

FISCAL COMMITTEE OF THE GENERAL COURT

MINUTES

October 28, 2011

The Fiscal Committee of the General Court met on Friday, October 28, 2011 at 10:00 a.m. in Room 210-211 of the Legislative Office Building.

Members in attendance were as follows:

Representative Ken Weyler, Chairman  
Representative John Reagan (Alternate)  
Representative Daniel McGuire  
Representative Stephen Stepanek  
Representative Sharon Nordgren (Alternate)  
Representative Neal Kurk (Alternate)  
Senator Chuck Morse  
Senator Jack Barnes (Alternate)  
Senate President Peter Bragdon  
Senator Sylvia Larsen  
Senator John Gallus  
Senator Raymond White (Alternate)

Chairman Weyler opened the meeting at 10:06 a.m.

ACCEPTANCE OF MINUTES:

On a motion by Representative Reagan, seconded by Representative McGuire, that the minutes of the September 23, 2011 be accepted as written. MOTION ADOPTED. (9-Yes, 1-Abstain)

OLD BUSINESS:

Office of Legislative Budget Assistant – Administrative Procedures. Tabled 12/29/10.  
No Action Taken.

FIS 11-274 Department of Information Technology – request for an extension to the October 1, 2011 requirement to present the consultant’s report on the MMIS system to the Fiscal Committee to December 31, 2011. Tabled 09/23/11. No Action Taken.

Michael Brown, Senior Assistant Attorney General, Department of Justice presented a handout (FIS 11-274 Additional Information) and updated the Committee regarding the meeting with counsel for Affiliated Computer Services, Inc. (ACS) regarding the Medicaid Management Information System (“MMIS”) contract, as requested by the Committee at the September 23, 2011 meeting.

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**

At the request of Representative McGuire FIS 11-277 Department of Environmental Services, FIS 11-298 Department of Justice and FIS 11-307 Office of Energy and Planning were removed from the Consent Calendar.

On a motion by Senator Bragdon, seconded by Representative Stepanek, that the Committee approve the remaining requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 11-278 Department of Environmental Services – accept and expend \$292,597, FIS 11-297 Department of Environmental Services – accept and expend \$50,100, FIS 11-299 Department of Safety – accept and expend \$86,605, FIS 11-306 Office of Energy and Planning – accept and expend \$70,204, FIS 11-312 Public Utilities Commission – accept and expend \$115,204]

FIS 11-277 Department of Environmental Services – Susan Carlson, Chief Financial Officer, and Mary Ann Tilton, Administrator, Department of Environmental Services responded to questions of the Committee.

On a motion by Senator Bragdon, seconded by Representative Nordgren, that the Committee approve the request of the Department of Environmental Services to accept and expend \$300,000. MOTION ADOPTED. (8-Yes, 2-No)

FIS 11-298 Department of Justice – Anne Edwards, Associate Attorney General, Tim Brackett, Criminal Justice Program Specialist, and Rosemary Faretra, Director of Administration, Department of Justice responded to questions of the Committee.

On a motion by Senator Bragdon, seconded by Senator Barnes, that the Committee approve the request of the Department of Justice to amend FIS 09-284, approved August 27, 2009, and subsequently amended by FIS 10-288, October 19, 2010, and further amended by FIS 11-197, approved July 15, 2011, by reallocating \$16,374 in federal funds through October 31, 2012 and to further accept and expend \$100,000 in federal funds through October 31, 2012. MOTION ADOPTED. (9-Yes, 1-No)

FIS 11-307 Office of Energy and Planning – Joanne Morin, Director, and Donna Raymond, Business Director, Office of Energy and Planning responded to questions of the Committee.

On a motion by Senator Bragdon, seconded by Representative Nordgren, that the Committee approve the request of the Office of Energy and Planning accept and expend \$95,646 in federal funds through June 30, 2012 and to further accept and expend \$305,405 in federal funds through September 29, 2012. 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:

**ARRA FUNDS CONSENT CALENDAR**

On a motion by Senator Larsen, seconded by Senator Bragdon, that the Committee approve the requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 11-308 Office of Energy and Planning – authorization to amend FIS 09-345, approved October 20, 2009, by reallocating \$4,865 in federal ARRA funds through September 9, 2012, FIS 11-309 Office of Energy and Planning – authorization to accept and expend \$90,000 in other ARRA funds through June 30, 2012]

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 11-269 Department of Education – On a motion by Senator Bragdon, seconded by Senator Gallus, that the Committee approve the request of the Department of Education to accept and expend \$589,551 of prior year carry-forward grant funds through June 30, 2012 and continue one (1) full-time temporary Program Specialist III position retroactive from July 1, 2011 through June 30, 2012 (FIS 10-231, approved July 20, 2010). MOTION ADOPTED.

FIS 11-279 New Hampshire Liquor Commission – Eddie Edwards, Director of Enforcement, Liquor Commission, responded to questions of the Committee.

On a motion by Representative Stepanek, seconded by Senator Barnes, that the Committee approve the request of the New Hampshire Liquor Commission to accept and expend \$399,168 in federal funds through June 30, 2013 and establish one (1) full-time Grants Program Coordinator position and one (1) part-time Secretary II position through June 30, 2013. 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 POSITIONS RESTRICTED:

ARRA FUNDS

FIS 11-316 Department of Employment Security – Tara Reardon, Commissioner, Department of Employment Security responded to questions of the Committee.

On a motion by Senator Larsen, seconded by Representative Nordgren, that the Committee approve the request of the Department of Employment Security to 1) amend FIS 10-154, approved May 18, 2010, by retroactively extending the end date from June 1, 2011 through December 31, 2011 and 2) accept and expend an additional \$58,000 in federal ARRA funds through December 31, 2011 and 3) amend FIS 10-154, approved May 18, 2010, by extending the end date of two (2) full-time temporary Labor Market Analyst II positions retroactively from June 1, 2011 through December 31, 2011 and 4) amend FIS 10-154, approved May 18, 2010, by reallocating \$33,396 in federal ARRA funds through December 31, 2011. 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 CHAPTER 224:203, LAWS OF 2011, DEPARTMENT BUDGETS; TRANSFER OF FEDERAL FUNDS:

FIS 11-313 Department of Employment Security – On a motion by Representative McGuire, seconded by Senator Barnes, that the Committee approve the request of the Department of Employment Security to accept and expend \$1,602,067 in federal funds through June 30, 2012 and transfer \$150,000 in federal funds through June 30, 2012. MOTION ADOPTED.

RSA 215-C:39, X REGISTRATION FEES:

FIS 11-300 Department of Resources and Economic Development – On a motion by Representative Stepanek, seconded by Senator Larsen, that the Committee approve the request of the Department of Resources and Economic Development to accept and budget \$394,902 in other funds through June 30, 2012. MOTION ADOPTED.

CHAPTER 223:3, LAWS OF 2011, ASSIGNMENT OF OFFICE SPACE:

FIS 11-321 Department of Administrative Services – On a motion by Representative McGuire, seconded by Representative Stepanek, that the Committee approve the request of the Department of Administrative Services to relocate the Office of Energy and Planning (OEP) offices from 4 Chenell Drive, Concord to Johnson Hall, 107 Pleasant Street, Concord by November 15, 2011. MOTION ADOPTED.

CHAPTER 224:14, II, LAWS OF 2011, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS:

FIS 11-301 Department of Health and Human Services – Nicholas Toumpas, Commissioner, Department of Health and Human Services responded to questions of the Committee.

On a motion by Senator Larsen, seconded by Senator Gallus, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$384,031 in federal funds through June 30, 2013. MOTION ADOPTED.

FIS 11-303 Department of Health and Human Services – On a motion by Senator Larsen, seconded by Senator Morse, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$119,630 in other funds through June 30, 2012. MOTION ADOPTED.

FIS 11-311 Department of Health and Human Services – On a motion by Senator Morse, seconded by Senator Barnes, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$599,347 in federal funds through August 31, 2012. MOTION ADOPTED.

FIS 11-314 Department of Health and Human Services – On a motion by Senator Larsen, seconded by Senator Morse, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$84,039 in federal funds through June 30, 2013. MOTION ADOPTED.

CHAPTER 224:14, II AND III, LAWS OF 2011, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS:

FIS 11-315 Department of Health and Human Services – On a motion by Senator Larsen, seconded by Representative Nordgren, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$233,860 in federal funds and transfer \$19,900 in federal funds through June 30, 2012. MOTION ADOPTED.

CHAPTER 224:14, II, LAWS OF 2011, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS AND CHAPTER 224:203, LAWS OF 2011, DEPARTMENT BUDGETS; TRANSFER OF FEDERAL FUNDS:

FIS 11-302 Department of Health and Human Services – On a motion by Senator Gallus, seconded by Senator Morse, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$13,901 in federal funds through June 30, 2012 and transfer \$84,000 in federal funds through June 30, 2012. MOTION ADOPTED.

CHAPTER 263:160, LAWS OF 2007, STATE EMPLOYEE HEALTH PLAN; APPLICATION AND RSA 21-I:30, I, MEDICAL AND SURGICAL BENEFITS:

FIS 11-318 Department of Administrative Services – On a motion by Representative Stepanek, seconded by Representative Kurk, that the Committee approve the request of the Department of Health and Human Services for approval of changes to the plan design of unrepresented active state employees who participate in the state health plans. MOTION ADOPTED. (9-Yes, 1-No)

MISCELLANEOUS:

FIS 11-322 House of Representatives – On a motion by Senator Barnes, seconded by Senator Morse, that the Committee table the request on behalf of the House Speaker that the Office of Legislative Budget Assistant conduct a complete financial audit of the New Hampshire Disaster Relief Fund (“NHDRF”) from inception to the present and a complete report on how NHDRF operated itself, determined distributions and followed-up on distributions. MOTION ADOPTED. (6-Yes, 4-No)

FIS 11-323 Office of Legislative Budget Assistant – Chapter 223:1, Laws of 2011 – On a motion by Representative Stepanek, seconded by Representative Nordgren, that the Committee approve the request of Office of Legislative Budget Assistant for changes to employee premium contribution amounts and health plan design for employees of the Office of Legislative Budget Assistant. MOTION ADOPTED. (9-Yes, 1-No)

INFORMATIONAL MATERIALS:

FIS 11-265 Department of Health and Human Services – Chapter 125, Laws of 2011 – Nicholas Toumpas, Commissioner, Department of Health and Human Services, presented an update and responded to questions of the Committee regarding the Medicaid Managed Care and Children’s Health Insurance Update, dated October 19, 2011.

The informational items were accepted and placed on file.

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 11-289 Insurance Department – Roger Sevigny, Commissioner, and Tyler Brannen, Health Care Policy Analyst, Insurance Department responded to questions of the Committee.

At the request of the Senate, the Committee recessed at 11:44 a.m. and reconvened at 12:00 noon.

On a motion by Representative Stepanek, seconded by Representative McGuire, that the Committee deny the request of the Insurance Department to accept and expend \$333,000 in federal funds through June 30, 2012 and further establish consultant positions in an amount not to exceed \$329,000 through June 30, 2012.

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

- Representative Weyler – Yes
- Representative McGuire – Yes
- Representative Stepanek – Yes
- Representative Nordgren – No
- Representative Reagan – Yes
- Senator Morse – No
- Senator Gallus – No
- Senator Larsen – No
- Senator White – No
- Senator Barnes – No

(4-Yes, 6-No) MOTION FAILED.

On a motion by Representative Stepanek, seconded by Representative McGuire, that the Committee table the request of the Insurance Department to accept and expend \$333,000 in federal funds through June 30, 2012 and further establish consultant positions in an amount not to exceed \$329,000 through June 30, 2012.

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

Representative Weyler – Yes  
Representative McGuire – Yes  
Representative Stepanek – Yes  
Representative Nordgren – No  
Representative Reagan – Yes  
Senator Morse – No  
Senator Gallus – No  
Senator Larsen – No  
Senator White – No  
Senator Barnes – No

(4-Yes, 6-No) MOTION FAILED.

On a motion by Senator Larsen, seconded by Senator White, that the Committee approve the request of the Insurance Department to accept and expend \$333,000 in federal funds through June 30, 2012 and further establish consultant positions in an amount not to exceed \$329,000 through June 30, 2012.

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

Representative Weyler – No  
Representative McGuire – No  
Representative Stepanek – No  
Representative Nordgren – Yes  
Representative Reagan – No  
Senator Morse – Yes  
Senator Gallus – Yes  
Senator Larsen – Yes  
Senator White – Yes  
Senator Barnes – Yes

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

FIS 11-305 Insurance Department – Roger Sevigny, Commissioner, and Tyler Brannen, Health Care Policy Analyst, Insurance Department responded to questions of the Committee.

On a motion by Senator Bragdon, seconded by Senator Gallus, that the Committee approve the request of the Insurance Department to accept and expend \$1,000,000 in federal funds for FY 2012 through June 30, 2012 and establish one (1) part-time temporary Grants & Contracts Technician position and one (1) consultant position through June 30, 2012. MOTION ADOPTED. (8-Yes, 2-No)

INFORMATIONAL:

FIS 11-296 National State Auditors Association – William Mitchell, Financial Audit Supervisor, Office of Legislative Budget Assistant, Audit Division, responded to questions of the Committee regarding the review of the system of quality control of the State of New Hampshire, Office of Legislative Budget Assistant in effect for the period July 1, 2010-June 30, 2011.

John Beardmore, Budget Director, Office of the Governor, updated the Committee on the status of the \$50 million required classified personnel savings and will present a full briefing to the Committee on the plan at the next meeting. Mr. Beardmore also updated the Committee on the \$35 million DSH audit and the State's appeal or request for reconsideration, which was denied, at the Department Appeals Board at the Federal HHS.

ADJOURNMENT:

The next regular meeting of the Fiscal Committee was set for Friday, December 2, 2011 at 10:00 a.m.

On a motion by Senator Bragdon, seconded by Senator White, that the meeting adjourn.  
MOTION ADOPTED. (Whereupon the meeting adjourned at 12:36 p.m.)

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Representative Beverly Rodeschin, Clerk