

FISCAL COMMITTEE OF THE GENERAL COURT
MINUTES
August 17, 2005

The Fiscal Committee of the General Court met on Wednesday, August 17, 2005 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 Christopher Pappas
Representative Peter Franklin
Senator Thomas Eaton
Senator Robert Clegg
Senator Robert Odell
Senator Sylvia Larsen

Chairman King opened the meeting at 9:05 a.m.

ACCEPTANCE OF MINUTES:

On a motion by Senator Eaton, seconded by Representative Hager, that the minutes of the July 20, 2005 meeting be accepted as written.
MOTION ADOPTED.

OLD BUSINESS:

Update from Commissioner Murray on the Finance Director position at the Department of Transportation - Commissioner Carol Murray and William Watson, Finance and Contracts Administrator reported that a supplemental job description/organizational chart package was sent to the Division of Personnel for their review and approval so that the Department can move forward with advertising and filling this position. Commissioner Murray thanked Mike Buckley for his input on the job description.

Organizational charts, description of functions and utilization of space from the Commissioner of Transportation and the Department of Administrative Services relative to the transfer of all personnel in PAU 04-01-04-02 Public Works Bureau - Commissioner Murray explained that the Public Works Bureau personnel were still physically located within the Department of Transportation headquarters building on Hazen Drive, but she believes that it is important for them to be fully integrated into the Department of Administrative Services.

Commissioner Murray further explained that she has a Memorandum of Understanding between the two departments. She expects to sign the final agreement today, which is the final step in working out the details on how things are going to function.

Commissioner Donald Hill and Michael Connor, Director of Plant and Property, Department of Administrative Services distributed copies

of an organizational chart on how the public works employees are going to fit into the Department of Administrative Services, as well as a copy of the fiscal note for HB 644, which was the legislation that was enacted making the transfer of these employees from the Department of Transportation to the Department of Administrative Services. Commissioner Hill and Mr. Connor also responded to questions of the Committee.

Commissioner Hill explained that eventually he would like to see all the employees moved to one location under his agency but at this point it is not practical.

Update from Commissioner Murray on the status of the Highway Surplus Account - Commissioner Murray stated that she has been in discussion with LBA and the Department of Administrative Services on the status of the Highway Fund. Some of those discussions included how are we going to separate the money that is encumbered and how are we going to report it. Commissioner Murray further stated that she hopes to report back to this Committee by September 30th and that they should be able to report on the two types of funds in the account - cash on hand that's committed and cash on hand that is available.

William Watson explained that the two accounts that they are looking to develop, which has always been the Department's issue with the way that their budget has been set up, is that they have an operating piece of the budget and a capital piece of the budget, and the encumbrances that the Commissioner is referring to always happens with the capital piece of the budget; although it has never been designated as that, or set up as a capital budget within their budget process. The bottom line is to identify what the Department's operating funds to run the Department on the day-to-day basis, and what are those capital funds that make up the projects that they advertise for construction, the consultants that they hire to complete the design of those projects and those related costs.

Michael Buckley, Legislative Budget Assistant stated that he has a full team that's doing an audit of the Department of Transportation, and then on a separate track he has a cooperation going on from DOT, LBA and Administrative Services in accordance with the law to look at how the Highway Fund is reported. The law requires this group of three agencies report to the Fiscal Committee every 90 days.

Mr. Buckley further stated that the DOT project accounting system appears to be much older and very antiquated than the state's budget system and accounting system.

RSA 124:15 POSITIONS RESTRICTED - CONSENT CALENDAR:

FIS 05-148 Fish and Game Department - On a motion by Representative Stone, seconded by Representative Hager, that the Committee approve the request from the Fish and Game Department to establish five (5) Laborer positions through June 30, 2006. MOTION ADOPTED.

CHAPTER 176:4, LAWS OF 2005 LOTTERY COMMISSION; AUTHORITY GRANTED:

FIS 05-138 Lottery Commission - On a motion by Senator Eaton, seconded by Senator Larsen, that the Committee approve the request from the Lottery Commission for authorization to purchase instant tickets through June 30, 2006, in an amount not to exceed \$2,300,000. MOTION ADOPTED.

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

FIS 05-136 Department of Health and Human Services, Developmental Disabilities Council - On a motion by Representative Hager, seconded by Representative Franklin, that the Committee approve the request from the Department of Health and Human Services, Developmental Disabilities Council to accept and expend \$272,810.38. 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:

FIS 05-132 Department of Education - Dr. Lyonel Tracy, Commissioner presented the request and responded to questions of the Committee.

On a motion by Representative Hager, seconded by Senator Larsen, that the Committee approve the request from the Department of Education to accept and expend \$250,000. MOTION ADOPTED.

FIS 05-137 Department of Justice - Kelly Ayotte, Attorney General and Linda Hodgdon, Business Administrator, Department of Justice presented the request and responded to questions of the Committee.

On a motion by Representative Hager, seconded by Senator Morse, that the Committee approve the request from the Department of Justice to accept and expend \$353,691. MOTION ADOPTED.

FIS 05-145 Department of Safety, Office of the Commissioner - Commissioner Richard Flynn and Wesley Colby, Director of Administration presented the request and responded to questions of the Committee.

On a motion by Senator Eaton, seconded by Representative Hager, that the Committee approve the request from the Department of Safety, Office of the Commissioner to accept and expend \$500,000. 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 AND RSA 124:15 POSITIONS RESTRICTED:

FIS 05-131 Department of Education, Division of Adult Learning and Rehabilitation - On a motion by Representative Hager, seconded by Senator Larsen, that the Committee approve the request from the

Department of Education, Division of Adult Learning and Rehabilitation to accept and expend \$234,634, and establish one Program Specialist IV position through June 30, 2007. MOTION ADOPTED.

FIS 05-143 Department of Corrections - Robert Mullen, Director Administration presented the request and responded to questions of the Committee.

On a motion by Representative Hager, seconded by Senator Larsen, that the Committee approve the request from the Department of Corrections to accept and expend \$241,040.42, and establish a Program Assistant position and consultants through September 30, 2006. MOTION ADOPTED.

FIS 05-149 Department of Justice/Insurance Department - Kelley Ayotte, Attorney General, Linda Hodgdon, Business Administrator, Department of Justice and Roger Sevigny, Commissioner, Insurance Department presented the request and responded to questions of the Committee.

On a motion by Representative Hager, seconded by Senator Larsen, that the Committee approve the request from the Department of Justice/Insurance Department to accept and expend \$186,480, and establish an unclassified Attorney position through June 30, 2007. MOTION ADOPTED.

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

FIS 05-146 Department of Safety, Division of Motor Vehicles - Commissioner Richard Flynn presented the request and responded to questions of the Committee.

On a motion by Senator Clegg, seconded by Representative Pappas, that the Committee approve the request from the Department of Safety, Division of Motor Vehicles to transfer \$203,768.40 from the Highway Surplus Account, and establish three (3) Cash Terminal Operator positions through June 30, 2007. MOTION ADOPTED.

RSA 228:69, I(b) APPROPRIATION AND USE OF SPECIAL RAILROAD FUND:

FIS 05-128 Department of Transportation - Christopher Morgan, Administrator, Rail & Transit presented the request and responded to questions of the Committee.

On a motion by Senator Eaton, seconded by Senator Larsen, that the Committee approve the request from the Department of Transportation for authorization to expend \$200,000 from the Special Railroad Fund for engineering, culvert installation and slope reconstruction at three locations on the state-owned Concord-Lincoln Railroad line. MOTION ADOPTED.

INFORMATIONAL MATERIALS:

The informational items were accepted and placed on file.

LATE INFORMATIONAL ITEMS:

FIS 05-151 Department of Health and Human Services dated 8/9/05 and Letter from Commissioner Stephen dated 8/8/05 - Commissioner John Stephen, Dague Clark, Financial Manager and Stephen Norton, Director, Medicaid Business & Policy presented the update and discussion of the issues regarding the establishment and implementation of the New Hampshire pharmaceutical assistance program pursuant to Chapter 294, Laws of 2005, and responded to questions of the Committee.

Chairman King thanked Mr. Norton for his service, the work he did during the legislative session, and wished him luck in his new position.

AUDIT:

State of New Hampshire Employee Benefit Fund Financial and Compliance Audit Report For the Fiscal Year Ended June 30, 2004 - Catherine Provencher, Director of Audits, Office of Legislative Budget Assistant presented the report, and responded to questions of the Committee. Commissioner Donald Hill, Department of Administrative Services was also present to respond to questions.

(This report was accepted, released and placed on file at the June 15, 2005 meeting of the Fiscal Committee.)

DATE OF NEXT MEETING AND ADJOURNMENT:

The next meeting of the Fiscal Committee will be on Wednesday, September 21, 2005 at 9:00 a.m. (Future meeting dates were also set for Wednesday, October 19, 2005 and Wednesday, November 16, 2005.

On a motion by Senator Larsen, seconded by Representative Hager, that the Committee adjourn. MOTION ADOPTED.

Representative Joseph Stone, Clerk