

JOINT FISCAL COMMITTEE

Legislative Office Building, Rooms 210-211

Concord, NH

Friday, February 17, 2012

MEMBERS PRESENT:

Rep. Ken Weyler (Chairman)
Rep. Beverly Rodeschin
Rep. Dan McGuire
Rep. Stephen Stepanek
Rep. Randy Foose
Sen. Chuck Morse
Sen. President Peter Bragdon
Sen. Bob Odell
Sen. Sylvia Larsen
Sen. John Gallus

(Convened at 10:07 a.m.)

(1) Acceptance of Minutes of the January 20, 2012 meeting

CHAIRMAN WEYLER: Good morning, Ladies and Gentlemen. I'll call the Fiscal Committee meeting to order for the 17th of February, and I will entertain a motion on Tab No. 1 --

****** REP. FOOSE: Move.

CHAIRMAN WEYLER: -- to accept the minutes. Moved by Representative Foose; seconded by Representative Rodeschin to accept the minutes. Further discussion? Is there any omissions or deletions? Seeing none; are you ready for the vote? All in favor say aye? Opposed no? The motion is adopted.

******* {MOTION ADOPTED}

(2) Old Business:

CHAIRMAN WEYLER: Tab (2) is Old Business. Does

anybody wish to remove any item?

REP. MCGUIRE: Mr. Chairman, I was wondering if it's time to act on the second one or we just going to keep leaving it on the table?

CHAIRMAN WEYLER: Senator Morse wishes to comment.

SEN. MORSE: Well, actually, that's in law so we do need to act on it. We are sending you over Senate Bill 375 which we just approved on our side to eliminate it so we can take it off of here.

REP. MCGUIRE: All right. Thank you very much.

(3) RSA 14:30-a, VI Fiscal Committee Approval Required for Acceptance and Expenditure of Funds Over \$50,000 from any Non-State Source:

CHAIRMAN WEYLER: Okay. Very good. Anything further on Old Business? Seeing none, we'll move on to Tab (3), and there is a Consent Calendar. Any bills wished to be removed from Consent?

REP. MCGUIRE: Yes, Mr. Chairman. Number 054 and 059.

CHAIRMAN WEYLER: Representative McGuire wants to remove Item 054 and Item 059. Anyone else?

REP. STEPANEK: 056 as well.

CHAIRMAN WEYLER: Representative Stepanek to remove Item 56. Any further items to be removed from Consent? Any further discussion on the Consent Calendar as remaining? The remaining three items I'll entertain a motion to adopt.

****** REP. STEPANEK: So moved.

SEN. MORSE: Second.

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CHAIRMAN WEYLER: Motion by Representative Stepanek, seconded by Senator Morse to adopt the remaining items on the Consent Calendar. Under tab number (3) they'll be Items 12-055, 12-057, 12-058. Further discussion? Seeing none; are you ready for the question? All in favor say aye? Opposed no? The remaining items are adopted.

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: We'll go first to Item 054, Office of Energy and Planning. Is there someone to discuss that with us? Would you identify yourselves, please?

JOANNE MORIN, Director, Office of Energy and Planning: Good morning, Chairman. My name is Joanne Morin. I'm the Director of Office of Energy and Planning.

DONNA RAYMOND, Business Director, Office of Energy and Planning: My name is Donna Raymond. I'm the Business Director of Office of Energy and Planning.

CHAIRMAN WEYLER: Thank you, Ms. Morin. Representative McGuire is recognized for a question.

REP. MCGUIRE: Thank you, Mr. Chairman. Thank you, ladies, for coming. It appears to me that we are taking money away from the granting purpose of this, from the weatherization projects, and using it for more personnel. Maybe more raises, I don't know, or maybe for a new person; is that right?

MS. RAYMOND: The grant was extended for six months. That means we have six months more of administrative work to do with this grant. Therefore, we needed to transfer some available funding to support the administrative work that would need to be conducted for those additional six months.

CHAIRMAN WEYLER: I might have to ask you can people in the back hear the discussion from the table? You might get

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very close to the mic.

MS. RAYMOND: All right.

MS. MORIN: The other thing I want to point out the main reason for the extension is actually the CAPS have -- have done very well at completing their ARRA work on weatherization. We got an additional grant on here. It's called the SERC and now I'm going to forget the initials of what they stand for. But what that grant was for and it happened after the beginning of the ARRA money was for additional measures, like, high efficiency furnaces, windows. It supplemented the program. Some of the CAPS took a little longer to get that program going. So the extension was really not for the base ARRA work. Most of that work is wrapping up by March. Some CAPS are already out of that money and some are wrapping up. It was mainly because we had this additional funding that took a little bit longer to get that program going. So we had the extension was mainly due to that. Those additional measures that some of the CAPS are doing.

REP. MCGUIRE: Thank you.

CHAIRMAN WEYLER: Would you like to make a motion on Item 054?

** REP. MCGUIRE: Yeah, I'll move to accept it.

CHAIRMAN WEYLER: Representative McGuire moves to approve.

SEN. LARSEN: Second.

CHAIRMAN WEYLER: Seconded by Senator Larsen. Further discussion? Seeing none; are you ready for the question? All in favor say aye? Opposed no? The item is adopted. Thank you.

MS. MORIN: Thank you.

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*** {MOTION ADOPTED}

CHAIRMAN WEYLER: The next item we'll look at will be item number 056. That is from the Department of Information Technology. Good morning.

WILLIAM ROGERS, Commissioner, Department of Information Technology: Good morning, Chairman Weyler. For the record, Bill Rogers, Commissioner, Department of Information Technology. And --

ROSE CURRY, Director of Finance, Department of Information Technology: Rose Curry, Director of Finance for DoIT.

CHAIRMAN WEYLER: Good morning, Commissioner, and ma'am. Representative Stepanek is recognized for a question on Item 056.

REP. STEPANEK: Thank you, Mr. Chairman. And thank you for coming today. On Line 4 on Page -- on Page 2, I guess it is, you've got a new line that you're creating. Granted, it's only a dollar, but it is a new line for organization dues. I was curious as to what organization, what dues will we be asked to fund at some point in the future?

MR. ROGERS: Thank you for the question, Representative Stepanek. That budget line was inadvertently left out of the previous year's budget. It had been in there in previous years and this budget was zeroed out. The organization is the National Association of State Chief Information Officers. And they provide services around cyber security, help us benchmark with other states; and more importantly than that, they share knowledge amongst all the states of projects, experiences, vendors, so that as an example, when we're considering a new technology or a new initiative, I can query them and the other members will tell me of other states how that project went and what they

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did and what was successful and not successful. It's a very good investment. The dues for the rest of this year is \$4,400.

REP. STEPANEK: So --

CHAIRMAN WEYLER: Further question.

REP. STEPANEK: Further question. What you're saying is, is that you're funding with a dollar now. You'll be coming back to us for an additional \$4,400 at some point in the future?

MR. ROGERS: Rose.

MS. CURRY: Yes, that's accurate. Next Fiscal Committee meeting we will be coming forward with a request to transfer \$4,400.

REP. STEPANEK: Okay. Thank you.

CHAIRMAN WEYLER: Thank you very much. Representative Stepanek, you wish to make a motion?

** REP. STEPANEK: I'll move to approve at this time.

CHAIRMAN WEYLER: Motion by Representative Stepanek to approve.

SEN. MORSE: Second.

CHAIRMAN WEYLER: Second by Senator Morse.

SEN. LARSEN: A question.

CHAIRMAN WEYLER: I'm sorry, did I miss you?

SEN. LARSEN: It's just a question.

CHAIRMAN WEYLER: Oh. Further discussion. Recognize

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Senator Larsen.

SEN. LARSEN: Only to ask what prevents you from requesting that the line item be filled with the dues amount?

MS. CURRY: Excuse me?

SEN. LARSEN: Do you have to do it in a two-step process with Fiscal?

MS. CURRY: Yes. We had to establish the class first and get the approval from the Fiscal Committee before we can go forward and ask to transfer funds in.

SEN. LARSEN: You couldn't have had question one on the Fiscal, can we create the line item; and question two, can we then put the 4400 in?

MS. CURRY: It was my --

SEN. LARSEN: Could you not have done that in a two-step process today?

MS. CURRY: I understand what you're saying. It was my understanding that it was a cleaner process to request the class first and then transfer the funds in secondly.

MR. ROGERS: However, we'd welcome if you'd like to do that now. We are over -- past due our dues.

CHAIRMAN WEYLER: Recognize Senator Larsen for an Amendment to the motion to accept.

SEN. LARSEN: Well, the first step we would do is approve the --

CHAIRMAN WEYLER: You want to do it in two steps, we'll do that.

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SEN. LARSEN: Yes. Then I'll amend it to fill that line item.

CHAIRMAN WEYLER: Okay. Any further discussion on the item?

REP. STEPANEK: If I could --

CHAIRMAN WEYLER: Representative Stepanek.

REP. STEPANEK: -- make a comment, Mr. Chairman? At this point they appear comfortable with the two-step process. I know that we have -- which we would be discussing at a later date. Our next meeting will be coming up in early March. And I think it would be appropriate to get more information on the organization and follow the procedure that they have outlined to us as it exists now.

CHAIRMAN WEYLER: Further discussion? Seeing none. The motion before us is to accept the item as a dollar in the new line item. Further discussion? Seeing none; you ready for the question? All in favor say aye? Opposed no? All right, that is adopted.

***** {MOTION ADOPTED}**

****** SEN. LARSEN: I would make a further motion to insert into that newly created organizational dues line item the amount of 4400 with the understanding that it's for the organization of State Chiefs of Information Officers.

CHAIRMAN WEYLER: Motion by Senator Larsen to add 4400 to the line just created. Is there a second?

SEN. PRESIDENT BRAGDON: I'll second that for discussion.

CHAIRMAN WEYLER: Second by Senator Bragdon. Senator Morse is recognized.

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SEN. MORSE: Yeah. And I understand this is a very innocent and easy one to understand. I think the -- I asked the question when I met with LBA this morning about the process. And I really think because this one is innocent and easy, that's fine; but I think we should stick to the process that's in place. Because I have a feeling future ones will be much more complicated and people will expect us to act in much the same manner and want it approved in the same day. And I think the reason the process was set up was so that we could go -- everyone caught this today that the new line was set up. And next month there will be an item that we can research and I'm not -- I'm saying this one may be fine, but it wasn't in the budget. I think we need that kind of time period to look at it. I -- I don't think this is -- at this time I think we should stick with the process that we have in place.

REP. MCGUIRE: Discussion?

CHAIRMAN WEYLER: Okay. Senator -- Representative McGuire and then Representative Stepanek.

REP. MCGUIRE: So I understood them to say that they wanted to transfer \$4400. So if we are going to add 4400, we have to take it away from one or more of the other class lines and I don't know if we know exactly which ones we're supposed to come from.

CHAIRMAN WEYLER: Good point. Representative Stepanek.

REP. STEPANEK: And again, I think that I will agree with the Senator. We need to follow procedure and this sets a bad precedent. As Representative McGuire just indicated, we need to see all of the transfers and where it's coming from and understand and even though this is a small amount, there's a process in place and we need to stick to our process.

CHAIRMAN WEYLER: Further discussion?

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SEN. LARSEN: In the interest of moving us along, I'll withdraw my motion. I understand the process. But I also understand that sometimes we ask a lot of our commissioners and heads of Departments to spend long hours here for very small minutia and sometimes efficiency is good.

CHAIRMAN WEYLER: I agree. But also good to move this along because we got a million dollars worth of high-priced help out here that I don't want to take anymore of their time than we need to. Okay. The item is approved and I thank you very much. We'll expect you next month.

MR. ROGERS: Thank you

CHAIRMAN WEYLER: Moving on to item five -- 059. I'll recognize Representative McGuire for a question.

REP. MCGUIRE: Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Recognize Mr. Colby and the gentleman with him will announce -- you look familiar.

WES COLBY, Director of Administration, Department of Safety: Peter Thomson.

PETER THOMSON, Coordinator, New Hampshire Highway Safety Agency: Peter Thomson.

CHAIRMAN WEYLER: Yes.

MR. THOMSON: Highway Safety Agency.

CHAIRMAN WEYLER: Thank you for accommodating us.

REP. MCGUIRE: Thank you, Mr. Chairman. Thank you, gentlemen. Mr. Thomson, I wanted to ask sort of a general question about your agency. I would assume this is a -- you're passing along money here that you received from the Federal Government to deal with highway safety in general; Is that right?

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MR. THOMSON: That is correct. We take no general funds. All of the funds that we utilize come from the Federal Government.

REP. MCGUIRE: And follow-up. If -- how do you decide to spend -- I assume you sort of get a very large amount and you have the general task of improving highway safety as best you can. And you could use it on this particular item which is a trailer for a motorcycle simulator or you could maybe have DWI checkpoints or other things; is that correct?

MR. THOMSON: Let me give you a little bit of background about the Highway Safety Agency. We get the funds from the Feds. It isn't just a lump sum. They give it to us in certain criteria. For example, our 402 funds amount to \$1,700,000. And that's what we do with utilizing this for chiefs of police around the state, Department of Safety, et cetera. Then we have the motorcycle funds which 2010, and we get 100,000 of that every year if we match the goals that they make us do. 408 is data and that's \$500,000. And our last one that we utilize are alcohol funds which are 400 -- 410, and that comes out to \$964,000. So we have to stay within those different criteria.

REP. MCGUIRE: One more follow-up.

CHAIRMAN WEYLER: Follow-up.

REP. MCGUIRE: You said the Federal Government gives you a certain amount just for motorcycles. So I would assume that that's what this is. That you have to figure out the best way to spend it on motorcycles.

MR. THOMSON: That is correct.

REP. MCGUIRE: I see.

MR. THOMSON: We have to -- and that's partly why we

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are buying this van because we -- one of the criteria is to do training and the van will help with the training.

REP. MCGUIRE: Thank you.

CHAIRMAN WEYLER: Okay. Ready to move the item?
Representative McGuire.

REP. MCGUIRE: I'll let somebody else.

CHAIRMAN WEYLER: All right.

** REP. STEPANEK: So move.

SEN. PRESIDENT BRAGDON: Second.

CHAIRMAN WEYLER: Who made the motion?

REP. STEPANEK: I did.

SEN. PRESIDENT BRAGDON: Stepanek and Bragdon.

CHAIRMAN WEYLER: Representative Stepanek moves, Representative Bragdon seconds to adopt item number 059. Further discussion? Seeing none; are you ready for the question? All in favor say aye? Opposed no?

REP. MCGUIRE: No.

CHAIRMAN WEYLER: One negative vote and the motion is adopted. Thank you.

*** {MOTION ADOPTED}

**(4) 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**

CHAIRMAN WEYLER: All right. Moving on to Tab (4).

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First item there is number 068, Department of Education.
I'll entertain a motion.

** SEN. PRESIDENT BRAGDON: So moved.

CHAIRMAN WEYLER: Moved by Representative Bragdon.

REP. FOOSE: Second.

CHAIRMAN WEYLER: Seconded by -- Senator Bragdon, moved by Representative -- seconded by -- I'll start over again. Moved by Senator Bragdon, seconded by Representative Foose. Is there any further discussion? Seeing none; are you ready for the vote? All in favor say aye? Opposed no? Number 068 is adopted.

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: Moving on to item 074.

** SEN. PRESIDENT BRAGDON: So moved.

SEN. GALLUS: Second.

CHAIRMAN WEYLER: Moved by Senator Bragdon.

REP. FOOSE: Second.

CHAIRMAN WEYLER: Second by Representative Foose.

REP. STEPANEK: Question.

CHAIRMAN WEYLER: Question by Representative Stepanek. Is there anybody here from Department of Education to answer questions? Thank you for coming and please identify yourselves and get very close to the microphone.

SUSAN FOLSOM, Acting Business Administrator,
Department of Education: Good morning. Susan Folsom,
Department of Education, Acting Business Administrator.

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CHERI WHITE, Administrator, Bureau of Nutrition Programs and Services, Department of Education: Cheri White, also the Department of Education. I am the new Administrator of the Bureau of Nutrition Programs and Services.

CHAIRMAN WEYLER: Ms. Folsom, Ms. White, welcome to the Fiscal Committee. Representative Stepanek is recognized for a question.

REP. STEPANEK: Thank you, Mr. Chairman, and thank you for taking my question. What exactly is this grant going to be used for in detail as far as the individuals that you're anticipating hiring? What is their job description going to be?

MS. WHITE: The job description of the individuals is going to be to coordinate the actual project of the computer program, as well as doing the intensive training that is going to be needed for the field on this particular computer program.

REP. STEPANEK: What is the goal -- follow-up.

CHAIRMAN WEYLER: Follow-up question.

REP. STEPANEK: What is the goal of this computer program?

MS. WHITE: What it will do, there's a couple of reviews that the Bureau of Nutrition does out in the field for schools for child nutrition programs. And this particular computer program will be an overlayer, an umbrella over the existing computer program and we'll be able to pull out data. The data will be used for what's called an administrative review. An administrative review is a review where a school or child nutrition program has been targeted because there's an at-risk situation going on. And so the computer program will parse out prior to

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actually anybody really having to go out and do a review, will parse out who is at-risk so we can do prevention instead of putting out fires.

REP. STEPANEK: Follow-up.

CHAIRMAN WEYLER: Follow-up.

REP. STEPANEK: We've heard -- obviously, there's been reports about in other states where inspectors have been going out and inspecting children's bagged lunches that their parents are sending in and rejecting the food that their parents send in with them in other states. This isn't going to be a prelude to that, is it?

MS. WHITE: Absolutely not.

REP. STEPANEK: Thank you.

REP. MCGUIRE: If I may?

CHAIRMAN WEYLER: Representative McGuire for a question.

REP. MCGUIRE: Thank you. And thank you, ladies. I guess I'm unclear when you're saying at-risk, are you talking about that a school's cafeteria and food service is not doing it's job correctly or are we talking about that certain individual students are not receiving proper nutrition?

MS. WHITE: No. It doesn't have anything to do with students. It is that, for example, there are certain processes that have deadlines. And it is -- it is paperwork that needs to be and data that needs to be given to the Federal Government. And there could be found to be deficiencies with those certain items. And so we would need to go out and do technical assistance about the particular process and about the dates and times that the information does need to get to us. I don't know if you want to give me

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-- if you want me to give you a more concrete --

REP. MCGUIRE: Maybe an example.

MS. WHITE: Sure. Let's see. There is what's called the verification process where schools will have to verify that a certain number of free and reduced applications are correct. And that information -- it's a somewhat lengthy process, and then that information is then submitted to our office. So there are deadlines. There's a process that you have to go through. And so this particular computer program will help us parcel out prior to that deadline not being met possibly who needs to be trained. The benefit of it really is that we will be able to train to a group of people instead of going out and stumbling upon people, you know, as we go in reviews as to, you know, who really needs the training.

CHAIRMAN WEYLER: Representative Stepanek, further question.

REP. STEPANEK: Thank you, Mr. Chairman. So what you're saying is we have created so much bureaucracy and so much paperwork that we now have to create a new bureaucracy to oversee the old bureaucracy.

MS. WHITE: I would not say that, no. I would just say that, you know, basically what I've said where this particular piece is an overlay and will parse out, you know, issues before they even get to a stage where, you know, something really bad could happen, let's say.

CHAIRMAN WEYLER: Question from Representative McGuire.

REP. MCGUIRE: Thank you. So are you saying that one of the things you have to do is verify that a child is qualified for free and reduced lunch by, for example, checking their parents' income levels, and therefore, you want to make sure that those checks are done correctly?

MS. WHITE: Those checks are done correctly. Exactly.

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Exactly.

REP. MCGUIRE: I see.

MS. WHITE: There's really only a few. You only do -- by regulation, you only do about 3%. Typically, it's very, very few applications that you actually take a look at; but, you know, it is a requirement to do that.

REP. MCGUIRE: Thank you. Just a quick. So --

CHAIRMAN WEYLER: Follow-up.

REP. MCGUIRE: So this is effectively an audit of that process of verifying who's eligible for free and reduced lunch and who isn't?

MS. WHITE: That's absolutely correct.

REP. MCGUIRE: Thank you.

CHAIRMAN WEYLER: Any further discussion on the item? I don't remember whether we had a motion on this or not.

** SEN. PRESIDENT BRAGDON: So moved if we don't.

REP. FOOSE: Second.

CHAIRMAN WEYLER: Okay. Senator Bragdon moves approval, seconded by Representative Foose. Further discussion. Seeing none; are you ready for the question? All in favor say aye? Opposed no?

REP. STEPANEK: No.

CHAIRMAN WEYLER: The motion is adopted. Thank you very much.

*** {MOTION ADOPTED}

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(5) **RSA 21-P:12-d Fire Standards and Training and Emergency Medical Services Fund:**

CHAIRMAN WEYLER: Moving on to Tab (5). The first item is or the only item is number 072, Department of Safety. Is there a motion?

** SEN. PRESIDENT BRAGDON: So move.

SEN. GALLUS: Second.

CHAIRMAN WEYLER: Moved by Senator Bragdon, seconded by Senator Gallus. Is there any further discussion? Seeing none; are you ready for the question? All in favor say aye? Opposed no? The item is adopted.

*** {MOTION ADOPTED}

(6) **RSA 228:12, Transfers from Highway Surplus Account:**

CHAIRMAN WEYLER: Moving on to Tab (6), item number 070.

** SEN. PRESIDENT BRAGDON: So move.

SEN. GALLUS: Second.

CHAIRMAN WEYLER: Moved by Senator Bragdon, seconded by Senator Gallus. Is there any further discussion? Seeing none; are you ready for the question? All in favor say aye? Opposed no? The item is adopted.

*** {MOTION ADOPTED}

(7) **Chapter 224:14, II and III, Laws of 2011, Department of Health And Human Services; Program Eligibility; Additional Revenues, Transfer Among Accounts:**

CHAIRMAN WEYLER: Moving on to Tab (7).

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** SEN. LARSEN: Move approval.

SEN. PRESIDENT BRAGDON: Second.

SEN. GALLUS: Second.

CHAIRMAN WEYLER: Item 073, moved by Senator Larsen; seconded by Senator Bragdon. Any further discussion? Seeing none; are you ready for the question? All in favor say aye? Opposed no? The item is adopted.

*** {MOTION ADOPTED}

(8) Chapter 224:14, II, Laws of 2011, Department of Health And Human Services; Program Eligibility; Additional Revenues; Transfer Among Accounts and RSA 124:15 Positions Restricted:

CHAIRMAN WEYLER: Moving on to Tab (8).

** SEN. PRESIDENT BRAGDON: So move.

SEN. GALLUS: Second.

CHAIRMAN WEYLER: Tab (8) is number 069. It is moved by Senator Bragdon, seconded by Senator Gallus. Is there any further discussion? Seeing none; are you ready for the question? All in favor say aye? Opposed no? 069 is adopted.

*** {MOTION ADOPTED}

(9) Miscellaneous:

(10) Informational Materials:

CHAIRMAN WEYLER: The rest of the material in this binder is informational. Anybody have any questions on informational items?

REP. MCGUIRE: I'd like to ask a question about the

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DashBoard.

CHAIRMAN WEYLER: Senator McGuire wishes to --

REP. MCGUIRE: Representative.

CHAIRMAN WEYLER: -- question on the DashBoard for Health and Human Services. That is Item 063, was it?

REP. MCGUIRE: No.

REP. RODESCHIN: 069.

REP. MCGUIRE: No, 063, I think.

JEFFRY PATTISON, Legislative Budget Assistant, Office of Legislative Budget Assistant: That's Item 063.

CHAIRMAN WEYLER: Item 063, Ladies and Gentlemen. And we'll recognize Commissioner Toumpas and recognize Representative McGuire for a question on Item 063.

REP. MCGUIRE: Yes, thank you.

CHAIRMAN WEYLER: Under Tab (10).

REP. MCGUIRE: Thank you, Mr. Chairman. Thank you, Commissioner, for coming. On the chart that's -- I don't know -- at the bottom it says Page 2 of 14. It's about the fourth or fifth page in.

NICHOLAS TOUMPAS, Commissioner, Department of Health and Human Services: Just the spreadsheet?

REP. MCGUIRE: The spreadsheet, yes. Yes. We heard a lot about the various details in the pre-fiscal meeting, but I wanted to ask you about what I didn't hear about which is Line 58 which looks like next year is going to be a \$6 million problem. So I was wondering what that one was. Says Medicaid to schools-transportation.

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MR. TOUMPAS: Yes. Again, for the record, Nick Toumpas, Commissioner of Health and Human Services. The Office of Inspector General did an audit of the Medicaid to schools transportation component, and they did that in Manchester. And we actually have the audit -- audit report on that. They also looked and made an assumption that the same issues were happening throughout the state, and we estimated that to be a potential \$6 million liability.

Now, we are in the process of -- we don't agree with it, number one; and number two, we are in the process of working with Federal counterparts in order to be able to address the matter. But what we do on this is this is always a snapshot in time. So that when we have something that we have an idea of what the amount is going to be, either on a surplus side or on a potential liability side, we put this in here. Largely, it's for our own. Again, it's a Dashboard we use internally, but we also want to be able to put it out for people. We don't agree with the -- with their assertion that what they found in Manchester necessarily extends to the rest of the state.

REP. MCGUIRE: Thank you. Follow-up.

CHAIRMAN WEYLER: Follow-up question.

REP. MCGUIRE: So was the amount -- was the problem in Manchester? I don't see that in '12. Was that from '11?

MR. TOUMPAS: That is on Line 57.

REP. MCGUIRE: Oh, I see. I see. Thank you. And can you give more detail about what this program does?

MR. TOUMPAS: I would -- I would ask that if I could draft an information item and I can provide that back to the Chair.

REP. MCGUIRE: All right. Thank you very much.

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CHAIRMAN WEYLER: Thank you. Anything further? And while the Commissioner is there, Item 061 talked about rates that were going to be set relative to a new contract. I've had discussions with the Commissioner and because of the time line mentioned in here he has to have submission of final contracts to Governor and Council no later than March 15th. We would like to meet earlier than that to set -- to approve the rates that he will, hopefully, have by the 7th so that he can go forward with complete contracts to the Governor and Council. So tentatively, don't commit now. We'll come back to it. But if any of you are going to leave early, I want you to be aware that we're likely to ask at our meeting on March 9th, but we'll come back to that later. That will work for the Commissioner. If anybody has any questions about that now, he's here to mention that and if you want to discuss an alternative date. Does anybody want to talk about that now or can we take it up in its normal position in the agenda? Thank you, Commissioner.

REP. MCGUIRE: I have -- I had one more question on a different --

CHAIRMAN WEYLER: Okay.

REP. MCGUIRE: -- item, number 075 that maybe Commissioner Toumpas --

CHAIRMAN WEYLER: Representative McGuire wants to look at Item 075 in the information items.

REP. MCGUIRE: Yes, that was about the Lakes Region Facility.

CHAIRMAN WEYLER: I have a whole report that you are welcome to read. Have you seen it, Senator Morse?

SEN. MORSE: No. I was told we'd get it after yesterday's meeting. We haven't received it yet.

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CHAIRMAN WEYLER: I've read a copy of it. Mostly perused it yesterday. I'm surprised how much it has been reduced in price to about 2.6 million.

REP. MCGUIRE: If I may? This is not about the price; but I know that HHS, I believe, uses this facility for certain -- treatment of certain individuals of sexual --

MR. TOUMPAS: It's a designated receiving facility, yes, for people who have those type of conditions.

REP. MCGUIRE: Right. And this is about sale of the property. So what would happen to that program? Do you have --

MR. TOUMPAS: We are looking at alternatives. I don't have the -- it's a Department of Administrative Services item. I don't have an update right now in terms of what it is that we're doing. But we are exploring a number of options in terms of moving the facility. This was something that was specified in the budget last time so that part -- track one was actually to get the property ready for sale and that's really the Administrative Services. While they have been going through that, we have been exploring our options in terms of where to site the facility elsewhere.

REP. MCGUIRE: So, presumably, that has to happen first and then the sale second; correct?

MR. TOUMPAS: We are working it, but it's just a matter of timing.

REP. MCGUIRE: Okay. Thank you.

CHAIRMAN WEYLER: Commissioner.

MR. TOUMPAS: I can provide an information item in terms of where we stand with respect to the movement of the

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facility.

REP. MCGUIRE: That would be interesting.

CHAIRMAN WEYLER: I guess we are interested in where you have identified as having the available space. Senator Morse.

SEN. MORSE: I wouldn't limit it to that. I mean, I know there's been a Senator that's looked into this. I mean, reality is it could be out-of-state. I mean, with a separate organization. We are talking about five or six people --

MR. TOUMPAS: Six people.

SEN. MORSE: -- for a million two. It's a lot of money in the budget. And if there's a better way of doing it, I'd be happy to hear the better way than finding another site.

CHAIRMAN WEYLER: Very good.

MR. TOUMPAS: As part of our review that is among the components that we are looking at with respect to the program.

CHAIRMAN WEYLER: Anything further on any informational item? Senator Gallus.

SEN. GALLUS: Mr. Chairman, thank you very much. With that particular property have we seen or I haven't seen. I think we have done some surveys, cut that property up to market it.

CHAIRMAN WEYLER: There's four parcels.

SEN. GALLUS: I'm wondering what those properties are and what we have left there.

CHAIRMAN WEYLER: There's a financial appraisal this

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thick. I have a copy it you can peruse. Administrative Services, I'm sure, will provide you with your own copy since you have some expertise in that area.

SEN. GALLUS: I'd like to look at that.

CHAIRMAN WEYLER: I'd like to have your opinion on it.

SEN. GALLUS: What about the shorefront lots?

CHAIRMAN WEYLER: They end up removing all the shorefront lots to I think the State Park.

SEN. GALLUS: That's where a lot of our value is.

CHAIRMAN WEYLER: Yes. I think that decision has already been made and the parcels that are for sale are not including them.

SEN. GALLUS: Did you make that decision? I'm curious about who made that decision.

CHAIRMAN WEYLER: The Commission that is -- that is detailed in the front of the report.

SEN. GALLUS: I mean, I thought at one time what we were trying to do is maximize some kind of return. We were looking at, what, \$20 million?

CHAIRMAN WEYLER: Looking at 10 million.

SEN. GALLUS: Ten million. Now we are down to, what, 2.5?

CHAIRMAN WEYLER: 2.6, 2.7. It's -- there's lots of reports about all the buildings will have to be removed, remediation. You know, Environmental will have to come in and look for mitigating hazardous waste; et cetera, et cetera. There's a building there that would make a perfectly good school. I've been in it before, so have you.

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And, you know, this already has been used as a college. So it's kind of shocking. Anyway --

SEN. GALLUS: Thank you.

CHAIRMAN WEYLER: -- it's worth a look by all of us and the report is out and it's very lengthy. It's very repetitious. Any further items of information? I'm pleased that -- Senator Morse.

SEN. MORSE: Yeah, item number 76 --

CHAIRMAN WEYLER: 76.

SEN. MORSE: -- I think is becoming perennial. I think we need to do some work, whether it's through legislation or Nina's going to want an answer to how we are going to fund her situation. I did speak with LBA today about an item coming up in the court system sometime later in the spring. Maybe we can work through that item.

CHAIRMAN WEYLER: We had a discussion within our caucus and I'll let Representative Foose detail it.

REP. FOOSE: Thank you, Mr. Chairman, and I've had a discussion subsequently with Nina. The upper limit of the liability is, I think, about a quarter of a million dollars. And we are looking at an Amendment to a Bill that's in the possession of the House right now to take care of that over the next couple of weeks.

SEN. MORSE: The only thing is I wouldn't be looking to add an expense if that's where the House is thinking of going. I was looking for somewhat of a transfer out of an existing. She no longer has this problem. It's not hers anymore.

REP. FOOSE: It's ours.

SEN. MORSE: She's just trying to help get these people

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paid. I think it's our responsibility to find somewhere in the budget because it's come up year, after year, after year, and she's always solved it. So I think we need to find a place somewhere and if you want to do that in that Bill.

CHAIRMAN WEYLER: That Bill doesn't move any money around. You and I will get together and maybe if we move it along to you, you and I can get together and gets to the Senate we can find a place to transfer some money. But we have also got another request for about 350 -- three hundred eighty-five thousand. It's in the bill that we plan to amend. So we will discuss that later. We'll be looking at it, I think, next week.

So anything further on informational items? All right. Seeing none; we will move on to Audits and invite Mr. Mahoney to come forward with, I believe, New Hampshire Hospital. Thank you all for coming. We appreciate your work.

Audits:

RICHARD MAHONEY, Director, Audit Division, Office of Legislative Budget Assistant: Good morning, Mr. Chairman, Members of the Committee. For the record, my name is Richard Mahoney, Director of Audits for the Office of Legislative Budget Assistant.

I'm joined this morning by Jim Lariviere, who is a Senior Audit Manager with our office, who was responsible to conduct the audit of New Hampshire Hospital on a daily basis. So with that brief introduction, Mr. Chairman, with your permission, I'll turn it over to Jim for presentation of the report.

CHAIRMAN WEYLER: Anyone here from New Hampshire Hospital?

SEN. MORSE: It's that bad.

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CHAIRMAN WEYLER: Go all the way to the top. Welcome again, Commissioner.

MR. TOUMPAS: For show. I've got others here.

CHAIRMAN WEYLER: Oh, all right. And if we can introduce the rest of the staff.

MR. TOUMPAS: Yes. I have -- again, for the record, Nick Toumpas. I have with me Dr. Bob MacLeod who is the Chief Executive Officer of the New Hampshire Hospital. And Mary Castelli who is Senior Division Director within the Department of Health and Human Services, oversees all legal and regulatory matters within the Department.

CHAIRMAN WEYLER: Thank you. Mr. Lariviere, you're on.

JAMES LARIVIERE, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant: Good morning, Mr. Chairman, and Members of the Committee. Again, my name is Jim Lariviere, and I'm here to present to you the New Hampshire Hospital audit report for the nine months ended March 31st, 2011.

I'd like to have you start out by turning to the Table of Contents just after the cover page. In looking at the Table of Contents, you'll be -- you'll see the list of comments consisting of 33 comments.

Observations 1 through 29 deal with internal control comments, and Observations number 30 through 33 deal with compliance comments. Specifically, Observations No. 1 and 2 are material weaknesses, while Observations 3 through 29 deal with significant deficiencies.

Observations 30 and 31 are Federal Compliance Comments, and Observations 32 and 33 relate to State Compliance.

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Observation No. 33 may require some legislative action. Of the 33 comments, the Department concurred with 27 and did not -- excuse me -- concurred, in part, with five and did not concur with one.

On Pages 1 and 2 is some introductory information and I'll provide you a brief overview. New Hampshire Hospital is an inpatient psychiatric hospital within the Department of Health and Human Services, Division of Community-Based Care Services. At March 31st, 2011, patient capacity in the hospital was 158 and actual census was 141, not including transitional housing.

The Hospital's operations are accounted for in the State's general permanent and agency funds. On Page 2 is a summary of the financial activity of the Hospital in the general fund during the audit period. As you can see, the Hospital reported revenues of just over 27 million and expenditures of nearly 49 million.

I will now address the comments in our report but in the interest of time will touch on each one briefly. Our comments begin on Page 5.

Observation No. 1 points out New Hampshire Hospital weak control structure over some of its financial operations.

CHAIRMAN WEYLER: Mr. LaRiviere, I have a question from one of the members. Would you accept questions as we go along?

MR. LARIVIERE: Sure, certainly.

REP. MCGUIRE: Thank you. Just a brief general question. What's the relationship of Dartmouth to HHS in terms of running the Hospital and providing services?

MR. LARIVIERE: Dartmouth Medical School is contracted by the Department to provide psychiatrists, staffing, as

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well as the Medical Director. And I have a comment that actually will -- that addresses that remark.

REP. MCGUIRE: Thank you.

CHAIRMAN WEYLER: Thank you.

MR. LARIVIERE: Observation No. 1 on Page 5 points out New Hampshire Hospital's weak control structure over some of its financial operations. In our last audit of New Hampshire Hospital covering Fiscal Year 2003, we issued 43 audit comments, including three material weaknesses. Many of the audit comments in this current report are related to the same or similar conditions that resulted in comments in our prior report. The prior report, like this report, also included a disclaimer of opinion on its financial statements, as New Hampshire Hospital did not have sufficient systems in its operation to adequately account for patient services revenue. We recommend New Hampshire Hospital establish internal controls over its financial operations and respond timely to significant audit comments.

Observation No. 2 on Page 7. This Observation addresses material weaknesses in New Hampshire Hospital's certification and decertification process that evidence a patient's continued medical eligibility for psychiatric hospital level of care. Because New Hampshire Hospital's process and reporting did not clearly document a regular medical professional determination of a patient's ongoing eligibility for psychiatric hospital level of care, we were unable to -- we could not audit the eligibility and allowability of costs included in New Hampshire Hospital's submission for Medicaid Disproportionate Share Hospital revenue, also known as DSH.

We recommend New Hampshire Hospital establish an appropriate reporting system, including policies and procedures, to regularly documenting and reporting medical professional review and determination of medical

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eligibility. New Hampshire Hospital should also contact the Centers for Medicare and Medicaid Services, known as CMS, to determine a resolution to questioned costs, the amount of which we were not able to determine.

Observations No. 3 and 4 beginning on Page 9 deal with problems identified in the Hospital's use and monitoring of its contract with Dartmouth Medical School for providing staff of psychiatrists and its Medical Director. We noted New Hampshire Hospital had not established a system of recordkeeping for staff psychiatrists providing services under the contract. And based on a cursory review, New Hampshire Hospital should have pursued further justification for invoiced amounts prior to payment.

We recommend New Hampshire Hospital provide greater oversight over contract provisions and discontinue the purchasing of equipment under the contract as all contracted charges carry a 26% overhead rate.

Moving on to Page 12, starting with Observations 5 and 6. These Observations relate to the lack of effective controls over New Hampshire Hospital's pharmacy operation, including not having an operating pharmaceutical inventory system to accurately account and track pharmaceutical balances on hand. In addition, a lack of pharmaceutical contract monitoring did not ensure the State always receives the most advantageous pricing under the contract.

Starting on Page 15, the next five Observations deal with cafeteria operations. Observation number -- starting with Observation No. 7. We identified several control weaknesses, including a lack of accountability over cafeteria cash draws. There was also a lack of business plan and pricing policy for its cafeteria operations, Weak food inventory management, clerical errors in food service reports used by management, and a lack of proper review of food service invoices prior to payment.

Observation No. 12 on Page 21 recommends New Hampshire Hospital analyze if its motor vehicle repair facility is cost effective and revisit the need for a fleet of 46 vehicles.

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Observation No. 13 on Page 22 recommends the Hospital take advantage of existing controls in the point-of-sale system it uses for the small gift shop operations and that management timely review gift shop reports to ensure that it is reporting as intended.

Observations No. 14 through 16 beginning on Page 23 are related to deficiencies in payroll processes. We recommend that an arrangement whereby the medical services contractor supplementing the pay of a State employee for the same hours worked be reviewed by the Department of Administrative Services and the Department of Justice for propriety. We also recommend New Hampshire Hospital review its payroll process with the Department of Health and Human Services payroll office to improve the accuracy of its payroll, including records of leave taken.

We further recommend the hospital consult with legal counsel regarding its authority to pay weekend pay differential for the second and third shifts on Friday when the State's collective bargaining agreement provides that the differential be paid for Saturdays and Sundays only.

Observation 17, 18, and 19 beginning on Page 26, point out the need for written policies and procedures for billing patient accounts and collection of patient services revenues. We also point out Hospital should review outpatient services it provides and the systems used to account for those services.

Observations 20, 21, and 22 starting on Page 29, we recommend the Hospital pay its additional fringe benefit charges billed by the Department of Administrative Services so that charges can be partially reimbursed by the Federal Government. We also recommend the Hospital's rate setting for transitional housing services be documented and the policies and procedures be established for the calculation of accounts receivable at year end.

Observations 23 and 24 beginning on Page 32. These Observations address improvements needed that relate to the New Hampshire Hospital's Information Technology System. We recommend user access controls remain current for all critical information technology systems and that a disaster recovery plan be updated and tested.

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Observation No. 25 on Page 35, we recommend improved controls over payments for medical services provided to patients outside the hospital setting. In ten of the ten items tested, we noted payments exceeded the usual and customary rate New Hampshire Hospital was liable to pay by statute by a total of 78.9%.

In Observation No. 26 on Page 36, we note improvements are needed in the preparation of New Hampshire Hospital's Annual Medicare Cost Report to prevent and detect inaccurate information in the report prior to submission to CMS. And New Hampshire Hospital should review any adjustments made to the report by CMS after filing. The Medicare Cost Report is used to set New Hampshire Hospital Board and Care rates and to compute the DSH revenue.

Observations No. 27 through 29 beginning on Page 38 address improvements that should be made related to the Hospital's client banking system, a system that utilizes a checking account accounted for outside of the State's accounting system. The client banking system accounts for approximately 230 fiduciary and other New Hampshire Hospital accounts.

We recommend the financial reporting for these separate accounts be reviewed, that New Hampshire Hospital limit the use of the checking account for only those purposes, and have the State Treasurer added as signatory on the account. We also recommend that signatories be kept current as former employees were listed as authorized signers.

On Page 46 begins our Federal Compliance Comments. In Observation number -- excuse me -- in Observation 30 we question \$9.8 million in DSH revenue related to services New Hampshire Hospital provided to patients who had some level of medical insurance. CMS's interpretation of Medicare rules in effect during the audit period indicated that the Hospital should not have requested Federal participation for patients who had some level of medical insurance, even if that insurance was inadequate for services provided. However, as noted in our rejoinder at the top of Page 47, in January of 2012, CMS issued a proposed rule change which, if enacted, would redefine uninsured consistent with New

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Hampshire Hospital's practice during the audit period and could make this Observation moot.

Observation 31 beginning on Page 47 identifies a deficiency in New Hampshire Hospital's process for complying with the Medicare Program certification requirements intended to ensure that Medicare pays for only the type of appropriate -- excuse me -- pays for only services of the type appropriate for Medicare coverage. Specifically, the hospital is required to have a physician certify, among other things, that the Hospital's record show services were intensive treatment services or admission and related services for diagnostic study or services equivalent to them.

New Hampshire Hospital is supposed to do this at least every 30 days after the 12th day of hospitalization. The hospital did not have this required certification for its Medicare patients. Although we were unable to determine the amount due to the limitations in the Hospital's reporting system, we questioned costs related to the Hospital's Medicare revenues for patients that stayed beyond the 12th day of hospitalization.

On Page 51 begins our State Compliance Comments. Observations 32 and 33, New Hampshire Hospital has not provided patients or their representatives with personal fund statements of money and personal possessions in its custody as required by statute. Nor has the Hospital maintained separate accounting and financial reporting for certain trust funds required by law.

The remainder of our report contains New Hampshire Hospital's financial statements and notes, along with our disclaimer of opinion mentioned earlier in my presentation. Also included is the current status of Observations from our prior audit of New Hampshire Hospital. In looking at Page 67, you can see the status that eleven of the comments were fully resolved, three were substantially resolved, nine partially resolved, eleven remained unresolved, and nine were not applicable in the current audit.

This concludes my presentation. I would like to thank the Hospital's Chief Executive Officer, Bob Macleod, and his staff, and the management of the Department for their assistance and

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cooperation throughout the audit process and would like to thank you, the Committee, for your time. We would be happy to answer any questions. Thank you.

CHAIRMAN WEYLER: Thank you, Mr. Lariviere. Questions from the Committee? Dr. MacLeod, your comments.

DR. ROBERT MACLEOD, Chief Executive Officer, New Hampshire Hospital, Department of Health and Human Services: We thank the LBA audit team for their professionalism over the past several months in our going back and forth and working with them. I also see this as an opportunity and a road map to make some of the -- some of the adjustments and corrections that we need to. And I want to report to the Committee that since the draft of the report and subsequently since the final completion of the report, we have already implemented a number of changes, particularly in the area of the Dartmouth contract, and also controls put in place in the cafeteria and the gift shop.

There are still items that we need to work through that involve Federal regulations, including the certification of patients and also waiting for final decision from CMS regarding Disproportionate Share funding, and that work is significantly under way to determine what processes we need to put in place. So, again, thank you to the LBA audit team. And, of course, New Hampshire Hospital would entertain any questions at this point.

CHAIRMAN WEYLER: Thank you, Dr. Macleod. I know that you were not there when the 2003 audit was done, I don't believe, or maybe perhaps not even aware of it. It's a very serious report, and we are not going to have as many years go by again before revisiting these issues.

One of the members of this Committee, Representative Reagan, is an alternative member. He's not here today, but he was earlier in our discussions. As the Chairman of the Health and Human Services Committee in the House, he plans

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to have discussions with you as to the progress of these. We are not going to let much time go by as we had in the past with the assumption that somebody was working diligently on correcting these items. So you can expect to have a call from him, and I'm sure he's going to be waiting to find out how many of these have been resolved and what your progress is on those that are not. And we look forward to your taking immediate action. I'm pleased that you say you have as soon as the audit was in its preliminary phases you began to correct these items. Because some of them are serious and could be very costly to the State.

DR. MACLEOD: Thank you, Mr. Chair, and the Hospital agrees. And one of the goals that we are going to have is that we make sure that we don't backslide on any of the items that have been identified or any previous audit.

When I arrived at the hospital, the LBA team was already under way with the -- with the audit. So it certainly has been a learning process for me as well as I get familiar with the processes at the Hospital. But I can assure you that we've -- we have put structure in place, including an internal auditor that we employ at the Hospital, to make sure that we not only have the fix, but we maintain the fix through appropriate monitoring. Thank you.

CHAIRMAN WEYLER: Appreciate that effort. Further questions from the Committee? Any comments?

REP. RODESCHIN: Right here.

REP. MCGUIRE: Yeah, I'll make a comment.

CHAIRMAN WEYLER: Representative McGuire.

REP. MCGUIRE: Thank you, Mr. Chairman. I'll just make a comment. I was Chairman of the Committee to deal with privatization of prisons and there's -- I just wanted to make a comment. There's a private company that provides

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psychiatric services to our Department of Corrections, and we had the CEO come and testified before us and he made the comment to me that he would like the ability of his company to bid on managing the New Hampshire Hospital because his company manages a similar hospital in Massachusetts and other states. And so this is a possible area that could be privatized.

CHAIRMAN WEYLER: Are you aware of this company, Dr. Macleod?

DR. MACLEOD: I am not. I'm aware that there are a couple companies out there that might express interest in this type of operation, but I don't have any particular knowledge of this conversation.

CHAIRMAN WEYLER: Can you tell us when this -- what the further length of the contract is with Dartmouth?

DR. MACLEOD: We are about to complete our first year of a five-year contract.

CHAIRMAN WEYLER: Five-year contract. Thank you. Any further questions or comments?

REP. RODESCHIN: You have over here.

CHAIRMAN WEYLER: Representative Stepanek.

REP. STEPANEK: Yes. Thank you, Mr. Chairman. Thank you for taking my question. And where you're relatively new, you probably haven't had a chance to look at it, but we've obviously had a lot of discussion over the use of vehicles within the state, State vehicles. And I notice in the report that you have over 46 vehicles currently in your motor pool. Could you sort of elaborate on what you're using 46 vehicles for with just 185 patients?

DR. MACLEOD: I think I can, at least, in part. The 46 vehicles that are in the motor pool are not just for New

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Hampshire Hospital, but they're also for other Bureaus in Health and Human Services. And it's my understanding that a couple years ago there was a task force put together that included, not only New Hampshire Hospital officials, but also officials from the Department of Administrative Services. So one of the commitments that I can make to this Committee is that we're going to meet again with the Department of Administrative Services and, quite frankly, who manages the vehicles is really irrelevant to me. And it would be certainly something that if it's best to have them managed elsewhere, we would do that. And if the final analysis indicates that we can reduce the number of vehicles from 46 to a lower number, I would support all of that. We use transportation, as you may know, for patients to go to medical services and also outside psychiatric services, as well as also from time to time transporting them to their legal obligations and sometimes transporting them after discharge. So we look forward to really looking long and hard at what we need at New Hampshire Hospital and then other decisions could be made at that point.

CHAIRMAN WEYLER: There was a similar number of vehicles in Fish and Game Department and they employed two mechanics full-time. They had trouble justifying two full-time mechanics for a fleet of vehicles that size. Do you know how many mechanics are employed in this repair facility?

DR. MACLEOD: We have three mechanics, and we also repair vehicles for other Agencies as well.

CHAIRMAN WEYLER: We are having discussions with DOT, who obviously has hundreds of vehicles, that they might be capable of maintaining garage and maybe even sending people over and having, you know, having the repair facility available for all State vehicles rather than just DOT. Because they have so many vehicles they have to maintain and so many mechanics they have to maintain that it's something we are all going to be looking into for the next budget. So you might even have discussions with them.

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DR. MACLEOD: Mr. Chair, I think there's grand opportunity in this area to integrate some of these services.

CHAIRMAN WEYLER: Appreciate it. Further questions?

REP. STEPANEK: Follow-up.

CHAIRMAN WEYLER: Representative Stepanek.

REP. STEPANEK: Thank you, Mr. Chairman. Given the severity of the report and the number of unaddressed issues, unresolved issues from the last report, and I understand that this will be looked at in Finance, but would it be appropriate --

CHAIRMAN WEYLER: Health and Human Services said they will be having further follow-up.

REP. STEPANEK: Right. Would it be appropriate to request that we have, at least for the time being, an annual update as to how they're doing on this to Fiscal as well. Just so that we stay on top of this. 'Cause this is a very serious report that can have serious repercussions on the State if not adequately followed up.

CHAIRMAN WEYLER: That would be a good suggestion. A year from now it may be a different Fiscal Committee. But some of the -- some of the members here are very likely because of the experience of the past several years to be here again. So someone will likely be looking for this in a year or so.

Commissioner Toumpas.

MR. TOUMPAS: I would offer, given some of the issues that are here, that I would offer that the Department would do a quarterly update to the Fiscal Committee with a -- with an update looking at each one of the -- each one of

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the items or the groups of the items and be able to provide to you with an update in terms of where we stand with addressing those particular issues. I think a quarterly -- and that report we could also then provide to Health and Human Services Oversight so we can provide it as an information item here and then for further follow-up if the Chair believes that's appropriate with the HHS Oversight.

CHAIRMAN WEYLER: You are a model for keeping this Committee well-informed, Commissioner. I appreciate it. Thank you.

REP. MCGUIRE: One more question.

CHAIRMAN WEYLER: Representative McGuire.

REP. MCGUIRE: Thank you. Commissioner, we've talked earlier today about this program in Laconia with six individuals. Could they be treated at New Hampshire Hospital?

MR. TOUMPAS: Uh --

REP. MCGUIRE: It's a different situation?

MR. TOUMPAS: I can put that in the follow-up item that we were going to do. There are a number of issues related to security and other matters that the client -- that group of people are quite different from the ones we have at the New Hampshire Hospital.

REP. MCGUIRE: I see. All right. Thank you.

CHAIRMAN WEYLER: Anything further? Recognize Senator Morse.

SEN. MORSE: I just want to make sure we thank LBA because I know it's not easy to do these audits and this one probably took an awful long time. And there's been a lot exposed here and I think they want to see things get

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better and I think it's -- they're going to help us in the future to get there, I would think, so.

CHAIRMAN WEYLER: How many on your team, Mr. Lariviere?

MR. LARIVIERE: Usually three -- three people at a time, but we had some turnover throughout.

CHAIRMAN WEYLER: Well, on behalf of the Fiscal Committee thank you for being very thorough and looking into all these details.

MR. MAHONEY: Thank you.

MR. LARIVIERE: Thank you.

CHAIRMAN WEYLER: I'll recognize Representative Rodeschin for a motion.

****** REP. RODESCHIN: I move to accept the report, place it on file and release it in the usual manner.

CHAIRMAN WEYLER: Is there a second?

REP. MCGUIRE: Second.

CHAIRMAN WEYLER: Second by Representative McGuire. Further discussion from the Committee? Seeing none; all in favor say aye? Opposed no? The report is adopted. Thank you all very much.

******* {MOTION ADOPTED}

(11) Date of Next Meeting and Adjournment

CHAIRMAN WEYLER: All right. We'll next move on to the next meeting. We discussed March 9th earlier to assist the Commissioner in having his contract ready for March 15th deadline. So March 9th. Does March 9th pose a problem?

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SEN. MORSE: We'll make it work.

CHAIRMAN WEYLER: You'll make it work. All right.
Next meeting March 9th at 10 o'clock in this room.

MR. PATTISON: Mr. Chairman, would you like to limit that just to that HHS item and then establish a date for the next meeting after that?

CHAIRMAN WEYLER: That means an extra meeting perhaps? If the 9th is problematic, then that's what we'll do.

MR. PATTISON: With only two weeks you would have very, very few items other than that on the agenda anyway. So I'm just thinking you might want to consider setting your March meeting later in the month, either on the 23rd or the 30th of March.

SEN. MORSE: The only thing, the DOIT item as I compromised you could bring that one. Seems simple.

SEN. LARSEN: The dues item?

SEN. MORSE: Yeah. It would seem simple.

SEN. ODELL: Just make that the March meeting.

CHAIRMAN WEYLER: Just want to make that the March meeting and then in April we may have a fuller agenda if we meet six weeks later. We'll just have to be ready to spend the time. I know that you'll be busy on House Bills and we'll be having an easy time with a few Senate Bills.

SEN. ODELL: They're all good.

CHAIRMAN WEYLER: I don't expect you to send me any bad ones. All right.

REP. RODESCHIN: Wait.

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REP. MCGUIRE: On this subject, Jeff, normally we get the notebooks on a Friday.

MR. PATTISON: Yes.

REP. MCGUIRE: Is it possible to get it the afternoon of the Thursday, because when we are often here Thursday and not Friday, we could take them with us and then have the whole weekend to process them?

MR. PATTISON: We can do that. We would end up having to adjust the schedule and cutoff dates but we can do that. Yes.

CHAIRMAN WEYLER: That would be appreciated. I know the Senate is maybe here on a lot of Fridays, but we are infrequently here Fridays except for this meeting. All right. So Friday the 9th of March we'll deal with any items, and then we'll go on from there. Probably be five or six weeks later that we'll have the April meeting. So kind of a short deadline but we hope to play catch-up in April. Anything further, Mr. Pattison, for the Committee?

MR. PATTISON: I have nothing.

** REP. RODESCHIN: Move to adjourn.

CHAIRMAN WEYLER: Motion to adjourn from Representative Rodeschin. Is there a second?

SEN. MORSE: Second.

CHAIRMAN WEYLER: Second from Senator Morse. All in favor say aye? We are adjourned.

*** {MOTION ADOPTED}

(Adjourned at 11:19 a.m.)

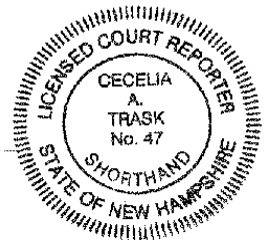
Joint Fiscal Committee

February 17, 2012

CERTIFICATION

I, Cecelia A. Trask, a Licensed Court Reporter-Shorthand, do hereby certify that the foregoing transcript is a true and accurate transcript from my shorthand notes taken on said date to the best of my ability, skill, knowledge and judgment.

Cecelia A. Trask
Cecelia A. Trask, LSR, RMR, CRK
State of New Hampshire
License No. 47



Joint Fiscal Committee

February 17, 2012