

FISCAL COMMITTEE OF THE GENERAL COURT

MINUTES

April 13, 2012

The Fiscal Committee of the General Court met on Friday, April 13, 2012 at 10:00 a.m. in Room 210-211 of the Legislative Office Building.

Members in attendance were as follows:

Representative Ken Weyler, Chairman
Representative Beverly Rodeschin
Representative Daniel McGuire
Representative Stephen Stepanek
Representative Robert Foose
Senator Chuck Morse
Senate President Peter Bragdon
Senator Bob Odell
Senator Lou D'Allesandro (Alternate)
Senator Raymond White (Alternate)

Chairman Weyler opened the meeting at 10:08 a.m.

ACCEPTANCE OF MINUTES:

On a motion by Senator Bragdon, seconded by Representative McGuire, that the minutes of the March 9, 2012 meeting be accepted as written. MOTION ADOPTED.

OLD BUSINESS:

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

FIS 11-274 Department of Information Technology – request for an extension to the October 1, 2011 requirement to present the consultant's report on the MMIS system to the Fiscal Committee to December 31, 2011. Tabled 09/23/11 and FIS 11-274 Additional Information – Department of Justice handout presented at the October 28, 2011 meeting, and FIS 11-274 Additional Information #2 – Department of Information Technology update presented at the January 20, 2012 meeting. No Action Taken.

FIS 11-322 House of Representatives – request on behalf of the House Speaker that the Office of Legislative Budget Assistant conduct a complete financial audit of the New Hampshire Disaster Relief Fund (“NHDRF”) from inception to the present and a complete report on how NHDRF operated itself, determined distributions and followed-up on distributions. Tabled 10/28/11. No Action Taken.

NEW BUSINESS:

RSA 9:16-a, TRANSFERS AUTHORIZED:

CONSENT CALENDAR

At the request of the Chair, FIS 12-096 Department of Education and FIS 12-098 Department of Safety were removed from the Consent Calendar.

On a motion by Representative Stepanek, seconded by Senator Bragdon, that the Committee approve the remaining requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 12-097 Department of Education – transfer \$50,000, FIS 12-099 Department of Safety – transfer \$20,000, FIS 12-105 Department of Safety – transfer \$31,000, FIS 12-110 Department of Safety – transfer \$30,000, FIS 12-111 Department of Transportation – transfer \$159,000, FIS 12-112 New Hampshire Veterans Home – transfer \$70,000, FIS 12-121 Department of Justice – transfer \$410,000, FIS 12-128 Insurance Department – transfer \$50,000, FIS 12-136 Department of Transportation - \$974,948]

FIS 12-096 Department of Education – Susan Folsom, Acting Business Administrator, Department of Education, responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Stepanek, that the Committee approve the request of the Department of Education to transfer \$31,096. MOTION ADOPTED.

The Committee requested follow-up information in response to questions regarding the e-Learning for Educators program.

FIS 12-098 Department of Safety – Wesley Colby, Director of Administration, Department of Safety, responded to questions of the Committee.

On a motion by Representative Foose, seconded by Senator Morse, that the Committee approve the request of the Department of Safety to transfer \$125,000. 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

At the request of Representative McGuire FIS 12-113 Department of Environmental Services, FIS 12-114 Department of Justice, and FIS 12-130 Public Utilities Commission were removed from the Consent Calendar.

On a motion by Senator Bragdon, seconded by Representative Stepanek, that the Committee approve the remaining requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 12-100 Department of Environmental Services – authorization to amend FIS 09-199, approved June 12, 2009, by reallocating \$14,700 in federal ARRA funds through October 1, 2015, FIS 12-101 Department of Safety – accept and expend \$133,540, FIS 12-115 Department of Safety – accept and expend \$6,574,948, FIS 12-116 Department of Safety – authorization to amend FIS 11-221,

approved September 23, 2011, by reallocating \$75,000 in federal funds through September 30, 2012, FIS 12-123 Department of Resources and Economic Development – authorization to amend FIS 09-318, approved September 29, 2009, by reallocating \$26,000 in federal ARRA funds through June 30, 2012, FIS 12-124 Department of Justice – accept and expend \$27,316, FIS 12-132 Office of Energy and Planning – authorization to 1) amend FIS 11-309, approved October 28, 2011, by extending the end date from April 30, 2012 to September 30, 2012, and further authorization to 2) amend FIS 11-309, approved October 28, 2011, by reallocating \$105,076.27 in federal ARRA funds through September 30, 2012, and authorization to 3) accept and expend \$36,643.91 in federal ARRA funds through September 30, 2012, FIS 12-133 Department of Transportation – accept and expend \$195,660, and FIS 12-134 Department of Transportation – accept and expend \$76,000]

FIS 12-113 Department of Environmental Services – On a motion by Representative Stepanek, seconded by Senator Bragdon, that the Committee approve the request of the Department of Environmental Services to accept and expend \$97,500. MOTION ADOPTED. (8-Yes, 1-No)

FIS 12-114 Department of Justice – Rosemary Faretra, Director of Administration, Department of Justice responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Stepanek, that the Committee approve the request of the Department of Justice to accept and expend \$110,107. MOTION ADOPTED. (8-Yes, 1-No)

The Committee requested follow-up data pertaining to the effectiveness of the program and an analysis of retention before and after this program.

FIS 12-130 Public Utilities Commission – Debra Howland, Executive Director, Public Utilities Commission, and Joanne Morin, Director, Office of Energy and Planning, responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Stepanek that the Committee approve the request of the Public Utilities Commission to; 1) amend FIS 10-144, approved May 18, 2010, by extending the end date from April 30, 2012 to September 30, 2012, and reallocating \$17,065.74 in other ARRA funds in SFY 2012, and 2) accept and expend \$100,000 in other ARRA funds through September 30, 2012. MOTION ADOPTED. (8-Yes, 1-No)

RSA 124:15 POSITIONS RESTRICTED:

CONSENT CALENDAR

On a motion by Senator Bragdon, seconded by Representative Foose, that the Committee approve the request as submitted. MOTION ADOPTED. [FIS 12-138 Department of Transportation – authorization to establish a temporary part-time Civil Engineer IV position and establish a consultant position through June 30, 2012]

RSA 9:17-d TRANSFER OF APPROPRIATIONS, SUPREME COURT:

FIS 12-109 Administrative Office of the Courts – On a motion by Senator Bragdon, seconded by Representative McGuire, that the Committee approve the request of the Administrative Office of the Courts to transfer \$220,516 in FY 2012. MOTION ADOPTED.

RSA 216-A:3-g FEES FOR PARK SYSTEM:

FIS 12-139 Department of Resources and Economic Development – On a motion by Senator Bragdon, seconded by Representative Stepanek, that the Committee approve the request of the Department of Resources and Economic Development to amend FIS 12-029, approved January 20, 2012, which established rate changes for camping, day use, and historic sites. MOTION ADOPTED.

RSA 228:12 TRANSFERS FROM HIGHWAY SURPLUS ACCOUNT:

FIS 12-131 Department of Transportation – Christopher Clement, Commissioner, and Patrick McKenna, Director of Finance, Department of Transportation presented the request and responded to questions of the Committee.

On a motion by Senator Bragdon, seconded by Representative Foose, that the Committee approve the request of the Department of Transportation to transfer \$151,022 in highway funds from Highway Surplus through June 30, 2012. MOTION ADOPTED.

The Committee requested a report pertaining to the plan for allocating the savings be submitted no later than the next Fiscal Committee meeting.

FIS 12-137 Department of Transportation – On a motion by Representative McGuire, seconded by Senator Morse, that the Committee approve the request of the Department of Transportation to transfer \$805,000 from Highway Surplus to fund vehicle parts, maintenance and repairs through June 30, 2012. MOTION ADOPTED.

CHAPTER 223, LAWS OF 2011, FOOTNOTE C, AND RSA 124:15, POSITIONS RESTRICTED:

FIS 12-141 Department of Administrative Services – On a motion by Senator Bragdon, seconded by Representative Stepanek, that the Committee approve the request of the Department of Administrative Services to; 1) budget and expend \$293,340 of revenue in excess of estimate through June 30, 2013, and 2) establish four (4) part-time temporary Public Works Project Manager III positions, and three (3) full-time temporary positions consisting of: one (1) Clerk of the Works II position and two (2) Public Works Project Manager III positions through June 30, 2013. MOTION ADOPTED.

CHAPTER 223:11, III, LAWS OF 2011, JUDICIAL BRANCH; GENERAL FUND APPROPRIATION REDUCTIONS:

FIS 12-145 Administrative Office of the Courts – On a motion by Senator Morse, seconded by Representative McGuire, that the Committee table the request of the Administrative Office of the Courts for approval for \$2,819,922 of additional funding for the year ending June 30, 2013 from funds not otherwise appropriated and permission to come before the Fiscal Committee during fiscal year 2013 to request an additional \$900,000 of funding to continue the NH e-Court implementation, if necessary. MOTION ADOPTED.

CHAPTER 224:14, II AND III, LAWS OF 2011, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS AND RSA 124:15 POSITIONS RESTRICTED:

A recess was requested by Senator Morse at 10:30 a.m., to allow the Senate to caucus. The meeting reconvened at 11:44 a.m.

FIS 12-135 Department of Health and Human Services – Shanthi Venkatesan, Office of the Commissioner, Melody Braley, Division of Family Assistance, and Lisabritt Solsky, Deputy Medicaid Director, Department of Health and Human Services responded to questions of the Committee.

On a motion by Senator Morse, seconded by Senator Odell, that the Committee table the request of the Department of Health and Human Services to; 1) transfer \$37,000 in general funds effective July 1, 2012 through June 30, 2013, and contingent upon approval of #1, authorization to 2) accept and expend \$42,543 in federal matching funds effective July 1, 2012 through June 30, 2013, and contingent upon approval of #1 and #2, authorization to 3) establish two (2) full-time temporary Secretary II positions effective July 1, 2012 through June 30, 2013. MOTION ADOPTED.

CHAPTER 224:203, LAWS OF 2011, DEPARTMENT BUDGETS; TRANSFER OF FEDERAL FUNDS:

FIS 12-102 Department of Education – On a motion by Senator Bragdon, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Education to transfer \$311,153 in federal funds through June 30, 2012. MOTION ADOPTED.

FIS 12-103 Department of Education – On a motion by Representative Foose, seconded by Senator Bragdon, that the Committee approve the request of the Department of Education to transfer \$45,845 in federal funds through June 30, 2012. MOTION ADOPTED.

CHAPTER 224:203, LAWS OF 2011, DEPARTMENT BUDGETS; TRANSFER OF FEDERAL FUNDS AND RSA 14:30-a, VI FISCAL COMMITTEE APPROVAL REQUIRED FOR ACCEPTANCE AND EXPENDITURE OF FUNDS OVER \$50,000 FROM ANY NON-STATE SOURCE:

FIS 12-104 Department of Safety – Wesley Colby, Director of Administration, and Lance Harbour, Emergency Management Protection Planner, Department of Safety, responded to questions of the Committee

On a motion by Senator Bragdon, seconded by Representative Stepanek, that the Committee approve the request of the Department of Safety to; 1) transfer \$25,000 in federal funds through June 30, 2012, and contingent upon approval of #1, authorization to 2) accept and expend \$95,698 in federal funds through June 30, 2012. MOTION ADOPTED.

CHAPTER 224:213, LAWS OF 2011, DEPARTMENT OF JUSTICE; OUTSIDE COUNSEL:

FIS 12-125 Department of Justice – On a motion by Senator Morse, seconded by Senator Bragdon, that the Committee table the request of the Department of Justice to retain outside counsel from an out-of-state firm for the purpose of bringing claims for unjust enrichment against major oil companies. MOTION ADOPTED.

CHAPTER 224:371, LAWS OF 2011, DEPARTMENT OF ADMINISTRATIVE SERVICES; TRANSFER AMONG ACCOUNTS:

FIS 12-140 Department of Administrative Services – On a motion by Senator Bragdon, seconded by Representative Foose, that the Committee approve the request of the Department of Administrative Services to transfer \$30,325 in general funds through June 30, 2012. MOTION ADOPTED.

INFORMATIONAL MATERIALS:

The informational items were accepted and placed on file.

AUDITS:

State of New Hampshire, Single Audit of Federal Financial Assistance Programs For the Year Ended June 30, 2011 – Richard Mahoney, Director of Audits, Office of Legislative Budget Assistant, Greg Driscoll, KPMG Partner, Karen Farrell, KPMG Senior Audit Manager, and Edgar Carter, Comptroller, Department of Administrative Services, presented the report and responded to questions of the Committee.

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

NEXT MEETING DATE:

On a motion by Senator Morse, seconded by Senator Bragdon, that the Fiscal Committee meet on Thursday, April 26, 2012 at 3:00 p.m. to discuss only tabled items and take any reports restricted to those items. A regular business meeting for Friday, May 18, 2012 at 10:00 a.m. was also set.

AUDITS CONTINUED:

State of New Hampshire, Turnpike System, Management Letter For The Fiscal Year Ended June 30, 2011 – Richard Mahoney, Director of Audits, and Jean Mitchell, Senior Audit Manager, Office of Legislative Budget Assistant, presented the report and responded to questions of the Committee. Patrick McKenna, Director of Finance, and Leonard Russell, Financial Analyst, Department of Transportation were also present to respond to questions of the Committee.

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

State of New Hampshire, Public Utilities Commission And Its Administratively Attached Agencies, Performance Audit, April 2012 – Richard Mahoney, Director of Audits, and Vilay DiCicco, Senior Audit Manager, Office of Legislative Budget Assistant, presented the report and responded to questions of the Committee. Amy Ignatius, Chairman, Michael Harrington, Commissioner, Public Utilities Commission, and Rorie Patterson Hollenberg, Acting Consumer Advocate, Office of Consumer Advocate, were also present to respond to questions of the Committee. Christina Martin, Office of the Consumer Advocate, was also present.

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

State of New Hampshire, Banking Department, Financial Audit Report, Fiscal Year Ended June 30, 2011 – Richard Mahoney, Director of Audits, and Christine Young, Senior Audit Manager, Office of Legislative Budget Assistant, presented the report and responded to questions of the Committee. Ronald Wilbur, Commissioner, Dawn Allen, Business Manager, and Glenn Perlow, Esquire, Legal Counsel, New Hampshire Banking Department were also present to respond to questions of the Committee.

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

ADJOURNMENT:

On a motion by Representative Foose, seconded by Representative Rodeschin, that the meeting adjourn. MOTION ADOPTED. (Whereupon the meeting adjourned at 12:36 p.m.)