

FISCAL COMMITTEE OF THE GENERAL COURT
MINUTES
July 24, 2007

The Fiscal Committee of the General Court met on Tuesday, July 24, 2007 at 9:00 a.m. in Room 100 of the State House.

Members in attendance were as follows:

Representative Marjorie Smith, Chairman
Representative Neal Kurk
Representative Daniel Eaton, Alternate
Representative Frederick King
Representative Peter Franklin
Senator Lou D'Allesandro, Vice-Chairman
Senate President Sylvia Larsen
Senator Kathleen Sgambati
Senator Theodore Gatsas
Senator John Gallus

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

ACCEPTANCE OF MINUTES:

On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the minutes of the June 28, 2007 meeting be accepted as written. MOTION ADOPTED.

OLD BUSINESS:

On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the following items be removed from the table; FIS 07-039 New Hampshire Retirement System - actuarial certification of funds available in the respective member classifications "special account" for the purpose of determining COLA's **Tabled 2/16/07** and FIS 07-158 Department of Corrections – request to establish one full-time temporary Program Specialist II (LG21) position and one full-time temporary Program Specialist I (LG19) position through June 30, 2007. **Tabled 5/15/07**. MOTION ADOPTED.

On a motion by Representative Eaton, seconded by Senator D'Allesandro, that the Committee allow the New Hampshire Retirement System and the Department of Corrections to withdraw their requests. MOTION ADOPTED.

FIS 07-034 Department of Administrative Services – authorization for various departments to retain state owned passenger automobiles with FY 2006 reported mileage less than 12,000 miles **Tabled 2/16/07 and 5/15/07**. No action taken.

FIS 07-111 Department of Health and Human Services, Office of Medicaid Business and Policy – for authorization to clarify physician services reimbursements to comply with recent instructions from the federal Centers for Medicare and Medicaid Services (CMS). **Tabled 4/19/07 and 5/15/07.** No action taken.

AUDITS:

Note: Presentation of this report, postponed at the May 15th meeting of the Fiscal Committee, will be rescheduled for the next meeting.

State of New Hampshire, Department of Corrections, Correctional Industries Account and Vocational Training Account, Financial and Compliance Audit Report, For the Fiscal Year Ended June 30, 2006.

RSA 14:30-a, III AUDIT TOPIC RECOMMENDATION BY LEGISLATIVE PERFORMANCE AUDIT AND OVERSIGHT COMMITTEE:

FIS 07-223 Letter from Senator Harold Janeway, Chairman of the Legislative Performance Audit and Oversight Committee – On a motion by Representative Eaton, seconded by Representative King, that the Committee approve the recommendation of the Legislative Performance Audit and Oversight Committee for the following performance audit topics; Succession Planning for State Employees, Office of Information Technology, State-Owned Vehicles, and Certain functions of the Department of Administrative Services. 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

On a motion by Senator D'Allesandro, seconded by Representative Eaton, that the Committee approve the requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 07-220 Department of Resources and Economic Development – accept and expend \$90,000 and FIS 07-222 Department of Transportation – amend the grant award termination date from June 30, 2007 to June 30, 2009, with no increase in funding (approved FIS 06-307 October 18, 2006)]

CHAPTER 262:17, LAWS OF 2007, DEPARTMENT OF SAFETY; APPROPRIATION:

FIS 07-240 Department of Safety – On a motion by Representative Eaton, seconded by Representative King, that the Committee approve the request of the Department of Safety to appropriate \$125,000 to pay the State share of Individual Assistance benefits provided by the Federal Emergency Management Agency (FEMA) for victims of the April 2007 floods. MOTION ADOPTED.

CHAPTER 263:28, IL, LAWS OF 2007, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS:

EIS 07-229 Department of Health and Human Services – On a motion by Representative Eaton, seconded by Senator Sgambati, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$87,800 in additional federal grant funds from the Department of Safety through June 30, 2008. MOTION ADOPTED.

CHAPTER 263:42, LAWS OF 2007, TRANSFERS AMONG ACCOUNTS; OFFICE OF INFORMATION TECHNOLOGY:

EIS 07-224 Office of Information Technology – On a motion by Representative Eaton, Seconded by Representative Franklin, that the Committee approve the request of the Office of Information Technology to transfer \$22,262. MOTION ADOPTED.

CHAPTER 263:124, LAWS OF 2007, DEPARTMENT OF HEALTH AND HUMAN SERVICES; MEDICAL ASSISTANCE PROGRAM; SELECTIVE CONTRACTING:

EIS 07-238 Department of Health and Human Services – On a motion by Senator D'Allesandro, seconded by Representative Eaton, that the request of the Department of Health and Human Services for authorization to complete the bid process for the GraniteCare Selective Contracting Program be tabled.

A roll call was requested and the results were as follows:

Representative Smith – Yes

Representative Franklin – Yes

Representative Kurk – No

Representative Eaton – Yes

Representative King – No

Senator D'Allesandro – Yes

Senator Sgambati – Yes

Senator Larsen – Yes

Senator Gallus – No

Senator Gatsas – No

(6-Yes; 4-No) MOTION ADOPTED.

CHAPTER 263:146, 147, AND 148, LAWS OF 2007, LEGISLATIVE EMPLOYEES:

EIS 07-242 Office of Legislative Budget Assistant – On a motion by Senator D'Allesandro, seconded by Representative Eaton, that the Committee approve the request of the Office of Legislative Budget Assistant to grant salary increases to employees of the Office of Legislative Budget Assistant effective July 6, 2007, January 4, 2008 and January 2, 2009. MOTION ADOPTED.

LATE INFORMATIONAL MATERIALS:

FIS 07-245 Letter to Fiscal Committee from Representative Weyler – regarding Charter Schools and FIS 07-246 Department of Education – Letter from Commissioner Tracey regarding Charter School Supplemental Grants.

Chairman Smith outlined the contents of the letters and opened them to discussion, for which there was none. No Committee action was required for these informational items.

INFORMATIONAL MATERIALS:

Senator D'Allesandro brought to the Committee's attention item FIS 07-227 Department of Resources and Economic Development, jointly with the New Hampshire Insurance Department – Chapter 277:4, Laws of 2006 – Monthly report on status to Retain Domestic Insurers and Recruit Foreign Insurers as of July 1, 2007. He pointed out the Legislative action taken in the last biennium with regard to reduction in the premium tax seemed to be producing positive results.

FIS 07-233 Department of Administrative Services – Chapter 259:16, II, Laws of 2005 – 60 Day Report on the progress and implementation of the Enterprise Resource Planning (ERP) Project for the period of July 1, 2007 through August 31, 2007 and FIS 07-234 Department of Health and Human Services – Chapter 262:1, Laws of 2007 – update on the status of the new Medicaid Management Information System (MMIS) under development.

Nicholas Toumpas, Deputy Commissioner, Department of Health and Human Services, presented an update on the status of the implementation of the Enterprise Resource System (ERP) New Hampshire First Project and the new Medicaid Management Information System (MMIS) and responded to questions of the Committee.

Chairman Smith, on behalf of the Committee, requested that FIS 07-237 Department of Health and Human Services – follow-up report regarding county financial impacts resulting from enactment of Chapter 129, Laws of 2007, and 2007 ProShare payments be included on the next agenda to allow the Committee more review time.

At Chairman Smith's request, Richard Head, Esquire, Assistant Attorney General, Department of Justice and James P. Fredyma, Controller, Department of Health and Human Services responded to questions of the Committee regarding FIS 07-239 Department of Health and Human Services – information regarding a Memorandum of Understanding (MOU) with the Department of Justice for the purpose of assigning an existing DHHS Attorney I position to Justice for dedicated legal support services for DHHS.

The informational items were accepted and placed on file.

AUDITS:

New Hampshire State Liquor Commission, Annual Report and Statistical Section, Fiscal Year June 30, 2006 and State of New Hampshire Liquor Commission, Management Letter, For the Fiscal Year Ended June 30, 2006 – Richard Mahoney, Director of Audits, George Tsiopras, Chief Financial Officer, and Craig Bulkley, Chief of Administration, New Hampshire Liquor Commission presented the reports and responded to questions of the Committee. John Bunnell, Director, Marketing and Merchandising, New Hampshire Liquor Commission, was also present to respond to questions of the Committee.

This report was accepted and placed on file at the Fiscal Committee meeting April 19, 2007.

State of New Hampshire, Lottery Commission, Management Letter, For the Fiscal Year Ended June 30, 2006 – Richard Mahoney, Director of Audits, Ricky Wisler, Executive Director, and Georges Roy, Administrator, Lottery Commission presented the reports and responded to questions of the Committee.

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

MISCELLANEOUS:

Richard Mahoney, Director of Audits, Office of Legislative Budget Assistant, requested Committee approval to fill five vacancies, which includes the three new performance auditor positions approved in the 2008-2009 fiscal year budget.

On a motion by Representative King, seconded by Senator D'Allesandro, that the Committee approve the request of the Office of Legislative Budget Assistant, Audit Division to fill five vacancies. MOTION ADOPTED.

ADJOURNMENT:

The next regular meetings of the Fiscal Committee were set for Wednesday, August 28, 2007 and Wednesday, October 17, 2007.

On a motion by Senator D'Allesandro, seconded by Representative Eaton, that the meeting adjourn. MOTION ADOPTED. (Whereupon the meeting adjourned at 11:45 a.m.)