

FISCAL COMMITTEE OF THE GENERAL COURT

MINUTES

March 12, 2010

The Fiscal Committee of the General Court met on Friday, March 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 Fran Wendelboe, Alternate
Representative Sharon Nordgren
Representative Kenneth Weyler, Alternate
Representative Robert Foose
Representative Daniel Eaton, Alternate
Senator Harold Janeway, Alternate
Senate President Sylvia Larsen
Senator Kathleen Sgambati
Senator John Gallus
Senator Peter Bragdon

Chairman Smith opened the meeting at 9:15 a.m.

ACCEPTANCE OF MINUTES:

On a motion by Representative Foose, seconded by Senator Larsen, that the minutes of the February 5, 2010 meeting be accepted as written. MOTION ADOPTED.

NEW BUSINESS:

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 Janeway, that the Committee approve the requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 10-067 Office of Energy and Planning – accept and expend \$160,463.64, FIS 10-080 Department of Agriculture – accept and expend \$170,000, FIS 10-087 Department of Agriculture – accept and expend \$50,000]

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 10-081 Department of Corrections – On a motion by Representative Foose, seconded by Senator Larsen, that the Committee approve the request of the Department of Corrections to

accept and expend \$59,970 in other funds through June 30, 2010 and establish one (1) full-time temporary Administrator II position through June 30, 2010. 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, I (b) APPROPRIATION AND USE OF SPECIAL RAILROAD FUND:

FIS 10-068 Department of Transportation – On a motion by Representative Foose, seconded by Senator Larsen, that the Committee approve the request of the Department of Transportation to accept and expend revenue in the amount of \$573,230.27 from the Special Railroad Fund through June 30, 2011 and to further expend an amount not to exceed \$573,230.27 for maintenance and repairs to active state-owned railroad lines through June 30, 2011. MOTION ADOPTED.

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

FIS 10-088 Department of Resources and Economic Development – Ted Austin, Director, Parks and Recreation, and Mike Housman, Supervisor, Park Operations, Department of Resources and Economic Development presented the request and responded to questions of the Committee.

On a motion by Representative Foose, seconded by Representative Nordgren, that the Committee approve the request of the Department of Resources and Economic Development for rate changes for camping, day use and historic sites. MOTION ADOPTED.

The Committee requested that future requests from the Department of Resources and Economic Development for rate changes include the current rates, the increase, and the new rates as part of the submission.

CHAPTER 143:12, LAWS OF 2009, DEPARTMENT OF INFORMATION TECHNOLOGY; GENERAL FUND APPROPRIATION REDUCTIONS:

FIS 10-082 Department of Information Technology – On a motion by Representative Foose, seconded by Senator Larsen, that the Committee approve the request of the Department of Information Technology to reduce class lines by \$1,892,844 for the fiscal year ending June 30, 2010 and by \$1,876,643 for the fiscal year ending 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 10-069 Department of Health and Human Services – On a motion by Representative Foose, seconded by Senator Larsen, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$729,685 in federal funds and decrease related

revenue adjustments of \$25,549 in federal funds and \$25,550 in general funds through June 30, 2011. MOTION ADOPTED.

FIS 10-071 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 Weyler, seconded by Senator Larsen, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$160,143.64 in other funds through June 30, 2010. MOTION ADOPTED.

FIS 10-086 Department of Health and Human Services – On a motion by Representative Foose, seconded by Representative Weyler, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$3,100,000 in other funds through June 30, 2011. MOTION ADOPTED.

FIS 10-089 Department of Health and Human Services – Nicholas Toumpas, Commissioner, and Stephen Mosher, Administrator, Financial Support Services, 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 Janeway, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$193,750 in other funds through June 30, 2010. MOTION ADOPTED.

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

FIS 10-076 Department of Health and Human Services – Nicholas Toumpas, Commissioner, Richard St. Onge, Financial Manager, Bureau of Elderly and Adult Services, and Stephen Mosher, Administrator, Financial Support Services, Department of Health and Human Services responded to questions of the Committee. James Fredyma, Controller, Department of Health and Human Services was also present to respond to questions of the Committee.

On a motion by Representative Foose, seconded by Senator Larsen to approve the request of the Department of Health and Human Services to transfer \$8,721,583 in general funds and decrease related revenue adjustments of \$295,751 in federal funds and \$486,846 in other funds through June 30, 2010. No Action Taken.

Senator Bragdon requested to divide the question to remove lines 284, 285 and 286 from page 7 of the 24-page spreadsheet, with the Chair ruling that it was divisible.

On a motion by Representative Foose, seconded by Senator Sgambati to approve lines 284, 285, and 286 from page 7 of the 24-page spreadsheet from the request of the Department of Health and Human Services to transfer \$8,721,583 in general funds and decrease related revenue adjustments of \$295,751 in federal funds and \$486,846 in other funds through June 30, 2010.

A roll call was requested by Senator Bragdon and the results were as follows:

Representative Smith – Yes

Representative Wendelboe – No

Representative Nordgren – Yes

Representative Weyler – No

Representative Foose – Yes

Senator Janeway – Yes

Senator Larsen – Yes

Senator Sgambati – Yes

Senator Bragdon – No

Senator Gallus – No

(6-Yes; 4-No) MOTION ADOPTED.

On a motion by Representative Foose, seconded by Senator Janeway to approve in its entirety the request of the Department of Health and Human Services to transfer \$8,721,583 in general funds and decrease related revenue adjustments of \$295,751 in federal funds and \$486,846 in other funds through June 30, 2010. MOTION ADOPTED. (9-Yes, 1-No)

FIS 10-077 Department of Health and Human Services – Nicholas Toumpas, Commissioner, and Stephen Mosher, Administrator, Financial Support Services, 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 Larsen, that the Committee approve the request of the Department of Health and Human Services to transfer \$935,919 in general funds and increase related revenue adjustments of \$580,352 in federal funds and \$256,967 in other funds through June 30, 2010. 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 AND CHAPTER 392:5, LAWS OF 2008, AS AMENDED BY CHAPTER 144:262, LAWS OF 2009, RELIEF PAYMENTS TO LOCAL COMMUNITIES; JULY-SEPTEMBER 2008 DISASTER ASSISTANCE:

FIS 10-083 Department of Safety – On a motion by Representative Weyler, seconded by Senator Janeway, that the Committee approve the request of the Department of Safety to expend \$108,294.12 in State Matching Funds for Federal Emergency Management Agency Public Assistance Grants for the amounts of: \$47,718.60 for the May 2006 Floods; \$48,898.33 for the April 2007 Floods; \$11,677.19 for the July-August 2008 Floods. MOTION ADOPTED.

LATE ITEM:

FIS 10-090 Department of Health and Human Services – On a motion by Representative Foose, seconded by Senator Janeway, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$2,605,873 in federal ARRA funds through June 30, 2011. MOTION ADOPTED.

INFORMATIONAL MATERIALS:

FIS 10-063 Department of Resources and Economic Development, jointly with the New Hampshire Insurance Department – Chapter 277:4, Laws of 2006 – Monthly report on status to Retain Domestic Insurers and Recruit Foreign Insurers as of January 25, 2010. The Chair would entertain a motion to change the reporting requirement from monthly to every six months effective July 1, 2010.

On a motion by Senator Bragdon, seconded by Representative Weyler, that the Committee approve a change in the reporting requirements, pursuant to Chapter 277:4, Laws of 2006, for the Department of Resources and Economic Development, jointly with the New Hampshire Insurance Department, to report on the status to Retain Domestic Insurers and Recruit Foreign Insurers from monthly to semi-annually effective July 1, 2010. MOTION ADOPTED.

The informational items were accepted and placed on file.

AUDITS:

Jeffrey Pattison, Legislative Budget Assistant, requested authorization to release the State of New Hampshire Single Audit of Federal Financial Assistance Programs for the Year Ended June 30, 2009 report when it becomes available in order to meet the March 31st federal filing deadline.

On a motion by Senator Bragdon, seconded by Representative Foose, that the Committee approve the request of the Office of Legislative Budget Assistant to release the State of New Hampshire Single Audit of Federal Financial Assistance Programs for the Year Ended June 30, 2009 as soon as it is available. MOTION ADOPTED.

State of New Hampshire Management Letter, June 30, 2009 – Richard Mahoney, Director of Audits, Audit Division, Office of Legislative Budget Assistant, Shawn Warren, KPMG Partner, Scott Warnetski, KPMG Senior Audit Manager, presented the report and responded to questions of the Committee.

On a motion by Representative Wendelboe, seconded by Senator Gallus, 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, 2009 – Shawn Warren, KPMG Partner, and Karen Farrell, KPMG Senior Audit Manager, presented the report and responded to questions of the Committee.

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

The Committee requested that the Office of Legislative Budget Assistant notify the Commissioners of; the Department of Administrative Services, the Department of Health and Human Services, the Department of Revenue Administration, the Department of Transportation, the New Hampshire Community College System and the State Treasurer that the Committee would like an update on progress being made to address issues raised in the State's Management Letter presented, March 12, 2010, by KPMG in connection with their audit of the State's financial statements for fiscal year 2009 for the April meeting.

MISCELLANEOUS:

The Committee also requested an update on the Governor's plan, pursuant to Chapter 144:289, Laws of 2009, to reduce general fund appropriations through layoffs or personnel-related savings by an additional \$25 million for the biennium ending June 30, 2011.

ADJOURNMENT:

The next regular meeting of the Fiscal Committee was set for Monday, April 12, 2010 at 9:00 a.m. (Whereupon the meeting adjourned)

Representative Neal Kurk, Clerk