

FISCAL COMMITTEE OF THE GENERAL COURT  
MINUTES

November 19, 2003

The Fiscal Committee of the General Court met on Wednesday, November 19, 2003 at 9:00 a.m. in Room 210-211 of the Legislative Office Building.

Members in attendance were as follows:

Representative Neal Kurk, Chairman  
Senator Richard Green, Vice Chairman  
Representative Kenneth Weyler, Clerk  
Representative Beverly Rodeschin  
Representative Edwin Smith  
Representative Gene Chandler  
Representative Mary Jane Wallner  
Senator Thomas Eaton  
Senator Robert Clegg  
Senator Sheila Roberge  
Senator Lou D'Allesandro

Vice Chairman Green opened the meeting at 9:05 a.m.

AUDIT:

State of New Hampshire Judicial Branch Administration Performance Audit Report November 2003 - Catherine Provencher, Director of Audits, Office of Legislative Budget Assistant presented the audit and responded to questions of the Committee. Justice Linda Dalianis from the Supreme Court was also present to respond to questions.

On a motion by Representative Weyler, seconded by Senator D'Allesandro, that the November 2003 Judicial Branch Performance Audit Report be accepted, placed on file and released in the usual manner. MOTION ADOPTED.

Senator D'Allesandro requested that Committee members receive a copy of the September 2000 Classification and Compensation Study of Non-Judicial Employees which was referred to in the audit.

ACCEPTANCE OF MINUTES:

On a motion by Representative Edwin Smith, seconded by Senator D'Allesandro, that the Committee approve the minutes of the October 15, 2003 meeting. MOTION ADOPTED.

OLD BUSINESS:

FIS 03-248 Department of Administrative Services - authorization for various state agencies to retain state-owned passenger automobiles which have traveled less than 12,000 miles during FY 2002 - On a motion by Representative Weyler, seconded by Senator D'Allesandro, that this request be removed from the table. MOTION ADOPTED.

On a motion by Representative Weyler, seconded by Senator Eaton, that this request be approved as submitted. MOTION ADOPTED.

FIS 03-128 Administrative Office of the Courts - transfer Fiscal Committee Minutes

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\$431,595 - This item was withdrawn at the request of the AOC.

FIS 03-170 Department of Administrative Services - Audit Follow-up Report on LBA Audit of the Department of Revenue Administration - On a motion by Representative Weyler, seconded by Representative Rodeschin, that this item be removed from the table. MOTION ADOPTED.

Senator Green requested an update on the progress of the findings in the Department of Revenue Administration audit. Catherine Provencher, Director of Audits, Office of Legislative Budget Assistant responded to questions, as did Commissioner Philip Blatsos of the Department of Revenue Administration.

On a motion by Representative Weyler, seconded by Senator D'Allesandro, that the report be accepted and placed on file. MOTION ADOPTED.

Letter from Catherine Provencher, Director of Audits, Office of Legislative Budget Assistant relative to the Communications Services Tax Audit Project - On a motion by Senator Clegg, seconded by Representative Edwin Smith, that this item be removed from the table. MOTION ADOPTED.

Senator Green noted that the basic question for us in New Hampshire, based on our taxing of people on the communications tax, is whether we are legitimately taxing them on the Internet and whether or not the Department of Revenue Administration has the authority to do that. Senator Green noted that the Commissioner of the Department of Revenue Administration should clearly answer the questions posed by the auditors so that the auditors can continue with their work and provide us with information.

Catherine Provencher, Director of Audits, Office of Legislative Budget Assistant responded to questions, as did Commissioner Philip Blatsos of the Department of Revenue Administration.

On a motion by Representative Weyler, seconded by Senator D'Allesandro, that this item remain on the table. MOTION ADOPTED.

(Chairman Kurk in the Chair.)

NEW BUSINESS:

RSA 14:30-a,III - Audit Topic Recommendation by Legislative Performance Audit and Oversight Committee:

FIS 03-189 Letter from Senator John Barnes, Jr., Chairman of the Legislative Performance Audit and Oversight Committee relative to a performance audit of the Department of Health and Human Services, Katie Beckett Program - Senator John Barnes, Chairman, Legislative Performance Audit and Oversight Committee and Catherine Provencher, Director of Audits, Office of Legislative Budget Assistant responded to questions of the Committee.

On a motion by Senator Eaton, seconded by Representative Weyler,  
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that this performance audit topic be approved as requested. MOTION ADOPTED.

RSA 9:16-a TRANSFER AUTHORIZED - CONSENT CALENDAR:

FIS 03-177 Department of Environmental Services - On a motion by Representative Weyler, seconded by Senator D'Allesandro, that the Committee approve the request from the Department of Environmental Services to transfer \$16,000. MOTION ADOPTED.

FIS 03-188 Department of Education - Commissioner Nicholas Donahue, Commissioner presented the request and responded to questions of the Committee.

On a motion by Representative Weyler, seconded by Senator Clegg, that the Committee approve the request from the Department of Education to transfer \$2,341,166. MOTION ADOPTED.

Chapter 568:11, Laws of 1981 - Use of State-owned Passenger Vehicles:

FIS 03-187 Department of Administrative Services - authorization for various state agencies to retain state-owned passenger automobiles which have traveled less than 12,000 during FY 2003 - On a motion by Representative Weyler, seconded by Representative Rodeschin, that this request be referred to a subcommittee to allow additional study of these vehicles. MOTION ADOPTED.

(Chairman Kurk appointed Representative Weyler to Chair the subcommittee and Senator Green.)

RSA 622:28-a,V - Industries Inventory Account:

FIS 03-180 Department of Corrections - On a motion by Senator D'Allesandro, seconded by Representative Edwin Smith, that the Committee approve the request from the Department of Corrections for authorization to expend \$21,500 from the Correctional Industries Revolving Account to purchase an engraving system. MOTION ADOPTED.

Chapter 223, Laws of 2003 - Transfer of Information Technology Personnel and Related Expenditures:

FIS 03-131 Approval Letter dated July 16, 2003 to Robert Anderson, Chief Information Officer relative to 3/12ths spending level as authorized under provisions of Chapter 212, Laws of 2003 (HJR 3) - Michael Buckley, Legislative Budget Assistant explained that this item was put on the agenda to remind the Committee that only 3/12ths of FY 2004 was approved for this request in July, and that Mr. Anderson needs to come in with another request for the other 9/12ths of FY 2004.

Following discussion, the Committee requested that this item remain tabled awaiting Mr. Anderson's 9/12<sup>th</sup> request.

FIS 03-184 Office of the Governor, Office of Information Technology - Robert Anderson, CIO, Office of the Governor, Office of Fiscal Committee Minutes  
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Information Technology and John Ratoff, Commissioner, Department of Employment Security 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 from the Office of the Governor, Office of Information Technology to authorize the transfer of 35 employees from the Department of Employment Security and \$2,115,913 in related expenses. MOTION ADOPTED.

Senator Eaton requested the Fiscal Committee receive a monthly update on savings from Mr. Anderson beginning on December 1, 2003.

Chapter 319:1,II, Laws of 2003 - Department of Health and Human Services; Program Eligibility; Additional Revenues; Transfer Among Accounts:

FIS 03-171 Department of Health and Human Services, Division of Juvenile Justice 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 Juvenile Justice Services to accept and expend \$593,301 in federal funds. MOTION ADOPTED.

FIS 03-176 Department of Health and Human Services, Division of Juvenile Justice Services - On a motion by Representative Edwin Smith, seconded by Senator Eaton, that the Committee approve the request from the Department of Health and Human Services, Division of Juvenile Justice Services to accept and expend \$118,072 in federal funds. MOTION ADOPTED.

FIS 03-186 Department of Health and Human Services, Office of Community & Public Health - On a motion by Senator Clegg, seconded by Senator Green, that the Committee approve the request from the Department of Health and Human Services, Office of Community & Public Health to accept and expend \$3,863,558 in federal funds. MOTION ADOPTED.

Chapter 318:9,I, Laws of 2003 - General Fund Appropriation Reductions; Department of Health and Human Services:

FIS 03-181 Department of Health and Human Services - A substitute request was distributed to members of the Committee. Chairman Kurk explained that this was an informational item and did not need approval by the Committee.

John Stephen, Commissioner and James Fredyma, Controller presented the informational item and responded to questions of the Committee.

Chapter 318:9,II, Laws of 2003 - General Fund Appropriation Reductions; Department of Health and Human Services and Chapter 319:1,II, Laws of 2003 - Department of Health and Human Services; Program Eligibility; Additional Revenues; Transfer Among Accounts:

FIS 03-182 Department of Health and Human Services - Commissioner Stephen presented the request and responded to questions of the Committee.

On a motion by Senator Clegg, seconded by Representative Weyler, that the Committee authorize general fund reduction of \$8,233,763 in FY 2004 and \$8,648,537 in FY 2005 and accept and expend \$1,808,100 in FY 2004 and \$1,508,100 in FY 2005 in federal funds.

On a motion by Senator Green, seconded by Senator D'Allesandro, that this request be tabled. MOTION FAILED.

A vote was taken on the original motion for approval. MOTION ADOPTED. (The vote was as follows: 7 yes, 2 no (Senators Green and D'Allesandro) and 1 abstention (Representative Wallner).

INFORMATIONAL ITEMS:

The informational items were accepted and placed on file.

DATE OF NEXT MEETING AND ADJOURNMENT:

The next meeting of the Fiscal Committee will be on Wednesday, December 17, 2003 at 9:00 a.m. in the Legislative Office Building, Room 210-211. (A future meeting date was also set for Wednesday, January 21, 2004)

(Whereupon the Committee adjourned.)

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Representative Kenneth Weyler, Clerk