

FISCAL COMMITTEE OF THE GENERAL COURT  
MINUTES  
August 29, 2007

The Fiscal Committee of the General Court met on Wednesday, August 29, 2007 at 9:00 a.m. in Room 210-211 of the Legislative Office Building.

Members in attendance were as follows:

Representative Marjorie Smith, Chairman  
Representative Neal Kurk  
Representative Mary Jane Wallner  
Representative Frederick King  
Representative Peter Franklin  
Representative Daniel Eaton, Alternate  
Representative Kenneth Weyler, Alternate  
Senate President Sylvia Larsen  
Senator Kathleen Sgambati  
Senator Theodore Gatsas  
Senator John Gallus  
Senator Peter Burling, Alternate

Chairman Smith opened the meeting at 9:07 a.m.

ACCEPTANCE OF MINUTES:

On a motion by Representative King, seconded by Representative Franklin, that the minutes of the July 24, 2007 meeting be accepted as written. **MOTION ADOPTED.**

OLD BUSINESS:

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.

FIS 07-238 Department of Health and Human Services – authorization to complete the bid process for the GraniteCare Selective Contracting Program. **Tabled 7/24/07.** No action taken.

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. **Informational Item Postponed 7/24/07.** No action taken.

RSA 9:16-a, TRANSFERS AUTHORIZED:

**CONSENT CALENDAR**

FIS 07-255 Department of Safety – transfer \$30,364.07 in federal grant funds through September 30, 2008 was withdrawn by the agency.

On a motion by Representative Franklin, seconded by Senator Burling, that the Committee approve the requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 07-264 New Hampshire Employment Security – transfer \$64,644.99 in FY 2008 and \$18,493.51 in FY 2009]

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**

FIS 07-247 Department of Education – At the request of Chairman Smith, Mary Heath, Deputy Commissioner and Michael Bieniek, Business Administrator, Department of Education responded to questions of the Committee.

FIS 07-248 Department of Environmental Services – At the request of Chairman Smith, Michael Walls, Assistant Commissioner, Department of Environmental Services responded to questions of the Committee.

FIS 07-256 Department of Justice – At the request of Representative Kurk, Orville B. Fitch, Deputy Attorney General, Department of Justice responded to questions of the Committee.

On a motion by Senator Burling, seconded by Representative King, that the Committee approve the requests on the agenda under this section as submitted. MOTION ADOPTED. (9-Yes, 1-No) [FIS 07-247 Department of Education – budget and expend \$226,739 prior year carry forward federal grant funds through June 30, 2008, FIS 07-248 Department of Environmental Services – retroactively amend the grant award termination date from March 31, 2007 to September 1, 2007, with no increase in funding (approved FIS 06-190 June 7, 2006), FIS 07-256 Department of Justice – accept and expend \$932,446 in federal grant funds through February 28, 2009, FIS 07-261 Department of Justice – accept and expend a federal grant of \$350,000 through May 31, 2009, FIS 07-262 Department of Justice – accept and expend a federal grant of \$51,254 through June 30, 2009, FIS 07-266 New Hampshire Police Standards and Training Council – accept and expend \$250,000 from the New Hampshire Department of Safety through June 30, 2008, FIS 07-267 Department of Safety – retroactively amend the termination date of a grant from the New Hampshire Department of Justice from June 30, 2007 to September 30, 2007, with no increase in funding (approved FIS 05-260 December 22, 2005 and amended FIS 06-373 January 17, 2007), FIS 07-275 New Hampshire Fish and Game Department – amend the grant award termination date from August 31, 2007 to June 30, 2009, with no increase in funding (approved FIS 05-228 November 16, 2005)]

RSA 14:30-a, VI FISCAL COMMITTEE APPROVAL REQUIRED FOR ACCEPTANCE AND EXPENDITURE OF FUNDS OVER \$50,000 FROM ANY NON-STATE SOURCE AND RSA 124:15 POSITIONS RESTRICTED:

FIS 07-265 Office of the Adjutant General – On a motion by Senator Larsen, seconded by Senator Burling, that the Committee approve the request from the Office of the Adjutant General to accept and expend \$136,909 in additional federal funds from October 1, 2007 through June 30, 2009 and authorization to establish one full-time temporary Financial Analyst position from October 1, 2007 through June 30, 2009. MOTION ADOPTED.

FIS 07-268 Department of Safety – On a motion by Senator Burling, seconded by Representative Franklin, that the Committee approve the request from the Department of Safety to retroactively accept and expend \$253,939.61 in federal grant funds from July 1, 2007 through September 30, 2008 and retroactively extend a Program Specialist IV position from July 1, 2007 through June 30, 2008 (approved FIS 06-229 August 8, 2006). MOTION ADOPTED.

FIS 07-269 Department of Safety – On a motion by Senator Larsen, seconded by Representative Franklin, that the Committee approve the request from the Department of Safety to retroactively amend the grant award termination date from June 30, 2007 to September 30, 2007, with no increase in funding (approved FIS 06-279 September 19, 2006) and retroactively amend the position termination date, with no increase in funding, of six (6) Highway Patrol and Enforcement Officers, one (1) Highway Patrol Corporal and one (1) Word Processor from June 30, 2007 through September 30, 2007 (approved FIS 06-279 September 19, 2006 and amended by FIS 06-309 October 18, 2006). MOTION ADOPTED.

FIS 07-274 Department of Education – Mary Heath, Deputy Commissioner and Michael Bieniek, Business Administrator, Department of Education responded to questions of the Committee.

On a motion by Senator Larsen, seconded by Representative Wallner, that the Committee approve the request from the Department of Education to budget and expend \$1,475,527.48 in unexpended prior year carry forward federal funds through June 30, 2008 and further authorization to extend one (1) full-time temporary Program Specialist II position through June 30, 2008. MOTION ADOPTED.

FIS 07-277 Office of Information Technology – On a motion by Senator Burling, seconded by Representative Franklin, that the Committee approve the request from the Office of Information Technology to accept and expend \$64,644.99 in SFY 2008 and \$18,493.51 in SFY 2009 of additional other funds available from the New Hampshire Department of Employment Security through September 30, 2008 and authorization to establish one (1) Business Systems Analyst I position through September 30, 2008. MOTION ADOPTED.

FIS 07-279 Department of Justice – On a motion by Senator Larsen, seconded by Representative Franklin, that the Committee approve the request from the Department of Justice to amend the end date for one (1) full-time temporary unclassified Attorney position for a Traffic Safety Resource Prosecutor from September 30, 2007 to September 30, 2008 (approved FIS 07-047 February 16, 2007) and further authorization to accept and expend two (2) grants for a total of \$102,509.57; one of \$65,126.05 from New Hampshire Highway Safety Agency and one of \$37,383.52 from the National Association of Prosecutor Coordinators, from October 1, 2007 through September 30, 2008. MOTION ADOPTED.

RSA 124:15 POSITIONS RESTRICTED:

FIS 07-270 Department of Safety – On a motion by Senator Larsen, seconded by Senator Burling, that the Committee approve the request from the Department of Safety to retroactively amend the position termination date of one (1) Paralegal I position from June 30, 2007 through September 30, 2008 (approved FIS 07-027 February 16, 2007). MOTION ADOPTED.

FIS 07-278 Department of Justice – On a motion by Representative Franklin, seconded by Senator Burling, that the Committee approve the request from the Department of Justice to continue one (1) part-time consultant position for the provision of legal advice to the New Hampshire Secretary of State from July 1, 2007 through June 30, 2008 (approved FIS 07-006 January 17, 2007). MOTION ADOPTED.

RSA 284:15-b, III, DISCLOSURE OF INFORMATION; EXPENSES OF INVESTIGATIONS:

FIS 07-276 Department of Justice – Orville B. Fitch, Deputy Attorney General, Department of Justice responded to questions of the Committee.

On a motion by Senator Larsen, seconded by Representative Franklin, that the Committee approve the request from the Department of Justice to exceed by \$11,989.39 the \$50,000 cap established for expenses related to conducting investigations of any person, association, corporation or other entity applying for or holding a license for horse or dog racing. MOTION ADOPTED.

CHAPTER 262:1, LAWS OF 2007, PAU 05-01-08-04-01, CLASS 86, CEDARCREST RATES FOOTNOTE:

FIS 07-257 Department of Health and Human Services – On a motion by Senator Larsen, seconded by Representative Wallner, that the Committee approve the request from the Department of Health and Human Services to retroactively establish an atypical rate for services to children under three years of age at Cedarcrest, Inc. from July 1, 2007 through June 30, 2009. MOTION ADOPTED. (9-Yes, 1-No)

CHAPTER 262:4, LAWS OF 2007, LOTTERY COMMISSION, AUTHORITY GRANTED:

FIS 07-250 New Hampshire Lottery Commission – On a motion by Senator Burling, seconded by Representative Franklin, that the Committee approve the request from the New Hampshire Lottery Commission to transfer \$2,300,000 from the Lottery Special Revenue Account to the Instant Ticket Account for the period of July 1, 2007 through June 30, 2008. MOTION ADOPTED.

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

FIS 07-281 Department of Health and Human Services – Nicholas Toumpas, Acting Commissioner, Nancy Rollins, Director, Division of Community Based Services and James Fredyma, Controller, Department of Health and Human Services responded to questions of the Committee.

On a motion by Senator Larsen, seconded by Representative Wallner, that the Committee approve the request from the Department of Health and Human Services to accept and expend \$200,000 from the State Treasurer, from funds not otherwise appropriated, through June 30, 2008. The motion was withdrawn by Senator Larsen and Representative Wallner respectively.

On a motion by Representative Wallner, seconded by Senator Burling, that the Committee table the request from the Department of Health and Human Services and instruct the Department to advance the necessary funds on a quarterly basis to the Community Action Program for the purpose of the Homeless Housing Guarantee. NO ACTION TAKEN.

On an **amended motion** by Representative Wallner, seconded by Senator Burling, that the Committee table the request from the Department of Health and Human Services, **with no qualifications**. The Committee will recess at the end of this meeting until September 5, 2007, at 1:00 p.m., at which time the Department of Health and Human Services will be prepared to come back before the Fiscal Committee. MOTION ADOPTED.

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

FIS 07-251 Office of Information Technology – On a motion by Senator Burling, seconded by Representative Franklin, that the Committee approve the request from the Office of Information Technology to transfer \$10,000. MOTION ADOPTED.

On a motion by Senator Burling, seconded by Representative Franklin, that pursuant to Chapter 263:42, that the Committee delegate to the Chair of Fiscal Committee the authority to approve all transfers less than \$25,000 made under this section. MOTION ADOPTED.

LATE ITEMS:

EIS 07-283 Department of Transportation – Due to no representation from the Department of Transportation to respond to questions of the Committee this item will be placed on the next agenda.

EIS 07-284 Office of the Adjutant General, jointly with the Department of Health and Human Services – Brigadier General Kenneth Clark, The Adjutant General and Colonel Debbie Carter, Joint Personnel Officer, New Hampshire National Guard responded to questions of the Committee.

On a motion by Representative Wallner, seconded by Senator Burling, that the Committee approve the request from the Office of the Adjutant General, jointly with the Department of Health and Human Services, for the Office of the Adjutant General to accept and expend \$300,000 in additional federal funds for the Joint Family Support Assistance Program through September 30, 2008 and approval for the Department of Health and Human Services to accept and expend \$299,700 in other funds awarded by the Office of the Adjutant General through September 30, 2008. MOTION ADOPTED.

INFORMATIONAL MATERIALS:

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

EIS 07-282 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 31, 2007. At the request of Representative Kurk, Kenneth Plourde, Business Administrator, Department of Resources and Economic Development responded to questions of the Committee.

EIS 07-252 Department of Health and Human Services – Chapter 292, Laws of 2006 – Update relative to reporting requirements concerning infections in hospitals. At Senator Gatsas' request, Kenneth Plourde, Business Administrator, Department of Resources and Economic Development responded to questions of the Committee.

The informational items were accepted and placed on file.

AUDITS:

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 – Richard Mahoney, Director of Audits, and James LaRiviere, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant and William Wrenn, Commissioner, and Robert Mullen, Director of Administration, Department of Corrections presented the reports and responded to questions of the Committee.

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

State of New Hampshire, Department of Safety, Fee and Fine Revenues Collected by the Division of Motor Vehicles, Financial and Compliance Audit Report, For the Fiscal Year Ended June 30, 2006 – Richard Mahoney, Director of Audits, and Pamela Veeder, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant and John Barthelmes, Commissioner and Earl Sweeney, Assistant Commissioner, Department of Safety presented the reports and responded to questions of the Committee.

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

Chairman Smith requested that the State of New Hampshire, Department of Safety, Fee and Fine Revenues Collected by the Division of Motor Vehicles, Financial and Compliance Audit Report, For the Fiscal Year Ended June 30, 2006 be distributed to the House Chairs of Criminal Justice, Ways and Means, and Public Works and Highways, and per Senator Larsen, also sent to the Senate Chairs for the same committees.

State of New Hampshire, Alteration of Terrain and Wetlands Permitting, Performance Audit Report, August 2007 – Richard Mahoney, Director of Audits, and Jay Henry, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant and Thomas Burack, Commissioner and Harry Stewart, Director, Water Division, Department of Environmental Services presented the reports and responded to questions of the Committee.

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

State of New Hampshire, Insurance Department, Consumer Protection Functions, Performance Audit Report, August 2007 – Richard Mahoney, Director of Audits, and Vilay Diccico, Audit Manager, Audit Division, Office of Legislative Budget Assistant and Roger Sevigny, Commissioner and Alex Feldvebel, Assistant Commissioner, Insurance Department 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:

ADJOURNMENT:

The meeting was recessed until Wednesday, September 5, 2007 at 1:00 p.m.

Fiscal Committee Minutes  
September 5, 2007

Chairman Smith reconvened the August 29, 2007 meeting on Wednesday, September 5, 2007 at 1:00 p.m. with the following members in attendance:

Representative Marjorie Smith, Chairman  
Representative Neal Kurk  
Representative Mary Jane Wallner  
Representative Frederick King  
Representative Peter Franklin  
Representative Daniel Eaton, Alternate  
Representative Kenneth Weyler, Alternate  
Senator Lou D'Allesandro  
Senate President Sylvia Larsen  
Senator Theodore Gatsas  
Senator John Gallus

Chairman Smith opened the meeting at 1:05 p.m.

ACTION ITEMS:

EIS 07-287 Department of Health and Human Services – Nancy Rollins, Director, Division of Community Based Services presented the revised request and responded to questions of the Committee. (This item replaced FIS 07-281 Department of Health and Human Services to accept and expend \$200,000 from the State Treasurer, presented to the Committee, August 29, 2007)

On a motion by Representative King, seconded by Representative Franklin, that the Committee approve the request from the Department of Health and Human Services to transfer \$100,000 in State general funds through June 30, 2008. MOTION ADOPTED.

MISCELLANEOUS:

Michael Buckley, Legislative Budget Assistant, requested approval to adopt the salary schedule as recommended by NCLS for the employees of the Office of Legislative Budget Assistant effective as of August 31, 2007.

On a motion by Representative Kurk, seconded by Senator Gallus, that the Committee delay action until the next regularly scheduled meeting. MOTION FAILED. (2-Yes, 7-No)

On a motion by Senator Larsen, seconded by Representative Wallner, that the Committee accept the report from NCSL on the proposed pay grades and adoption of the proposed pay grades as presented in Attachment 3. NO ACTION TAKEN.

On an **amended motion** by Senator Larsen that the Committee approve the pay schedule and the proposed pay grades and steps as outlined in the Legislative Budget Assistant handout, effective August 31, 2007. Representative Wallner, who seconded the original motion, disagreed on the basis that Attachment 3 has to tie back to the NCSL report. NO ACTION TAKEN.

Reverting back to the original motion by Senator Larsen, seconded by Representative Wallner, that the Committee approve Attachment 3 as set out in the NCLS report with the intent to approve salary increases in the LBA handout, effective August 31, 2007, a roll call was requested by Senator Gatsas and the results were as follows:

Representative Smith – Yes  
Representative Franklin – Yes  
Representative Kurk – No  
Representative Wallner - Yes  
Representative King – No  
Senator D'Allesandro – Yes  
Senator Larsen – Yes  
Senator Gallus – No  
Senator Gatsas – No                   (5-Yes; 4-No) MOTION ADOPTED.

ADJOURNMENT:

The next regular meeting of the Fiscal Committee is set for Wednesday, October 17, 2007. (Whereupon the meeting adjourned at 2:05 p.m.)

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Representative Neal Kurk, Clerk