

FISCAL COMMITTEE OF THE GENERAL COURT
MINUTES

August 8, 2006

The Fiscal Committee of the General Court met on Tuesday, August 8, 2006 at 9:00 a.m. in Room 210-211 of the Legislative Office Building.

Members in attendance were as follows:

Representative Frederick King, Chairman
Senator Charles Morse, Vice Chairman
Representative Joseph Stone, Clerk
Representative Elizabeth Hager
Representative Daniel Eaton
Representative Peter Franklin
Senator Theodore Gatsas
Senator Richard Green
Senator Robert Clegg
Senator Lou D'Allesandro

Chairman King opened the meeting at 9:10 a.m.

ACCEPTANCE OF MINUTES:

On a motion by Senator Clegg, seconded by Senator D'Allesandro, that the minutes of the July 11 and July 26, 2006 meetings be accepted as written. MOTION ADOPTED.

OLD BUSINESS:

FIS 06-088 Department of Safety, Division of Motor Vehicles -
accept and expend \$3,000,000 (**Tabled 3/24/06**)

On a motion by Senator Clegg, seconded by Senator D'Allessandro, that this request be removed from the table. MOTION ADOPTED.

Richard Flynn, Commissioner and Virginia Beecher, Director, Division of Motor Vehicles, Department of Safety presented the request and responded to questions of the Committee.

On a motion by Representative Stone, seconded by Senator Clegg, that the Committee approve the request from the Department of Safety, Division of Motor Vehicles to accept and expend \$3,000,000 from the U.S. Department of Homeland Security under the 2006 Real ID Pilot Grant Program, as specified in their letter and attachments dated March 13, 2006, **contingent upon the Department providing the Committee with a budget on how these funds will be expended.**

The Chairman requested the Clerk call the roll and the results of the voting were as follows:

| | |
|------------------------------|----------------------------|
| Representative King - Yes | Senator Gatsas - Yes |
| Representative Hager - Yes | Senator Clegg - Yes |
| Representative Stone - Yes | Senator Morse - Yes |
| Representative Franklin - No | Senator Green - Yes |
| Representative Eaton - No | Senator D'Allesandro - Yes |

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 - CONSENT CALENDAR:

FIS 06-217 Department of Employment Security - On a motion by Senator Green, seconded by Senator D'Allesandro, that the Committee approve the request from the Department of Employment Security to accept and expend \$488,647. MOTION ADOPTED.

FIS 06-235 Department of Environmental Services - On a motion by Representative Hager, seconded by Senator D'Allesandro, that the Committee approve the request from the Department of Environmental Services to accept and expend \$258,102 MOTION ADOPTED.

RSA 124:15 POSITIONS RESTRICTED - CONSENT CALENDAR

FIS 06-229 Department of Safety, Division of Motor Vehicles - Wesley Colby, Director, Division of Administration presented the request and responded to questions of the Committee.

On a motion by Representative Hager, seconded by Representative Eaton, that the Committee approve the request from the Department of Safety, Division of Motor Vehicles to establish a Program Specialist IV position through June 30, 2007. 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 124:15 POSITIONS RESTRICTED:

FIS 06-228 Department of Justice - Kelly Ayotte, Attorney General and Valerie Hall, Director of Administration, Department of Justice presented the request and responded to questions of the Committee.

On a motion by Representative Hager, seconded by Senator D'Allesandro, that the Committee approve the request from the Department of Justice to accept and expend \$98,540 and establish unclassified Attorney position through June 30, 2007. MOTION ADOPTED.

CHAPTER 42, LAWS OF 2006 STATE MATCHING FUNDS FOR FEMA DISASTER ASSISTANCE GRANTS:

FIS 06-219 Department of Safety - Wesley Colby, Director of Administration presented the request and responded to questions of the Committee.

On a motion by Senator Green, seconded by Representative Franklin, that the Committee approve the request from the Department of Safety to distribute an additional \$14,426.05 of state general funds to certain communities. MOTION ADOPTED.

On a motion by Representative Eaton, seconded by Representative Hager, that this request be tabled. (This motion was never voted on since the original motion was already on the floor.)

Senator Morse requested documentation from the Department of Safety in conjunction with the Governor on what their intentions are and what they are telling the communities they are getting for reimbursement since they are now trying to work on their budgets.

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

FIS 06-223 Department of Health and Human Services, Division of Community Based Care Services - James Fredyma, Controller presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Hager, that the Committee approve the request from the Department of Health and Human Services, Division of Community Based Care Services to accept and expend \$6,186,815. MOTION ADOPTED.

FIS 06-233 Department of Health and Human Services, Division of Community Based Care Services - James Fredyma requested that this item be withdrawn because there are some copies that have some incorrect citations.

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

FIS 06-231 Department of Health and Human Services - James Fredyma, Controller, Steve Mosher, Bureau of Integrity and Improvement and Normal Cordell, Director of Application Management presented the request and responded to questions of the Committee.

Senator Clegg requested additional information on the Healthy Kids Silver RFP and what is being sent out and what the Department is asking people to provide for this program.

On a motion by Senator D'Allesandro, seconded by Representative Hager, that the Committee approve the request from the Department of Health and Human Services to accept and expend \$1,341,143 and transfer \$1,186,000. MOTION ADOPTED.

INFORMATIONAL MATERIALS:

The informational materials were accepted and placed on file.

Further discussion ensued on the Letter to Kelley Ayotte requesting her opinion on the following question: May any amounts remaining from the \$5,000,000 previously authorized by the Committee on May 19, 2006, under the provisions of RSA 9:13-d, now be used to fund the local match required as a condition to the receipt of federal disaster funds?

Attorney General Ayotte explained that she did not have time to prepare a written reply but she would provide one within the next few days. Attorney General Ayotte stated that any remaining funds from the \$5M could not be utilized unless legislation is introduced. That

would not be a decision the Fiscal Committee could make. It would have to be an act of the full Legislature.

AUDITS:

State of New Hampshire Single Audit of Federal Financial Assistant Programs For the Year Ended June 30, 2005 (This audit was accepted, placed on file and released in the usual manner at the 7/11/06 Fiscal Committee meeting.)

Brock Romano, Partner and Scott Warnetski, Manager, KPMG presented the audit and responded to questions of the Committee.

Charles Annual, Deputy Commissioner and Michael Marr, Director of Finance, Community Technical College System addressed the Committee to clarify the observation on page F-18.

New Hampshire Retirement System Auditors' Report on Compliance and on Internal Control Over Financial Reporting in Accordance with Government Auditing Standards and Management Letter Year Ended June 30, 2005 - Brock Romano, Partner, KPMG presented the report and responded to questions of the Committee. Robert Leggert, Executive Director, NH Retirement System was also present to respond to questions of the Committee.

Chairman King requested that Mr. Leggert provide some additional information in writing that was requested by various members during this morning's discussion.

State of New Hampshire Department of Justice Financial and Compliance Audit Report for the Nine Months Ended March 31, 2005 - Catherine Provencher, Director of Audits, Office of Legislative Budget Assistant presented the report and responded to questions of the Committee. Kelly Ayotte, Attorney General and Linda Hodgdon, Governor's Budget Director were also present to respond to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Senator Morse, that the New Hampshire Retirement System Auditors' Report on Compliance and on Internal Control Over Financial Reporting in Accordance with *Government Auditing Standards* and Management Letter Year Ended June 30, 2005 and State of New Hampshire Department of Justice Financial and Compliance Audit Report for the Nine Months Ended March 31, 2005 be accepted, placed on file and released in the usual manner. MOTION ADOPTED.

State of New Hampshire New Hampshire Veterans' Home Financial and Compliance Audit Report for the Nine Months Ended March 31, 2005 - Catherine Provencher, Director of Audits, Office of Legislative Budget Assistant presented the report and responded to questions of the Committee. Barry Conway, Commandant and Margaret LaBrecque, Business Administrator, NH Veterans Home were also present to respond to questions of the Committee.

On a motion by Representative Stone, seconded by Senator Green, that the State of New Hampshire New Hampshire Veterans' Home Financial and Compliance Audit Report for the Nine Months Ended March 31, 2005 be accepted, placed on file and released in the usual manner. MOTION ADOPTED.

MISCELLANEOUS:

Donald Hill, Commissioner, Department of Administrative Services gave the Committee an update on the ERP. Mr. Hill reported they had a kick-off session last week and he wished to thank the Governor, Speaker, and Chairman of the Fiscal Committee, as well as several other House members who attended. Ron Jobel has been hired as the ERP Project Manager. Mr. Hill noted that Mr. Jobel has run ERP projects previously in private industry and he's a local person. Mr. Hill further reported that they are working with agencies now to actually define their needs, and that an Executive Steering Committee is also being formed.

Chairman King thanked Mr. Hill for the update and requested that the monthly updates to the Fiscal Committee continue.

DATE OF NEXT MEETING AND ADJOURNMENT:

The next meeting of the Fiscal Committee was set for Tuesday, September 19, 2006.

On a motion by Senator D'Allesandro, seconded by Representative Stone, that the meeting adjourn. MOTION ADOPTED. (Whereupon the meeting adjourned at 12:40 p.m.)

Representative Joseph Stone, Clerk