

FISCAL COMMITTEE OF THE GENERAL COURT

MINUTES

October 22, 2008

The Fiscal Committee of the General Court met on Wednesday, October 22, 2008 at 9:00 a.m. in Room 201-203 of the Legislative Office Building.

Members in attendance were as follows:

Representative Marjorie Smith, Chairman  
Representative Neal Kurk  
Representative Mary Jane Wallner  
Representative Kenneth Weyler  
Representative Peter Franklin  
Representative Fran Wendelboe  
Senator Lou D'Allesandro  
Senate President Sylvia Larsen  
Senator Kathleen Sgambati  
Senator Theodore Gatsas  
Senator John Gallus

Chairman Smith opened the meeting at 9:22 a.m.

ACCEPTANCE OF MINUTES:

On a motion by Senator D'Allesandro, seconded by Representative Weyler, that the minutes of the September 10, 2008 meeting be accepted as written. MOTION ADOPTED.

OLD BUSINESS:

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 07-360 Department of Health and Human Services – requests approval of one of four options for a new rate structure for pediatric specialty care **Tabled 11/14/07.** Replacement Item submitted for approval of one of five options for a new rate structure for pediatric specialty care. **Tabled 12/13/07.** No action taken.

FIS 08-130 Department of Health and Human Services – authorization to revise the reimbursement rate paid to non-critical access hospitals for outpatient services from 81.24% of Medicare allowable costs to 62.82% of Medicare allowable costs retroactively to January 1, 2008 **Tabled 4/29/08.** No action taken.

FIS 08-163 New Hampshire Retirement System - actuarial certification of funds available in the respective member classifications "special account" for the purpose of determining COLA's **Tabled 5/29/08**. No action taken.

RSA 9:16-a, TRANSFERS AUTHORIZED:

**CONSENT CALENDAR**

On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the Committee approve the request on the agenda under this section as submitted. MOTION ADOPTED. [FIS 08-311 Office of The Adjutant General – transfer \$535,000]

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 08-232 Department of Environmental Services, FIS 08-273, Office of Energy and Planning, FIS 08-274 Office of Energy and Planning, FIS 08-277 Department of Environmental Services, FIS 08-278 Department of Environmental Services, FIS 08-288 Postsecondary Education Commission, FIS 08-293 Department of Education, FIS 08-301 Department of Justice and FIS 08-305 Department of Safety were removed from the consent calendar for discussion.

On a motion by Representative Franklin, seconded by Senator D'Allesandro, that the Committee approve the remainder of requests on the agenda under this section as submitted. MOTION ADOPTED. [FIS 08-267 Department of Resources and Economic Development – accept and expend \$104,281.71, FIS 08-275 Department of Environmental Services – accept and expend \$600,000, FIS 08-276 Department of Environmental Services – accept and expend \$270,025, FIS 08-286 New Hampshire Liquor Commission – accept and expend \$69,625 from the New Hampshire Department of Health and Human Services, FIS 08-287 Department of Justice – retroactively amend the grant award termination date from September 30, 2008 to June 30, 2009, with no increase in funding (approved FIS 06-302 October 18, 2006 and subsequently amended FIS 07-191 June 28, 2007), FIS 08-295 Office of Energy and Planning – accept and expend \$77,170.18, FIS 08-298 Department of Justice – retroactively accept and expend \$480,978 and further authorization to retroactively amend the grant award termination date from September 30, 2008 to June 30, 2009, with no increase in funding (approved FIS 06-352 November 14, 2006 and subsequently amended FIS 07-188 June 28, 2007), FIS 08-299 Department of Justice – accept and expend \$99,337, FIS 08-300 Department of Justice – accept and expend \$78,212, FIS 08-302 Department of Justice – retroactively amend the grant award termination date from September 30, 2008 to June 30, 2009, with no increase in funding (approved FIS 07-207 June 28, 2007 and subsequently amended FIS 07-326 October 17, 2007) and further authorization to retroactively amend the grant award termination date from September 30, 2008 to June 30, 2009, with no increase in funding (approved FIS 07-367 November 14, 2007), FIS 08-303 Department of Safety – accept and expend \$100,000, FIS 08-304 Department of Safety – accept and expend \$5,000,000, FIS 08-310 Office of The Adjutant General – accept and expend \$172,318]

FIS 08-232 Department of Environmental Services – Susan Carlson, Chief Financial Officer, and Rene Pelletier, Assistant Director, Water Division, Department of Environmental Services, presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Senator Sgambati, that the Committee approve the request of the Department of Environmental Services to accept and expend \$476,339. MOTION ADOPTED. (9-Yes, 1-No)

FIS 08-273 Office of Energy and Planning – Donna Raymond, Fiscal Director, Office of Energy and Planning 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 of the Office of Energy and Planning to accept and expend \$108,473.74. MOTION ADOPTED.

FIS 08-274 Office of Energy and Planning – Donna Raymond, Fiscal Director, Office of Energy and Planning 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 of the Office of Energy and Planning to accept and expend \$308,914. MOTION ADOPTED.

FIS 08-277 Department of Environmental Services – Susan Carlson, Chief Financial Officer, and Rene Pelletier, Assistant Director, Water Division, Department of Environmental Services, presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Kurk, that the Committee approve the request of the Department of Environmental Services to accept and expend \$620,518. MOTION ADOPTED.

FIS 08-278 Department of Environmental Services – Susan Carlson, Chief Financial Officer, and Rene Pelletier, Assistant Director, Water Division, Department of Environmental Services, 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 of the Department of Environmental Services to accept and expend \$360,783.

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

Representative Smith – Yes  
Representative Kurk – Yes  
Representative Wallner – Yes  
Representative Weyler - No  
Representative Franklin – Yes  
Senator D'Allesandro – Yes  
Senator Larsen – Yes

Senator Sgambati – Yes

Senator Gatsas – No

Senator Gallus – No

(7-Yes; 3-No) MOTION ADOPTED.

FIS 08-288 Postsecondary Education Commission – Kathryn Dodge, Executive Director, Postsecondary Education Commission and Mary Heath, Assistant Commissioner, Department of Education, presented the request and responded to questions of the Committee.

On a motion by Senator Gatsas, seconded by Representative Kurk, that the Committee deny the request of the Postsecondary Education Committee to accept and expend \$330,000. No Action Taken.

On a motion by Representative Kurk, seconded by Representative Weyler, that the Committee table the request of the Postsecondary Education Committee to accept and expend \$330,000. MOTION ADOPTED. (7-Yes, 3-No)

FIS 08-293 Department of Education – Mary Heath, Deputy Commissioner, and Kathleen Murphy, Director, Division of Instruction, Department of Education presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Senator Larsen, that the Committee approve the request of the Department of Education to accept and expend \$27,490.93 in prior year carry forward funds and further authorization to accept, budget and expend \$824,461.64 in federal grant funds. MOTION ADOPTED.

FIS 08-301 Department of Justice – Orville B. Fitch, Deputy Attorney General, and Timothy Brackett, Grants Management, presented the request and responded to questions of the Committee.

On a motion by Senator Larsen, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Justice to retroactively amend the grant award termination date from September 30, 2008 to June 30, 2009, with no increase in funding (approved FIS 05-200 October 19, 2005 and subsequently amended FIS 07-181 June 28, 2007). MOTION ADOPTED.

FIS 08-305 Department of Safety – On a motion by Senator D'Allesandro, seconded by Senator Larsen, that the Committee approve the request of the Department of Safety to accept and expend \$242,875. 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 08-280 Department of Safety – Wesley Colby, Director, Division of Administration, Department of Safety, presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Wallner, that the Committee approve the request of the Department of Safety to accept and expend \$55,251 in prior year carry forward funds and, pending approval of the proceeding request, authorization to establish one (1) full-time temporary Program Specialist I position through June 30, 2009. MOTION ADOPTED.

FIS 08-314 Department of Justice – On a motion by Senator D'Allesandro, seconded by Representative Franklin, that the Committee approve the request of the Department of Justice to retroactively amend the termination date of a consultant position from September 30, 2008 to June 30, 2009, with no increase in funding (approved FIS 07-215 June 28, 2007 and subsequently amended FIS 07-327 October 17, 2007) and further authorization to retroactively amend the grant award termination date from September 30, 2008 to June 30, 2009, with no increase in funding (approved FIS 08-058 February 22, 2008). MOTION ADOPTED.

RSA 7:12, I ASSISTANTS:

FIS 08-272 Department of Justice – Orville B. Fitch, Deputy Attorney General, and Rosemary Faretra, 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 of the Department of Justice to expend a sum not to exceed \$504,000 from funds not otherwise appropriated. MOTION ADOPTED. (8-Yes, 2-No)

FIS 08-285 Department of Justice – Orville B. Fitch, Deputy Attorney General, and Rosemary Faretra, Director of Administration, presented the request and responded to questions of the Committee.

On a motion by Representative Franklin, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Justice to expend a sum not to exceed \$450,000 from funds not otherwise appropriated. MOTION ADOPTED. (9-Yes, 1-No)

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

FIS 08-291 Administrative Office of the Courts – Donald Goodnow, Esq., Director, Dale Trombley, Fiscal Manager, and Peter Croteau, Chief Technology Officer, Administrative Office of the Courts, Judicial Branch presented the request and responded to questions of the Committee.

On a motion by Senator Sgambati, seconded by Senator Larsen, that the Committee approve the request of the Administrative Office of the Courts to transfer \$245,000. MOTION ADOPTED. (9-Yes, 1-No)

RSA 206:33-b TRANSFERS FROM THE FISH AND GAME FUND:

FIS 08-294 New Hampshire Fish and Game Department – Glenn Normandeau, Executive Director, New Hampshire Fish and Game was present to respond to questions of the Committee.

On a motion by Representative Franklin, seconded by Senator D'Allesandro, that the Committee approve the request of the New Hampshire Fish and Game Department to transfer \$219,000. MOTION ADOPTED.

RSA 215-A:23, IX REGISTRATION FEES:

FIS 08-309 New Hampshire Fish and Game Department – On a motion by Senator Larsen, seconded by Representative Franklin, that the Committee approve the request of the New Hampshire Fish and Game Department to transfer \$192,000 of unexpended Excess Registration Fees to the Fish and Game OHRV Fiscal Year 2009 Operating Budget. MOTION ADOPTED.

RSA 491-A:3 DISTRICT COURT JUSTICES; SALARIES:

FIS 08-269 Administrative Office of the Courts – Dale Trombley, Fiscal Manager, Administrative Office of the Courts, Justice Edwin Kelly and Justice Ned Gordon, Judicial Branch, presented the request and responded to questions of the Committee.

On a motion by Representative Kurk, seconded by Representative Weyler, that the Committee table the request of the Administrative Office of the Courts for approval of proposed revisions to the weighted case values used for calculating the annual salaries of part-time district justices appointed after July 1, 1987 for implementation July 1, 2009. MOTION ADOPTED.

CHAPTER 177:3, I, (a), LAWS OF 2008, CONVERSION TO NEW INTEGRATED FINANCIAL ACCOUNTING SYSTEM:

FIS 08-315 Department of Administrative Services – On a motion by Representative Franklin, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Administrative Services for approval of the conversion of the budget for the year ending June 30, 2009 from its present program appropriation unit format to a format that is consistent with the chart of accounts of the new state integrated financial accounting system. MOTION ADOPTED.

CHAPTER 262, LAWS OF 2007, DEPARTMENT OF ADMINISTRATIVE SERVICES, BUREAU OF PUBLIC WORKS DESIGN AND CONSTRUCTION BUDGET FOOTNOTE C:

FIS 08-281 Department of Administrative Services – On a motion by Representative Franklin, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Administrative Services to budget and expend \$74,627 of excess revenue through June 30, 2009. MOTION ADOPTED.

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

FIS 08-292 Department of Health and Human Services – James Fredyma, Controller, and Terry Smith, Director, Division of Family Assistance, 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 of the Department of Health and Human Services to increase the maximum annual allowance for fuel deliveries under the emergency assistance program from \$450 to \$700 per recipient per year. MOTION ADOPTED.

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

FIS 08-289 Department of Health and Human Services – On a motion by Representative Wallner, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$648,373. MOTION ADOPTED.

CHAPTER 263:28, II, LAWS OF 2007, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS 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 08-306 Department of Health and Human Services – On a motion by Representative Wallner, seconded by Senator D'Allesandro, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$1,748,873 and further authorization for the Department of Safety to accept and expend \$83,216 from the Department of Health and Human Services. MOTION ADOPTED.

CHAPTER 263:28, II, LAWS OF 2007, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PROGRAM ELIGIBILITY; ADDITIONAL REVENUES; TRANSFER AMONG ACCOUNTS AND RSA 124:15 POSITIONS RESTRICTED:

FIS 08-296 Department of Health and Human Services – On a motion by Senator Larsen, seconded by Representative Wallner, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$85,008 and further authorization to retroactively amend the termination date of a temporary full-time Senior Management Analyst position from July 1, 2008 to June 30, 2009 (approved FIS 08-019 February 22, 2008). MOTION ADOPTED.

FIS 08-307 Department of Health and Human Services – James Fredyma, Controller, and Maggie Bishop, Director, Division of Children, Youth, and Families, Department of Health and Human Services responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Wallner, that the Committee approve the request of the Department of Health and Human Services to accept and expend \$116,096 and further authorization to establish three (3) full-time temporary Program Specialist positions through June 30, 2009. MOTION ADOPTED.

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

FIS 08-265 Department of Health and Human Services – James Fredyma, Controller, and Terry Smith, Director, Division of Family Assistance, 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 of the Department of Health and Human Services to transfer \$3,760,000. MOTION ADOPTED.

LATE ITEMS:

FIS 08-318 Office of Energy and Planning – Donna Raymond, Fiscal Director, Office of Energy and Planning presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Senator Gallus, that the Committee approve the request of the Office of Energy and Planning to accept and expend \$37,341,324.05. MOTION ADOPTED.

Office of Legislative Budget Assistant – Richard Mahoney, Director, Audit Division, presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Weyler, that the Committee approve the request of the Office of Legislative Budget Assistant, Audit Division to fill one (1) vacant Performance Auditor position. MOTION ADOPTED.

INFORMATIONAL LATE ITEM:

FIS 08-317 Department of Revenue Administration – Margaret Fulton, Assistant Commissioner, Department of Revenue Administration presented the request and responded to questions of the Committee.

INFORMATIONAL MATERIALS:

The informational items were accepted and placed on file.



AUDITS:

State of New Hampshire, Department of Regional Community-Technical Colleges, Financial and Compliance Audit Report For the Fiscal Year Ended June 30, 2007 - Richard Mahoney, Director of Audits, and Christine Young, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant, presented the report and responded to questions of the Committee. Richard Gustafason, Chancellor of the Community College System, Mike Marr, Director of Finance, and Susan Proulx, Director of Financial Aid, Department of Regional Community-Technical Colleges, were also present to respond to questions of the Committee. Also present was Dan Dinsmore, Board Member.

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

ADJOURNMENT:

The next regular meeting of the Fiscal Committee was set for Friday, November 21, 2008 at 9:00 a.m. (Whereupon the meeting adjourned.)

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Representative Neal Kurk, Clerk