

FISCAL COMMITTEE OF THE GENERAL COURT
MINUTES
May 15, 2007

The Fiscal Committee of the General Court met on Tuesday, May 15, 2007 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 Mary Jane Wallner
Representative Peter Franklin
Representative Kenneth Weyler, Alternate
Representative Daniel Eaton, Alternate
Senator Lou D'Allesandro, Vice-Chairman
Senate President Sylvia Larsen
Senator Peter Burling, Alternate
Senator Theodore Gatsas
Senator John Gallus

Chairman Smith opened the meeting at 9:24 a.m. and announced that, due to the length of the agenda, presentation of the three audits on the agenda will be postponed until the next meeting.

ACCEPTANCE OF MINUTES:

On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the minutes of the April 19, 2007 meeting be accepted as written. MOTION ADOPTED.

OLD BUSINESS:

FIS 07-039 New Hampshire Retirement System - actuarial certification of funds available in the respective member classifications "special account" for the purpose of determining COLA's **Tabled 2/16/07**. No action taken.

FIS 07-034 Department of Administrative Services - authorization for various departments to retain state owned passenger automobiles with FY 2006 reported mileage less than 12,000 miles **Tabled 2/16/07**. On a motion by Representative Weyler, seconded by Representative Wallner, that this request be removed from the table. MOTION ADOPTED.

Representative Weyler reported that no further action should be taken until such time as the Performance Audit Oversight Committee has completed their study for a combined motor pool.

On a motion by Senator D'Allesandro, seconded by Senator Larsen, that the Committee table the request of the Department of Administrative Services for authorization for various departments to retain state owned passenger automobiles with FY 2006 reported mileage less than 12,000 miles. MOTION ADOPTED.

FIS 07-111 Department of Health and Human Services, Office of Medicaid Business and Policy – for authorization to clarify physician services reimbursements to comply with recent instructions from the federal Centers for Medicare and Medicaid Services (CMS). **Tabled 4/19/07.** On a motion by Representative Franklin, seconded by Senator D'Allesandro, that this request be removed from the table. MOTION ADOPTED.

John Stephen, Commissioner, James Fredyma, Controller, and Mary Schwarzer, Legal Counsel, Department of Health and Human Services responded to questions of the Committee.

On a motion by Representative Wallner, seconded by Senator Larsen, that the Committee table the request so that the Legislature might act on the request for authorization to clarify physician services reimbursements to comply with recent instructions from the federal Centers for Medicare and Medicaid Services (CMS). MOTION ADOPTED. (8-Yes, 2-No)

AUDIT:

Note: This report was accepted, placed on file and released at the April 19th meeting of the Fiscal Committee, however, presentation of this report has been postponed until the next meeting.

New Hampshire State Liquor Commission, Annual Report and Statistical Section, Fiscal Year June 30, 2006 and State of New Hampshire Liquor Commission, Management Letter, For the Fiscal Year Ended June 30, 2006.

RSA 9:16-a, TRANSFERS AUTHORIZED - CONSENT CALENDAR:

On a motion by Senator D'Allesandro, seconded by Senator Burling, that the Committee approve the requests on the agenda under this section as submitted. MOTION ADOPTED. (FIS 07-139 Department of Administrative Services – transfer \$28,000, FIS 07-140 Office of the Adjutant General – transfer \$60,672)

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:

Item FIS 07-144 Department of Resources and Economic Development – accept and expend \$143,022 was removed from the Consent Calendar at the request of Representative Weyler.

On a motion by Representative Franklin, seconded by Senator Burling, that the Committee approve the remainder of the requests on the agenda under this section as submitted. MOTION ADOPTED. (FIS 07-131 New Hampshire Fish and Game Department – accept and expend \$95,192, FIS 07-141 Office of the Adjutant General – accept and expend \$335,234 additional federal funds, FIS 07-146 Department of Safety – accept and expend \$25,000,000 from FEMA for eligible April 2007 flood costs through June 30, 2008)

FIS 07-144 Department of Resources and Economic Development – Kenneth Plourde, Administrator IV, and Philip Bryce, Director of Forest and Land, 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 Resources and Economic Development to accept and expend \$143,022. MOTION ADOPTED.

RSA 124:15 POSITIONS RESTRICTED:

FIS 07-158 Department of Corrections –William Wrenn, Commissioner, and Robert Mullen, Director of Administration, presented the request and responded to questions of the Committee.

On a motion by Senator Larsen, seconded by Senator Burling, that the Committee table the request of the Department of Corrections to establish one full-time temporary Program Specialist II (LG21) position and one full-time temporary Program Specialist I (LG19) position through June 30, 2007. MOTION ADOPTED. (8-Yes, 2-No)

RSA 9:16-a TRANSFERS AUTHORIZED, RSA 228:12 TRANSFERS FROM HIGHWAY FUND SURPLUS AND CHAPTER 176, LAWS OF 2005 PAU 04-01-02-04-01, FOOTNOTE C:

FIS 07-127 Department of Transportation – Charles P. O’Leary, Commissioner, James Marshall, Director of Public Works and Transit, and Thomas Martin, Director of Finance, presented the request and responded to questions of the Committee.

On a motion by Senator D’Allesandro, seconded by Senator Burling, that the Committee approve the request of the Department of Transportation to transfer \$2,554,000 between Highway Fund accounts and authorization to transfer \$3,331,000 from Highway Surplus funds and further authorization to accept and expend \$2,728,500 for the expenditure of mechanical services revenue in excess of the estimate. MOTION ADOPTED. (9-Yes, 1-No)

RSA 9:17-d TRANSFER OF APPROPRIATIONS, SUPREME COURT:

FIS 07-150 Administrative Office of the Courts – On a motion by Representative Kurk, seconded by Senator Larsen, that the Committee approve the request of the Administrative Office of the Courts to transfer \$56,000. MOTION ADOPTED.

RSA 21-P:23 HIGHWAY FUND SURPLUS:

FIS 07-147 Department of Safety – On a motion by Senator Larsen, seconded by Senator Burling, that the Committee approve the request of the Department of Safety to transfer \$269,800 from the Highway Fund Surplus account to fund the projected shortfall in employee benefits through June 30, 2007. MOTION ADOPTED. (9-Yes, 1-No)

FIS 07-148 Department of Safety – Wesley Colby, Director of Administration, 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 Safety to transfer \$246,742 from the Highway Fund Surplus account to fund the projected shortfall for Retiree's Health Insurance through June 30, 2007. MOTION ADOPTED. (9-Yes, 1-No)

RSA 146-D:8 OIL DISCHARGE AND DISPOSAL CLEANUP FUND; ADMINISTRATIVE COSTS:

FIS 07-151 Department of Safety – joint request with the Oil Fund Disbursement Board – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Safety, in a joint request with the Oil Fund Disbursement Board, to transfer \$15,000 from the Oil Discharge and Disposal Cleanup Fund to the Department of Safety to fund the projected shortfall in benefits through June 30, 2007. MOTION ADOPTED. (9-Yes, 1-No)

RSA 151-E:11 PROGRAM MANAGEMENT AND COST CONTROLS AND CHAPTER 177:4, III, LAWS OF 2005 DEPARTMENT OF HEALTH AND HUMAN SERVICES; TRANSFER AMONG ACCOUNTS:

FIS 07-156 Department of Health and Human Services – John Stephen, Commissioner, Jonathan McCoosh, Financial Manager, Nancy Reynolds, Director of Community Based Care Services, James Fredyma, Controller, and Richard St. Onge, Financial Manager, presented the request and responded to questions of the Committee.

On a motion by Representative Kurk, seconded by Senator Gallus, that the Committee approve the request of the Department of Health and Human Services to increase expenditures in class 91 home nursing services and further authorization to transfer \$2,900,000 from class 90 nursing services to class 91 home nursing services to fund the projected shortfall in home nursing services through June 30, 2007. MOTION ADOPTED. (8-Yes, 2-No)

RSA 284:21-j, II LOTTERY; ESTABLISHMENT:

FIS 07-132 New Hampshire Lottery Commission – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the New Hampshire Lottery Commission to transfer \$148,000 of sweepstakes funds to fund the projected shortfall for active employees health and dental insurance and retiree health insurance through June 30, 2007. MOTION ADOPTED.

CHAPTER 177:4, II, LAWS OF 2005 DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES:

FIS 07-133 Department of Health and Human Services – Maggie Bishop, Director of Children, Youth and Families, Dague Clark, Financial Manager, and James Fredyma, Controller, 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 Health and Human Services to accept and expend \$64,387.03 of additional federal grant funds through June 30, 2007. MOTION ADOPTED.

CHAPTER 177:4, II AND III, LAWS OF 2005 DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS:

FIS 07-149 Department of Health and Human Services – On a motion by Senator D'Allesandro, seconded by Representative Kurk, that the Committee approve the request of the Department of Health and Human Services to transfer \$885,023 in general funds among various PAU's throughout the Department and authorization to accept additional revenue totaling \$918,613 in federal funds and decrease revenue by \$77,874 in other funds through June 30, 2007. MOTION ADOPTED.

FIS 07-153 Department of Health and Human Services – John Stephen, Commissioner, responded to questions of the Committee.

On a motion by Representative Kurk, seconded by Representative Franklin, that Committee approve the request of the Department of Health and Human Services to transfer \$95,158.35 to the SCHIP account from the MMA Part D State Phase Down account and authorization to accept and expend \$176,740.32 in federal matching funds through June 30, 2007. MOTION ADOPTED.

FIS 07-155 Department of Health and Human Services – On a motion by Senator D'Allesandro, seconded by Representative Franklin, that Committee approve the request of the Department of Health and Human Services to transfer \$7,620,083 in general funds among various PAU's throughout the Department and authorization to accept additional revenue totaling \$4,688,279 in federal funds and decrease revenue by \$381,951 in other funds through June 30, 2007. MOTION ADOPTED.

CHAPTER 177:4,II AND III, LAWS OF 2005 DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS AND RSA 126-A:3, VII MEDICAID OUTPATIENT HOSPITAL SERVICES:

FIS 07-154 Department of Health and Human Services – James Fredyma, Controller, responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Franklin, that Committee approve the request of the Department of Health and Human Services to transfer \$814,980 from the appropriation for Medicare Part D payments to the hospital outpatient account in the Office of Medicaid Business and Policy (OMBP) and authorization to transfer \$197,948.50 from the appropriation for Medicare Part D payments to the hospital outpatient account in the Division for Community Based Care Services, Bureau of Elderly and Adult Services (BEAS) and authorization to accept and expend \$815,794.98 for OMBP and \$198,196.45 for BEAS in additional federal matching funds through June 30, 2007. MOTION ADOPTED.

LATE ITEMS:

FIS 07-160 Department of Environmental Services – On a motion by Senator D'Allesandro, seconded by Senator Gallus, that the Committee approve the request of the Department of Environmental Services to accept and expend \$280,462 from the New Hampshire Fish and Game Department to reconstruct Big Brook Bog Dam in Pittsburg. MOTION ADOPTED.

INFORMATIONAL MATERIALS:

Senator Larsen and Representative Eaton had questions on informational item FIS 07-161 from the New Hampshire Fish and Game Department, submitted as a late item. Lee Perry, Executive Director of New Hampshire Fish and Game Department responded to questions of the Committee regarding out-of-state search and rescue efforts, reimbursement and disposition of recovered funds.

FIS 07-145 Department of Administrative Services – Donald Hill, Commissioner, Joseph Bouchard, Assistant Commissioner, Ronald Jobel, N.H. First Project Manager, Department of Administrative Services, and Richard C. Bailey, Jr., Chief Information Officer, Office of Information Technology, presented an update on the status of the Enterprise Resource Planning (ERP) Project and responded to questions of the Committee.

FIS 07-152 Department of Health and Human Services – Nicholas Toumpas, Deputy Commissioner, Department of Health and Human Services, presented an update on the status of the implementation of a new Medicaid Management Information System (MMIS) and responded to questions of the Committee.

The informational items were accepted and placed on file.

AUDITS:

State of New Hampshire, Lottery Commission, Management Letter, For the Fiscal Year Ended June 30, 2006 – Postponed until the next meeting.

State of New Hampshire, Department of Corrections, Correctional Industries Account and Vocational Training Account, Financial and Compliance Audit Report, For the Fiscal Year Ended June 30, 2006 – Postponed until the next meeting.

ADJOURNMENT:

The next regular meeting of the Fiscal Committee was set for Thursday, June 28, 2007.
(Whereupon the meeting adjourned)

Representative Neal Kurk, Clerk