

FISCAL COMMITTEE OF THE GENERAL COURT
MINUTES
September 19, 2006

The Fiscal Committee of the General Court met on Tuesday, September 19, 2006 a.m. in Room 210-211 of the Legislative Office Building.

Members in attendance were as follows:

Representative Frederick King, Chairman
Senator Charles Morse, Vice Chairman
Representative Kenneth Weyler
Representative Elizabeth Hager
Representative Mary Jane Wallner
Representative Peter Franklin
Senator Theodore Gatsas
Senator John Barnes, Jr.
Senator Robert Flanders
Senator Lou D'Allesandro

Chairman King opened the meeting at 9:03 a.m.

ACCEPTANCE OF MINUTES:

On a motion by Senator Gatsas, seconded by Representative Franklin, that the minutes of the August 8, 2006 meeting be accepted as written. MOTION ADOPTED.

RSA 9:16-a TRANSFERS AUTHORIZED:

FIS 06-270 Department of Administrative Services, Bureau of Court Facilities and FIS 06-281 Department of Education - On a motion by Representative Hager, seconded by Senator D'Allesandro, that the Committee approve these requests as submitted. 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:

Chairman King had questions on request FIS 06-283 from the Department of Corrections. William Wrenn, Commissioner presented the request and responded to questions.

Senator Gatsas had questions on request FIS 06-249 from the Department of Education. Mary Heath, Deputy Commissioner presented the request and responded to questions.

On a motion by Senator D'Allesandro, seconded by Representative Hager, that the Committee approve all the requests under this section of the agenda as submitted. MOTION ADOPTED. (FIS 06-245, FIS 06-249, FIS 06-263, FIS 06-267, FIS 06-272, FIS 06-286, FIS 06-285, FIS 06-256, FIS 06-266, FIS 06-257, FIS 06-265, FIS 06-268, FIS 06-275, FIS 06-276 and FIS 06-283)

RSA 124:15 POSITIONS RESTRICTED:

FIS 06-282 Commission for Human Rights - On a motion by Representative Hager, seconded by Representative Franklin, that the Committee approve the request from the Commission for Human Rights to establish a Secretary-Typist II position through June 30, 2007. MOTION ADOPTED.

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

FIS 06-252 Department of Corrections - On a motion by Senator D'Allesandro, seconded by Representative Wallner, that the Committee approve the request from the Department of Corrections to accept and expend \$178,936.22 and continue two (2) Correction Counselor/Case Manager positions through September 30, 2006. MOTION ADOPTED.

FIS 06-259 Department of Corrections - On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the Committee approve the request from the Department of Corrections to accept and expend \$166,565.27 and continue a Program Assistant position and extend the utilization of polygraph testing consultants through March 31, 2007. MOTION ADOPTED.

FIS 06-278 Department of Safety, Division of State Police - On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the Committee approve the request from the Department of Safety, Division of State Police to accept and expend \$90,075 and continue a Computer Forensic Analyst position through June 30, 2007. MOTION ADOPTED.

FIS 06-279 Department of Safety, Division of Motor Vehicles - Wes Colby, Director of Administration presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the Committee approve the request from the Department of Safety to accept and expend \$829,189 and continue six (6) Highway Patrol and Enforcement Officer positions and one (1) Highway Patrol and Enforcement Corporal position through June 30, 2007. MOTION ADOPTED.

FIS 06-284 Office of Information Technology - On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the Committee approve the request from the Office of Information Technology to accept and expend \$61,279.70 and establish a Technical Support Specialist VI position through June 30, 2007. MOTION ADOPTED.

CHAPTER 290:22, LAWS OF 2006 STUDY OF UNCLASSIFIED SALARY SCHEDULE:

FIS 06-251 Department of Administrative Services - Representative Kenneth Weyler gave the Committee an update on a study committee he is

chairing on unclassified salary classifications and presented a handout which was a brief history of the salary structure.

On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the Committee approve the request from the Department of Administrative Services to hire a consultant to study the unclassified salary schedule for an amount not to exceed \$20,000.
MOTION ADOPTED.

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

FIS 06-237 Department of Health and Human Services, Division for Juvenile Justice Services - On a motion by Representative Wallner, seconded by Representative Hager, that the Committee approve the request from the Department of Health and Human Services, Division for Juvenile Justice Services to accept and expend \$247,054. MOTION ADOPTED.

FIS 06-250 Department of Health and Human Services, Division of Public Health Services - On a motion by Senator D'Allesandro, seconded by Representative Wallner, that the Committee approve the request from the Department of Health and Human Services, Division of Public Health Services to accept and expend \$150,000. MOTION ADOPTED.

FIS 06-273 Department of Health and Human Services, Division of Community Based Care Services - John Stephen, Commissioner presented the request and responded to questions of the Committee.

On a motion by Representative Wallner, seconded by Senator D'Allesandro, that the Committee approve the request from the Department of Health and Human Services, Division of Community Based Care Services to accept and expend \$1,052,481. MOTION ADOPTED.

CHAPTER 177:4,II, LAWS OF 2005 DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES AND RSA 124:15 POSITIONS RESTRICTED:

FIS 06-271 Department of Health and Human Services, Division of Family Assistance - John Stephen, Commissioner requested that this item be withdrawn as a result of a letter he sent to the Fiscal Committee dated September 13th noting that the Governor and Council approved a contract with the Community Action Program at their last meeting.

CHAPTER 323:2, LAWS OF 2006 - REGIONAL COMMUNITY-TECHNICAL COLLEGE SYSTEM - USE OF NON-LAPSING ACCOUNT:

FIS 06-274 Community Technical College System - William Simonton, Commissioner and Michael Marr, Chief Financial Officer presented the request and responded to questions of the Committee.

On a motion by Representative Weyler, seconded by Representative Hager, that the Committee approve the request from the Community Technical College System for authorization to transfer \$800,000 from the non-lapsing account for maintaining tuition at the present level for the 2006-2007 school year. MOTION ADOPTED.

RSA 7:12 ASSISTANTS:

FIS 06-264 Department of Justice - Valerie Hall, Director of Administration presented the request and responded to questions of the Committee.

Representative Weyler noted that the request should read from funds not otherwise appropriated.

On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the Committee approve the request from the Department of Justice to expend a sum not to exceed \$215,409 in general funds to pay for autopsies conducted pursuant to RSA 611:7. MOTION ADOPTED.

RSA 193-E:5, III UNIQUE PUPIL IDENTIFICATION:

FIS 06-255 Department of Education - On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the Committee approve the request from the Department of Education for authorization to enter into a contract with Christina Emery of Danbury, NH for \$32,000. MOTION ADOPTED.

INFORMATIONAL MATERIALS:

Chairman King asked if any members had any questions on any of the informational items.

Representative Weyler had questions relative to item FIS 06-239 New Hampshire Retirement System - response to various questions by members of the Fiscal Committee at the August 2006 Fiscal Committee meeting

Representative Weyler requested that the Executive Director of the NH Retirement System be present at the next meeting to answer questions on the information he supplied to the Committee. Specifically, Representative Weyler asked, when you go from a 9% assumption rate on your retirement system to an 8½%, would you be under funding the system by a couple hundred million, just by making that assumption. And unless there was a surplus in there that would make that up, there has to be some plan to and reasoning for doing that. He understands the returns haven't been that great; but when you have something structured with almost 4 billion or perhaps more than 4 billion in it now; you decide your assumptions of 9% aren't working so you go to 8½%, you might even need another billion dollars.

Chairman King also requested that someone from the Retirement System address the issue of the 5-year buyback of nonqualified time, and how it will affect the retirement system.

Michael Buckley, Legislative Budget Assistant noted that Catherine Provencher, Director of Audits might also address the Committee relative to the Government Accounting Standards Board issuing a new statement that requires additional disclosure in the financial statements as to the extent of the under funding.

Senator Gatsas had questions on FIS 06-260 Department of Resources and Economic Development (RSA 12-A:29-c) Report on Activities of the Cannon Mountain Capital Improvement Fund for FY 2006.

On a motion by Senator Gatsas, seconded by Senator Morse, that the Committee table informational items FIS 06-239 and FIS 06-260. MOTION ADOPTED.

The remainder of the informational items were accepted and placed on file.

MISCELLANEOUS:

Donald Hill, Commissioner, Department of Administrative Services introduced Ronald Jobel, NH First Project Manager, who gave the Committee an update on the ERP.

Commissioner Hill also distributed a late informational item which was a report from the Healthcare Benefit Advisory Committee; a committee set up by the bargaining agreement.

AUDITS:

State of New Hampshire, State Treasury Financial and Compliance Audit Report For the Fiscal Year Ended June 30, 2005 - Catherine Provencher, Director of Audits, Office of Legislative Budget Assistant presented the report and responded to questions of the Committee. Michael Ablowich, State Treasurer was also present to respond to questions of the Committee.

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

State of New Hampshire, Insurance Procurement Practices Performance Audit Report September 2006 - Catherine Provencher, Director of Audits, Office of Legislative Budget Assistant presented the report and responded to questions of the Committee. Donald Hill, Commissioner and Monica Ciolfi, Department of Administrative Services were also present to respond to questions of the Committee.

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

DATE OF NEXT MEETING AND ADJORNMENT:

The next meeting of the Fiscal Committee was set for Wednesday, October 18, 2006. (A future meeting date was also set for Tuesday, November 14, 2006.)

On a motion by Senator D'Allesandro, seconded by Representative Hager, that the meeting adjourn. MOTION ADOPTED. (Whereupon the meeting adjourned at 11:25 a.m.)

Representative Kenneth Weyler, Acting Clerk