Premium Assistance Project #11-W-00298/1 for submission to the Centers for Medicare and Medicaid Services (CMS) in order to continue the New Hampshire Health Protection Program until December 31, 2018. MOTION ADOPTED. (9-Yes, 1-No)

INFORMATIONAL MATERIALS:

FIS 16-110 Department of Health and Human Services – Jeffrey Meyers, Commissioner, and Sheri Rockburn, Chief Financial Officer, Department of Health and Human Services responded to questions of the Committee pertaining to the May 31, 2016 Operating Statistics Dashboard report for the fiscal year ending June 30, 2016.

FIS 16-111 Office of The Governor – Chapter 277, Laws of 2016 and Chapter 330, Laws of 2016 – Meredith Telus, Budget Director, Office of The Governor, responded to questions of the Committee regarding the letter, dated July 1, 2016, to certify that the amounts transferred to the Department of Safety, Department of Health and Human Services, and the Affordable Housing Fund for the State Fiscal Year ending June 30, 2017, are in addition to the projected lapses.

The informational items were accepted and placed on file.

AUDITS:

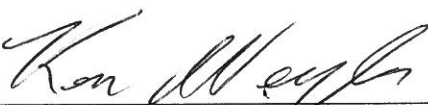
State of New Hampshire, State Revolving Fund, Management Letter, For The Fiscal Year Ended June 30, 2015 – Jay Henry, Performance Audit Supervisor, Audit Division, Office of Legislative Budget Assistant presented the report and responded to questions of the Committee. Perry Plummer, Director of Homeland Security and Emergency Management, Department of Safety, was present to respond to questions of the Committee.

On a motion by Representative Weyler, seconded by Representative Eaton, that the Committee accept the audit on the agenda, place on file, and release in the usual manner. MOTION ADOPTED.

DATE OF NEXT MEETING:

The next regular meeting of the Fiscal Committee was set for Friday, September 16, 2016 at 10:00 a.m.

On a motion by Representative Weyler, seconded by Senator Sanborn, that the meeting adjourn. (Whereupon the meeting adjourned at 12:58 p.m.)

  
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Representative Ken Weyler, Clerk