

FISCAL COMMITTEE OF THE GENERAL COURT  
MINUTES

February 5, 2010

The Fiscal Committee of the General Court met on Friday, February 5, 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 Neal Kurk  
Representative Daniel Eaton, Alternate  
Representative Douglas Scamman  
Representative Robert Foose  
Representative Fran Wendelboe, Alternate  
Senator Lou D'Allesandro  
Senate President Sylvia Larsen  
Senator Kathleen Sgambati  
Senator Peter Bragdon  
Senator Robert Odell, Alternate

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

ACCEPTANCE OF MINUTES:

On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the minutes of the January 8, 2010 meeting be accepted as written. MOTION ADOPTED.

On a motion by Senator D'Allesandro, seconded by Representative Eaton, that the minutes of the January 22, 2010 meeting be accepted as written. MOTION ADOPTED.

NEW BUSINESS:

RSA 9:16-a. TRANSFERS AUTHORIZED:

**CONSENT CALENDAR**

On a motion by Senator D'Allesandro, seconded by Representative Foose, that the Committee approve the request on the agenda under this section as submitted. MOTION ADOPTED. [FIS 10-036 Department of Administrative Services – transfer \$183,000 and \$50,000, for a total of \$233,000]

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 Eaton, seconded by Senator D'Allesandro, that the Committee approve the requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 10-025 Department of Corrections – accept and expend \$273,055, FIS 10-026 Department of Resources and Economic Development – accept and expend \$104,400.93, FIS 10-027 Department of Safety – accept and expend \$111,863, FIS 10-037 Department of Safety – accept and expend \$2,321,422, FIS 10-047 Department of Justice – accept and expend \$184,231, FIS 10-055 Office of Energy and Planning – accept and expend \$7,916,911.59]

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:

ARRA FUNDS

FIS 10-038 Department of Justice – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Justice to accept and expend \$98,000 in other ARRA funds (Department of Justice sub-grant) through April 30, 2011 and establish one (1) part-time temporary Program Specialist IV position through April 30, 2011. MOTION ADOPTED.

FIS 10-046 Department of Administrative Services – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Administrative Services to accept and expend \$10,173 in other ARRA funds (from Office of Energy and Planning) through June 30, 2011 and establish one (1) part-time temporary Data Entry Operator II position through June 30, 2011. MOTION ADOPTED.

RSA 7:12 ASSISTANTS:

FIS 10-048 Department of Justice – Orville B. Fitch, Deputy Attorney General, and Rosemary Faretra, Director of Administration, Department of Justice presented the request and responded to questions of the Committee.

On a motion by Representative Foose, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Justice to expend a sum not to exceed \$400,000 from funds not otherwise appropriated for the purpose of covering projected shortfalls for general litigation expenses through June 30, 2010. MOTION ADOPTED.

The Committee requested that the Department report on settlement funds not accounted for in the budget.

RSA 9:16-a, TRANSFERS AUTHORIZED AND RSA 14:30-a, VI FISCAL COMMITTEE APPROVAL REQUIRED FOR ACCEPTANCE AND EXPENDITURE OF FUNDS OVER \$50,000 FROM ANY NON-STATE SOURCE:

FIS 10-051 Department of Transportation – On a motion by Senator D'Allesandro, seconded by Representative Eaton, that the Committee approve the request of the Department of Transportation to transfer \$40,000 in each of the fiscal years 2010 and 2011 and accept and expend \$47,000 in federal funds in each of the fiscal years 2010 and 2011. MOTION ADOPTED.

FIS 10-053 Department of Transportation – On a motion by Senator D'Allesandro, seconded by Representative Eaton, that the Committee approve the request of the Department of Transportation to transfer \$560,000 and accept and expend \$224,000. MOTION ADOPTED.

RSA 206:33-b TRANSFERS FROM FISH AND GAME FUND AND RSA 124:15 POSITIONS RESTRICTED:

FIS 10-029 New Hampshire Fish and Game Department – Glenn Normandeau, Director, and Kathy LaBonte, Business Manager, New Hampshire Fish and Game Department presented the request and responded to questions of the Committee.

On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the New Hampshire Fish and Game Department to transfer \$125,600 from the Fish and Game Fund Reserve Account to the Fish and Game FY 2010 Operating Budget and establish one (1) part-time Stock Clerk III position through June 30, 2011. MOTION ADOPTED.

RSA 604-A:1-b ADDITIONAL FUNDING:

FIS 10-030 Judicial Council – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Judicial Council to receive \$400,000 in additional General Funds from funds not otherwise appropriated through June 30, 2011. MOTION ADOPTED.

CHAPTER 143:16, LAWS OF 2009, APPROPRIATION; STATE MATCHING FUNDS FOR FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD MITIGATION ASSISTANCE GRANTS:

FIS 10-039 Department of Safety – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Safety to pay \$489,078 in state matching funds to the Town of Allentown as a result of the May 2006 and April 2007 floods. MOTION ADOPTED. (9-Yes, 1-No)

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

FIS 10-040 Department of Health and Human Services – 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 \$199,960. MOTION ADOPTED.

FIS 10-041 Department of Health and Human Services – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$100,000. 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 10-059 Department of Health and Human Services – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$224,340 in federal grant funds through June 30, 2010 and transfer \$4,066 between classes. MOTION ADOPTED.

FIS 10-060 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 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 \$480,429 in Supplemental Nutrition Assistance Program (SNAP) high performance bonus funds through June 30, 2010 and transfer \$360,000 in general funds. MOTION ADOPTED.

CHAPTER 144:39, II, LAWS OF 2009, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS AND RSA 14:30-a, VI FISCAL COMMITTEE APPROVAL REQUIRED FOR ACCEPTANCE AND EXPENDITURE OF FUNDS OVER \$50,000 FROM ANY NON-STATE SOURCE:

FIS 10-031 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 Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$71,347.52 in other funds through May 31, 2010 and authorization for the Department of Environmental Services to accept and expend \$71,347.52 in other funds through May 31, 2010. MOTION ADOPTED.

CHAPTER 144:181, LAWS OF 2009, DEPARTMENT OF INFORMATION TECHNOLOGY; TRANSFERS AMONG ACCOUNTS:

FIS 10-042 Department of Information Technology – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Information Technology to transfer \$220,476 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 10-028 Department of Safety – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Safety to expend \$479,610.01 in State Matching Funds for Federal Emergency Management Agency Public Assistance Grants for the amounts of: \$172,479.66 for the May 2006 Floods; \$147,947.30 for the April 2007 Floods; \$11,454.50 for the July 2008 Tornado; \$126,747.77 for the July-August 2008 Floods; \$7,074.86 for the September 2008 Flood and \$13,905.92 for the September 2008 Flood. MOTION ADOPTED.

LATE ITEMS:

FIS 10-058 Department of Health and Human Services – 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 additional general funds in the amount of \$877,465.10, and transfer \$935,784 in general funds, and further accept and expend \$1,219,087.44 in federal matching funds and \$282,367.55 in additional federal ARRA funds through June 30, 2010. MOTION ADOPTED.

FIS 10-061 Department of Health and Human Services – Nicholas Toumpas, Commissioner, Stephen Mosher, Administrator, Financial Support Services, and Nancy Rollins, Associate Commissioner, Department of Health and Human Services 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 transfer \$1,000,000 in general funds, transfer \$665,390 in federal funds and accept and expend \$335,610 in additional federal funds through June 30, 2010. MOTION ADOPTED.

FIS 10-062 Office of Economic Stimulus – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Office of Economic Stimulus to amend FIS 09-240, approved June 30, 2009, as amended by FIS 09-353, approved October 20, 2009, by realigning \$178,935 between classes and fiscal years in federal FY 2009 ARRA State Fiscal Stabilization Funds (SFSF) through September 30, 2011 and establish one (1) full-time temporary Reporting and Transparency Administrator position and one (1) full-time temporary Reporting Analyst position through September 30, 2011. MOTION ADOPTED.

INFORMATIONAL MATERIALS:

Chairman Smith read a letter addressed to the Fiscal Committee from the Office of the Governor, dated February 5, 2010, regarding increasing demands for core services and the Department of Health and Human Services strategy for addressing those increased demands.

Nicholas Toumpas, Commissioner, Department of Health and Human Services, addressed the Committee regarding the Department's efforts to meet the projected shortfalls. Handed out was a copy of an e-mail the Commissioner sent February 4, 2010 at 5:09 p.m. to House and Senate Republican and Democratic leadership, the chair of Finance and the chairs of policy committees, which included an attached Cost Reduction Financial Planning Document SFY10 & SFY11 as of February 5, 2010 spreadsheet to list other measures being considered.

FIS 10-056 Department of Health and Human Services – Nicholas Toumpas, Commissioner, and Maryann Cooney, Deputy Commissioner, Department of Health and Human Services responded to questions of the Committee regarding the informational letter, dated January 27, 2010, pertaining to the increase in parental co-payments for child care that are being enacted to address funding shortfalls. Dague Clark, Administrator, Division of Children, Youth and Families, was also present to respond to questions of the Committee.

The informational items were accepted and placed on file.

AUDITS:

State of New Hampshire, Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2009 and KPMG letter dated January 22, 2010 – Corrected and Uncorrected Misstatements of the basic financial statements of the State of New Hampshire for the year ended 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, Edgar Carter, State Comptroller, and Stephen Smith, Administrator, Department of Administrative Services, presented the report and responded to questions of the Committee.

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

State of New Hampshire, Lottery Commission, Management Letter For the Fiscal Year Ended June 30, 2009 – Richard Mahoney, Director of Audits, and Kimberly Seamans, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant, presented the report and responded to questions of the Committee. Rick Wisler, Executive Director, and Richard Campbell, Chairman, of the Lottery Commission were present to respond to questions of the Committee. Also responding to questions of the Committee was Orville B. Fitch, Deputy Attorney General, Department of Justice.

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

State of New Hampshire, Road Toll Bureau, Financial Audit Report For the Fiscal Year Ended June 30, 2009 – Richard Mahoney, Director of Audits, and Jean Mitchell, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant, presented the report and responded to questions of the Committee. Also present to respond to questions of the Committee were Wesley Colby, Director of Administration, and Scott Bryer, Administrator, Road Toll Bureau, Department of Safety.

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

ADJOURNMENT:

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

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Representative Neal Kurk, Clerk