

FISCAL COMMITTEE OF THE GENERAL COURT  
MINUTES  
April 19, 2007

The Fiscal Committee of the General Court met on Thursday, April 19, 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 Frederick King  
Representative Peter Franklin  
Representative Daniel Eaton, Alternate  
Representative Kenneth Weyler, Alternate  
Senator Lou D'Allesandro, Vice-Chairman  
Senate President Sylvia Larsen  
Senator Kathleen Sgambati  
Senator Theodore Gatsas  
Senator John Gallus

Chairman Smith opened the meeting at 9:20 a.m.

ACCEPTANCE OF MINUTES:

On a motion by Representative Eaton, seconded by Representative Franklin, that the minutes of the March 16, 2007 meeting be accepted as written. MOTION ADOPTED.

OLD BUSINESS:

At the request of the committee, an update was presented on the status of the Enterprise Resource Planning (ERP) Project, by Joseph Bouchard, Assistant Commissioner, Department of Administrative Services and Ron Jobel, Project Manager for the New Hampshire First ERP Project.

FIS 07-009 Department of Administrative Services – request an extension of the filing deadline of the FY 2006 Audited Comprehensive Annual Financial Report Tabled 1/17/07. On a motion by Representative Eaton, seconded by Representative Franklin, that this request be removed from the table. MOTION ADOPTED.

On a motion by Representative Kurk, seconded by Senator D'Allesandro, that the request from the Department of Administrative Services for an extension deadline of the FY 2006 Audited Comprehensive Annual Financial Report be denied. MOTION ADOPTED.

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. The Chairman stated the need to develop a long-term proposal to be brought to the next meeting. No action taken.

FIS 07-061 Department of Safety – transfer \$253,950 and approval to establish one Executive Secretary, one Supervisor V, and four Mechanical Inspector positions through June 30, 2007. Tabled 3/16/07. On a motion by Representative Kurk, seconded by Representative King, that this request be removed from the table. MOTION ADOPTED.

On a motion by Representative Kurk, seconded by Representative Eaton, that the request from the Department of Safety to transfer \$253,950 and approval to establish one Executive Secretary, one Supervisor V, and four Mechanical Inspector positions through June 30, 2007 be denied. MOTION ADOPTED.

FIS 07-076 Department of Transportation – joint request with the Department of Safety – authorization to transfer \$70,006 to the Department of Safety and further authorize the Department of Safety to accept and expend \$70,006 and authorize approval for the Department of Safety to establish full-time temporary positions for one Program Assistant I, one Data Control Clerk II and one Secretary II, and one 29 hour per week temporary Secretary II through June 30, 2007. Tabled 3/16/07. On a motion by Representative Eaton, seconded by Senator Larsen, that this request be removed from the table. MOTION ADOPTED.

Earl Sweeney, Assistant Commissioner, Department of Safety and Charles P. O’Leary, Commissioner, Department of Transportation, responded to questions of the Committee.

On a motion by Representative Eaton, seconded by Representative Kurk, that the request from the Department of Safety to transfer \$70,006 to the Department of Safety and further authorize the Department of Safety to accept and expend \$70,006 and authorize approval for the Department of Safety to establish full-time temporary positions for one Program Assistant I, one Data Control Clerk II and one Secretary II, and one 29 hour per week temporary Secretary II through June 30, 2007 be denied. MOTION ADOPTED.

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

Item FIS 07-119 Department of Safety – transfer \$540,000 was removed from the Consent Calendar at the request of Representative King.

On a motion by Representative Eaton, seconded by Representative Franklin, that the Committee approve the remainder of the requests on the agenda under this section as submitted. MOTION ADOPTED. (FIS 07-098 New Hampshire Fish and Game Department – transfer \$35,000, FIS 07-099 Liquor Commission – transfer \$123,500, FIS 07-118 New Hampshire Retirement System – transfer \$165,000)

FIS 07-119 Department of Safety – Wesley J. Colby, Director of Administration, responded to questions of the Committee.

On a motion by Representative King, seconded by Representative Eaton, that the Committee approve the request of the Department of Safety to transfer \$540,000. 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 - CONSENT CALENDAR:

Item FIS 07-101 Office of Energy and Planning – accept and expend \$2,806,662.28 in federal funds was removed from the Consent Calendar at the request of Representative Kurk.

On a motion by Representative King, seconded by Senator D'Allesandro, that the Committee approve the remainder of the requests on the agenda under this section as submitted. MOTION ADOPTED. (FIS 07-083 Department of Environmental Services – accept and expend \$140,000 prior year carry forward funds, FIS 07-084 Department of Safety – accept and expend \$53,690, FIS 07-085 Department of Environmental Services – accept and expend \$82,500, FIS 07-100 Department of Cultural Resources – accept and expend \$75,000 prior year unexpended funds, FIS 07-102 Department of Environmental Services – accept and expend \$855,431 prior year carry forward funds, FIS 07-107 Department of Justice - amend the grant award termination date from May 31, 2007 to June 30, 2007, with no increase in funding (approved FIS 06-129 May 5, 2006), FIS 07-110 Treasury Department – accept and expend \$225,000 FY 2007 additional program revenues through June 30, 2007, FIS 07-112 Department of Environmental Services - amend a grant by reallocating \$40,320 (approved FIS 06-245 September 19, 2006), FIS 07-113 Department of Justice – amend the grant award termination date from May 31, 2007 to June 30, 2007, with no increase in funding (approved FIS 07-035 February 16, 2007), FIS 07-122 Department of Safety – amend a grant by reallocating \$19,780 (approved FIS 05-261 December 22, 2005), FIS 07-123 Department of Safety – amend a grant by reallocating \$5,125 (approved FIS 05-259 December 22, 2005 and subsequently amended FIS 06-275 September 19, 2006))

FIS 07-101 Office of Energy and Planning – Amy Ignatius, Director, and Donna M. Raymond, Business Director, from the Office of Energy and Planning responded to questions of the Committee.

On a motion by Senator Larsen, seconded by Representative Kurk, that the Committee approve the request of the Office of Energy and Planning to accept and expend \$2,806,662.28 in federal funds. 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 07-124 Department of Safety – On a motion by Representative Kurk, seconded by Representative King, that the Committee approve the request of the Department of Safety to retroactively amend a grant by extending the completion date from September 30, 2006 to June 30, 2007 and reallocating \$2,456.92 through June 30, 2007 (approved FIS 05-177 September 21, 2005). MOTION ADOPTED.

RSA 21-P:12-d, FIRE STANDARDS AND TRAINING AND EMERGENCY MEDICAL SERVICES FUND:

FIS 07-120 Department of Safety, Division of Fire Safety – On a motion by Representative Eaton, seconded by Representative King, that the Committee approve the request of the Department of Safety to transfer \$68,500 from the Fire and Emergency Medical Services Fund for anticipated additional benefits and overtime needed for FY 2007 through June 30, 2007. MOTION ADOPTED.

FIS 07-121 Department of Safety, Division of Fire Standards and Training and Emergency Medical Services – On a motion by Representative Eaton, seconded by Representative King, that the Committee approve the request of the Department of Safety to transfer \$30,000 from the Fire Standards and Training and Emergency Medical Services Fund for anticipated additional cost of utilities needed for FY 2007 through June 30, 2007. MOTION ADOPTED.

RSA 188-F:14-c REGIONAL COMMUNITY-TECHNICAL COLLEGES; NONLAPSING ACCOUNT:

FIS 07-095 New Hampshire Community Technical College System – On a motion by Representative Franklin, seconded by Senator D'Allesandro, that the Committee approve the request of the New Hampshire Community Technical College System to transfer \$50,000 from its non-lapsing account for the purpose of furnishing the recently constructed Claremont Library addition. MOTION ADOPTED.

RSA 215-A:23, IX OFF HIGHWAY RECREATIONAL VEHICLES AND TRAILS; REGISTRATION FEES:

FIS 07-117 Department of Resources and Economic Development, Trails Bureau – Christopher Gamache, Chief Supervisor, Trails Bureau, presented the request and responded to questions of the Committee.

On a motion by Representative King, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Resources and Economic Development to budget and expend in FY 2007 \$54,606.56 of FY 2006 excess registration fees. MOTION ADOPTED.

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

FIS 07-108 Department of Safety, Homeland Security and Emergency Management – On a motion by Representative Eaton, seconded by Representative King, that the Committee approve the request of the Department of Safety to expend \$608,385.36 in State Matching Funds for Federal Emergency Management Agency Disaster Assistance Grants resulting from the floods of October 2005. MOTION ADOTPED.

CHAPTER 177:1, LAWS OF 2005 TRANSFERS AMONG ACCOUNTS; OFFICE OF INFORMATION TECHNOLOGY:

FIS 07-103 Office of Information Technology – On a motion by Representative Franklin, seconded by Senator D'Allesandro, that the Committee approve the request of the Office of Information Technology to transfer \$18,282. MOTION ADOTPED.

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

FIS 07-104 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 carryover balances in the amount of \$430,554 from the previous fiscal year from the United States Department of Justice, Office of Juvenile Justice and Delinquency Prevention through June 30, 2007. MOTION ADOPTED.

CHAPTER 177:4, II, LAWS OF 2005 DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS AND RSA 186-C:20, II SPECIAL EDUCATION PROGRAM OF THE YOUTH SERVICES CENTER:

FIS 07-109 Department of Health and Human Services, Tobey School – James Fredyma, Controller, Department of Health and Human Services, and Joseph Arcidiacono, Director, Tobey School, presented the request and responded to questions of the Committee.

On a motion by Senator Gatsas, seconded by Representative Kurk, that the Committee table the request of the Department of Health and Human Services to allocate and expend agency income in the amount of \$391,413 for renovations of space at the Thayer Building through June 30, 2007. MOTION FAILED (4-Yes, 6-No)

On a further motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Health and Human Services to allocate and expend agency income in the amount of \$391,413 for renovations of space at the Thayer Building through June 30, 2007. MOTION ADOPTED (7-Yes, 3-No)

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

FIS 07-070 Department of Health and Human Services – James Fredyma, Controller, Department of Health and Human Services, and Mary Ann Cooney, Director, Division of Public Health Services, presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the Committee approve the request of the Department of Health and Human Services to accept and expend additional unrestricted revenues in the amount of \$927,000 for Glenclyff Home for the Elderly, Board and Care/Medicaid ICF, additional restricted revenues in the amount of \$70,030 federal Child Support Incentive Funds, and additional restricted revenues in the amount of \$50,000 federal training funds for the Division for Children, Youth and Families. Further authorize the transfer of \$74,925 of additional unrestricted revenues and authorize the transfer and allocation of \$258,408 of general funds among Department of Health and Human Services accounts. MOTION ADOPTED.

CHAPTER 177:117, LAWS OF 2005 DEPARTMENT OF HEALTH AND HUMAN SERVICES; RATE SETTING:

FIS 07-111 Department of Health and Human Services, Office of Medicaid Business and Policy – James Fredyma, Controller, Department of Health and Human Services, and Marilee Nihan, Financial Manager, Office of Medicaid Business and Policy, presented the request and responded to questions of the Committee.

On a motion by Senator Sgambati, seconded by Representative Eaton, that the Committee table the request of the 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). MOTION ADOPTED.

On a further motion by Senator Larsen, seconded by Senator D'Allesandro, that the Committee requires that, as a result of tabling FIS 07-111, this most recent motion, the Department of Health and Human Services not undertake any change in reimbursement policies and rates and related billing instructions used by the Department in connection with the Medicaid reimbursement being paid to hospitals and hospital owned physician practices for outpatient services. Accordingly, with the adoption of this motion, the Committee instructs the Department of Health and Human Services not to make any change in the Medicaid reimbursement rates and related billing instructions for physician based outpatient services until the Fiscal Committee takes affirmative action on this requested action. Further, the Committee requires and requests the Commissioner to appear in person, on this next item, at its next meeting and provide all requested information. NO ACTION TAKEN.

On an **amended motion** by Senator Larsen, seconded by Senator D'Allesandro, that the Committee **requests** the Department of Health and Human Services not to make any change in Medicaid reimbursement rates and related billing instructions for physician outpatient services until the Fiscal Committee takes affirmative action on this requested action, and that the Committee request the Commissioner to appear before them, on this item, at their next meeting and provide requested information. MOTION ADOPTED (6-Yes, 4-No)

LATE ITEMS:

FIS 07-128 Department of Corrections simultaneously with FIS 07-129 Department of Justice – William Wrenn, Commissioner; Robert Mullen, Director, Department of Corrections, and Orville B. Fitch, Deputy Attorney General, Department of Justice presented the request and responded to questions of the Committee jointly.

On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee simultaneously approve the request for the Department of Corrections to transfer \$340,930.72 between classes in order to modify a grant; accept and expend \$782,412.37 received from the US Department of Justice, Bureau of Justice Assistance and to enter into a sub-grant with the New Hampshire Department of Justice in the amount of \$1,470,686.09 to support offender reentry in the Manchester area through June 30, 2007 and approve the request of the Department of Justice to accept and expend a sub-grant of \$1,470,686.09 from the New Hampshire Department of Corrections. MOTION ADOPTED.

FIS 07-125 Department of Resources and Economic Development – Kenneth Plourde, Administrator, Business Office, presented the request and responded to questions of the Committee.

On a motion by Representative King, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Resources and Economic Development for rate changes for Cannon Mountain. MOTION ADOPTED.

INFORMATIONAL MATERIALS:

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, 2006 – Stephen Smith, Director, Bureau of Financial Reporting, Department of Administrative Services, Karen Farrell, Manager, and Shawn Warren, Partner, representing KPMG presented the reports and responded to questions of the Committee.

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

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 – On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee accept and place on file the two reports from the Liquor Commission and, due to meeting time constraints, requested that the Liquor Commission return for discussion at the next meeting. MOTION ADOPTED.

ADJOURNMENT:

The next regular meeting of the Fiscal Committee was set for Tuesday, May 15, 2007.  
(Whereupon the meeting adjourned)

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Representative Neal Kurk, Clerk