

FISCAL COMMITTEE OF THE GENERAL COURT
MINUTES
September 18, 2002

The Fiscal Committee of the General Court met on Wednesday, September 18, 2002 at 9:00 a.m. in Room 100 of the State House.

Members in attendance were as follows:

Representative Neal Kurk, Chairman
Representative Kenneth Weyler, Clerk
Representative Keith Herman
Representative Beverly Rodeschin
Representative Mary Jane Wallner
Senator Arthur Klemm, Vice Chairman
Senator John Barnes
Senator Gary Francoeur
Senator Beverly Hollingworth
Senator Caroline McCarley

Chairman Kurk opened the meeting at 9:30 a.m.

NEW BUSINESS:

LEGISLATIVE PERFORMANCE AUDIT AND OVERSIGHT COMMITTEE:

Representative Sheila Francoeur, Chairman presented the audit scope for a performance audit of the Department of Health and Human Services, Division of Elderly and Adult Services, which will include fiscal year 1998 through fiscal year 2002, and requested approval from the Committee to proceed with the audit.

On a motion by Senator Barnes, seconded by Senator Francoeur, that the Committee approve the request of the Legislative Performance Audit and Oversight Committee for a performance audit of the Department of Health and Human Services, Division of Elderly and Adult Services, which will address the following question: Has the division effectively and efficiently made changes to long-term care in the state to promote the shift from nursing facility services to home and community-based services, as proposed by the Shaping Tomorrow's Choices long-term care document and required by Chapter 388, Laws of 1998? MOTION ADOPTED.

ACCEPTANCE OF MINUTES:

On a motion by Representative Rodeschin, seconded by Representative Weyler, that the minutes of the July 30 and 31, 2002 meetings be accepted as written. MOTION ADOPTED.

RSA 9:16-a TRANSFER AUTHORIZED - CONSENT CALENDAR:

On a motion by Senator Hollingworth, seconded by Representative Herman, that the Committee approve all the requests under this section as submitted. MOTION ADOPTED. (FIS 02-164 and FIS 02-190)

RSA 124:15 POSITIONS RESTRICTED - CONSENT CALENDAR:

Chairman Kurk requested that request FIS 02-182 be removed from the consent calendar for further discussion.

On a motion by Senator Barnes, seconded by Representative Weyler, that the Committee approve all the remaining requests listed on the agenda under this section as submitted, with the exception of FIS 02-185, which was amended through June 30, 2003, not September 30, 2002. MOTION ADOPTED. (FIS 02-179, FIS 02-183, and FIS 02-186)

FIS 02-182 Department of Education - Paul Ezen, Deputy Commissioner and Dorothy Oliver, Administrator, Integrated Programs presented the request and responded to questions of the Committee.

On a motion by Senator McCarley, seconded by Representative Wallner, that the Committee approve the request from the Department of Education to establish an Education Consultant I position through June 30, 2003. MOTION ADOPTED.

CHAPTER 130:1, LAWS OF 2001, PAU 02-13-04-03, CLASS 98 - RELOCATION/REHABILITATION FUND:

FIS 02-180 Liquor Commission - On a motion by Senator Barnes, seconded by Representative Weyler, that the Committee approve the request from the Liquor Commission for authorization to expend \$80,000 from the Relocation/Rehabilitation Fund. MOTION ADOPTED.

CHAPTER 158:43, LAWS OF 2001 - ADDITIONAL REVENUES; DEPARTMENT OF HEALTH AND HUMAN SERVICES:

FIS 02-165 Department of Health and Human Services, Division of Behavioral Health - Kathleen Sgambati, Acting Commissioner presented the request and responded to questions of the Committee.

On a motion by Representative Wallner, seconded by Senator Hollingworth, that the Committee approve the request of the Department of Health and Human Services, Division for Children, Youth & Families to accept and expend \$29,000 in federal funds. MOTION FAILED.

On a motion by Senator Francoeur, seconded by Representative Herman, that this request be tabled. MOTION ADOPTED.

FIS 02-166 Department of Health and Human Services, Division for Children, Youth & Families - On a motion by Senator Hollingworth, seconded by Representative Wallner, that the Committee approve the request of the Department of Health and Human Services, Division for Children, Youth & Families to accept and expend \$439,710 in federal funds. MOTION ADOPTED.

FIS 02-170 Department of Health and Human Services, Developmental Disabilities Council - On a motion by Senator Hollingworth, seconded by Representative Wallner, that the Committee approve the request of the Department of Health and Human Services, Developmental Disabilities Council to accept and expend \$318,806.43 in federal

CHAPTER 158:43, LAWS OF 2001 - ADDITIONAL REVENUES; DEPARTMENT OF HEALTH AND HUMAN SERVICES - Continued:

funds. MOTION ADOPTED.

FIS 02-173 Department of Health and Human Services, Office of Community & Public Health - On a motion by Representative Weyler, seconded by Representative Wallner, that the Committee approve the request of the Department of Health and Human Services, Office of Community & Public Health to accept and expend \$65,399 from the NH Highway Safety Agency. MOTION ADOPTED.

FIS 02-181 Department of Health and Human Services, New Hampshire Hospital - James Fredyma presented the request and responded to questions of the Committee.

On a motion by Senator Barnes, seconded by Senator Hollingworth, that the Committee approve the request of the Department of Health and Human Services, New Hampshire Hospital to accept and expend \$300,000 in revenue from the operation of the Hospital Cafeteria. MOTION ADOPTED.

FIS 02-184 Department of Health and Human Services, Division of Juvenile Justice Services - On a motion by Senator Hollingworth, seconded by Representative Wallner, that the Committee approve the request of the Department of Health and Human Services, Division of Juvenile Justice Services to accept and expend \$235,170 in federal funds. MOTION ADOPTED.

FIS 02-187 Department of Health and Human Services, Division of Developmental Services - On a motion by Senator Hollingworth, seconded by Representative Wallner, that the Committee approve the request of the Department of Health and Human Services, Division of Developmental Services to accept and expend \$23,000 from the NH Department of Education. MOTION ADOPTED.

FIS 02-188 Department of Health and Human Services, Office of Community & Public Health - Kathleen Sgambati, Acting Commissioner presented the request and responded to questions of the Committee.

On a motion by Senator Hollingworth, seconded by Representative Wallner, that the Committee approve the request of the Department of Health and Human Services, Office of Community & Public Health to accept and expend \$118,640 in federal funds. MOTION ADOPTED.

FIS 02-189 Department of Health and Human Services, Division of Developmental Services - On a motion by Senator McCarley, seconded by Representative Wallner, that the Committee approve the request of the Department of Health and Human Services, Division of Developmental Services to accept and expend \$1,223,038.89 in federal funds. MOTION ADOPTED.

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CHAPTER 158:43, LAWS OF 2001 - ADDITIONAL REVENUES; DEPARTMENT OF HEALTH AND HUMAN SERVICES AND RSA 124:15 POSITIONS RESTRICTED:

FIS 02-178 Department of Health and Human Services, Division for Children, Youth & Families - On a motion by Senator Francoeur, seconded Representative Wallner, that the Committee approve the request from the Department of Health and Human Services, Division for Children, Youth & Families to accept and expend \$121,700 in federal funds and establish three (3) Child Protection Service Worker II positions through June 30, 2003. MOTION ADOPTED.

RSA 21-P:23 - HIGHWAY FUND SURPLUS AND RSA 124:15 POSITIONS RESTRICTED:

FIS 02-177 Department of Safety - Tim Mason, Director of Administration presented the request and responded to questions of the Committee.

On a motion by Representative Rodeschin, seconded by Representative Weyler, that the Committee amend and approve the request from the Department of Safety to establish two (2) Title Examiner positions, not five, and to reduce the amount transferred to 60%. MOTION FAILED.

On a motion by Senator Barnes, seconded by Representative Rodeschin, that the Committee approve the request from the Department of Safety to transfer \$115,697 from the Highway Fund Surplus Account and establish five (5) Title Examiner positions through June 30, 2003. MOTION FAILED.

On a motion by Senator Hollingworth, seconded by Senator McCarley, that the Committee amend and approve the request from the Department of Safety to establish three (3), not five (5) Title Examiner positions through June 30, 2003 and transfer and expend \$69,418, not \$115,697 from the Highway Surplus Account. MOTION ADOPTED.

RSA 167:75, II GRANTS PROCESS, PURPOSES OF GRANTS:

FIS 02-167 Department of Health and Human Services - On a motion by Senator McCarley, seconded by Representative Weyler, that the Committee approve the request of the Department of Health and Human Services for authorization to extend the end date of a grant from the Health Care Fund to the City of Manchester Health Department from June 30, 2002 until December 31, 2002. MOTION ADOPTED.

OLD BUSINESS:

FIS 02-161 Department of Health and Human Services, Division for Children, Youth and Families - On a motion by Senator Hollingworth, seconded by Representative Wallner, that this request be removed from the table. MOTION FAILED.

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LATE ITEMS:

FIS 02-197 Department of Health and Human Services, Division for Juvenile Justice Services - Kathleen Sgambati, Acting Commissioner and Joseph Diament, Director presented the request and responded to questions of the Committee.

On a motion by Senator McCarley, seconded by Senator Klemm, that the Committee approve the request from the Department of Health and Human Services, Division for Juvenile Justice Services to accept and expend \$900,000 in federal funds from the NH Department of Justice. MOTION ADOPTED.

FIS 02-198 Department of Health and Human Services - On a motion by Senator Klemm, seconded by Senator McCarley, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$11,689,775.10 in federal funds and \$11,678,097 in private funds. MOTION ADOPTED.

FIS 02-199 Department of Health and Human Services, Division of Child Support Services - Kathleen Sgambati, Acting Commissioner presented the request and responded to questions of the Committee.

On a motion by Senator McCarley, seconded by Representative Wallner, that the Committee approve the request of the Department of Health and Human Services, Division of Child Support Services to accept and expend \$66,514 in child support incentive funds and \$129,244 in federal funds, and establish one (1) Supervisor IV position, three (3) Child Support Officer positions, one (1) Case Technician II position, one (1) Secretary II position, one (1) Program Support Specialist II position and one (1) Child Support Officer position through June 30, 2003. MOTION ADOPTED.

INFORMATIONAL ITEMS:

The informational items were accepted and placed on file.

AUDITS:

State of New Hampshire, Department of Revenue Administration, Financial and Compliance Audit Report - On a motion by Representative Weyler, seconded by Senator Klemm, that the Committee remove this audit from the table. MOTION ADOPTED.

Catherine Provencher, Director of Audits, Office of Legislative Budget Assistant presented the audit report and responded to questions of the Committee. Commissioner Stanley Arnold was also present to respond to questions of the Committee. (This report was accepted, released and placed on file at an earlier meeting of the Fiscal Committee.)

State of New Hampshire, Sweepstakes Commission, Management Letter For the Year Ended June 30, 2001 - On a motion by Senator Klemm, seconded by Senator Barnes, that the Committee remove the management letter from the table. MOTION ADOPTED.

AUDITS - Continued:

Catherine Provencher, Director of Audits, Office of Legislative Budget Assistant presented the management letter and responded to questions of the Committee. Director Rick Wisler was also present to respond to questions of the Committee. (This management letter was accepted, released and placed on file at an earlier meeting of the Fiscal Committee.)

MISCELLANEOUS:

FIS 02-191 Department of Education - (This request was mailed to Fiscal Committee members after the initial mailing for the September meeting.) This request will be presented at this meeting and acted upon at the next meeting of the Fiscal Committee)

Paul Ezen, Deputy Commissioner, Department of Education gave the Committee an overview of this request on where the Department of Education is with the federal program No Child Left Behind. Mr. Ezen distributed copies of a final draft of a newsletter which was distributed to all superintendents, as well as an organizational detail which will facilitate the work plan for No Child Left Behind.

Lorraine Patusky from the Department of Education explained that the \$3.9 million was to purchase an accountability system for the state. This funding will be used for doing research and analysis; really looking in-depth at some of the structures that are in place and on-going planning in the Department.

Charles River Associates Update:

Michael Buckley, Legislative Budget Assistant gave the Committee an update on the status of the Charles River Associate contract. Mr. Buckley explained that the Chairman has signed a contract with the firm of KPMG to provide assistance testing to the state. This contract has two phases, during the first phase, KPMG will come to New Hampshire to talk with CRA and become familiar with the project, and the contract requirements. Based on their assessment of where we are in the proposal, they will tell us exactly what the testing should entail. Phase one is anticipated to cost approximately \$25,000. The second phase has a range because we do not know what that amount will be. KPMG will not begin phase two without the approval of the subcommittee, and they note that the phase two cost would run from \$50,000 for a highly targeted limited scope review to \$300,000 for an in-depth analysis.

Mr. Buckley further explained that one of the next steps being coordinated is that the training that the contract requires between CRA and the state requires two days of training before the acceptance period starts. That two days of training will actually be held over three days, and that training will begin October 9th to cover the 10th and the 11th; therefor, the acceptance period, which is 45 days long, will begin on the next business day, which would be October 14th. Therefor, our acceptance period will run most of October and November, and that's when we will use KPMG and be in a position to report back

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MISCELLANEOUS - Continued:

to this Committee in a more thorough way.

DATE OF NEXT MEETING AND ADJOURNMENT:

The next meeting of the Fiscal Committee will be held on Wednesday, October 16, 2002 at 9:00 a.m. in the Legislative Office Building, Room 210-211. (A meeting was also scheduled for November 20th.)

On a motion by Senator Barnes, seconded by Senator Klemm, that the meeting adjourn. MOTION ADOPTED.

Representative Kenneth Weyler, Clerk