

JOINT FISCAL COMMITTEE

Legislative Office Building, Room 210-211

Concord, NH

Friday, December 21, 2012

MEMBERS PRESENT:

Rep. Mary Jane Wallner (Chair)

Rep. Cindy Rosenwald

Rep. Peter Leishman

Rep. Ken Weyler

Rep. Dan Eaton

Sen. Chuck Morse

Sen. Bob Odell

Sen. Jeanie Forrester

Sen. Sylvia Larsen

Sen. Andy Sanborn

(Convened at 10:17 a.m.)

(1) Organization of Committee:

CHAIRMAN WALLNER: Welcome to the Fiscal Committee. This is our organizational meeting, and we will also have a regular meeting after our organizational meeting.

My name is Mary Jane Wallner. I'm the new Chair of the House Finance Committee. And, by law, the House Finance Committee Chair is the Chair of Fiscal, also. One of those things that I had seemed to have forgotten, but I'm glad to be here. So I'm looking forward to it.

I've asked Ken Weyler today to be our Acting Clerk, and Ken has very graciously accepted. Our first vote needs to be to nominate a Vice-Chair.

**** SEN. LARSEN**: I would nominate Senator Chuck Morse.

REP. EATON: Second the motion.

CHAIRMAN WALLNER: Thank you. Senator Larsen nominates Chuck Morse, Senator Chuck Morse, and Dan Eaton, Representative Eaton seconds that motion. Any other nominations? All in favor say aye? Any opposed? Okay.

***** (MOTION ADOPTED)**

CHAIRMAN WALLNER: And the next nomination that we need is for Clerk.

** REP. EATON: I would nominate Ken Weyler as Clerk.

REP. ROSENWALD: I would second that.

CHAIRMAN WALLNER: Representative Eaton nominated Ken Weyler for Clerk, and it was seconded by Cindy Rosenwald. And all in favor of Ken Weyler for Clerk? Any opposed? No opposed. Thank you.

***** {MOTION ADOPTED}**

CHAIRMAN WALLNER: Our next procedure that we need to do is we need to nominate our Legislative Budget Assistant. And --

REP. EATON: Nominate -- oh, go ahead.

** REP. WEYLER: I would nominate Jeff Pattison.

REP. EATON: Second.

CHAIRMAN WALLNER: Thank you. Any discussion? All in favor of Jeff Pattison as the Legislative Budget Assistant? Any opposed? No. Congratulations, Jeff.

***** {MOTION ADOPTED}**

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JEFFRY PATTISON, Legislative Budget Assistant, Office of Legislative Budget Assistant: Thank you.

CHAIRMAN WALLNER: We are very happy to have you doing that job. And our next order of business is we are going to look at procedures. Mr. Pattison, do you want to go through this with us?

MR. PATTISON: Good morning. The Fiscal Committee historically has taken a few steps to simplify and clarify for both agencies and for our office how items should be treated on the agenda and some other administrative steps as it relates to my office, particularly because I work directly for the Fiscal Committee and directed by you. So I'm going to run through these. There are four procedures that I'll explain to you. It's my understanding that the Committee will take a vote after the four are presented all of them as a group.

The first one is that the Committee receives many items on RSA 124:15 which relate to the establishing of any new positions or the continuations of any existing positions. This includes both full-time and part-time positions and also relates to the hiring of consultants. Under RSA 124:15 it has been the standing practices of this Committee that when those approvals are granted that it is for the current biennium only. So that you would be -- if you were to have one today, it would be for the biennium ending '13. Come July 1, if you had an item in front of you for that same type of request, it would be for the biennium ending 2015 only.

The second item relates to acceptance of -- acceptance of expenditure of funds in excess of \$100,000 from any Non-State Source. This is referred to as RSA 14:30. And the practice of this Committee is that acceptance of funds as it is described under 14:30, again, would be for the biennium -- current biennium only. So that if you were to accept funds today, it would be through 2013 only and the expectation that any

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additional dollars that relate to that grant or acceptance of funds for future years would be included in the 14-15 operating budget.

The third request, this one is to hopefully simplify and help the Committee move a little bit quicker, is that you have treated many of the items that you get on a regular basis as Consent Calendar items. So I'm going to run through a series of statutes that you have done that with. One of them is new to that list but is consistent with another statute.

First is RSA 9:16-a. This relates to transfers of funds by agencies. 9:16-c, that relates to the transfer of Federal grant funds. The new one that's included in the list is RSA 9:17-d which relates to the transfer of appropriations specifically for the Judicial Branch; RSA 14:30 which we just discussed which would be acceptance and expenditure of funds in excess of \$100,000; and RSA 124:15 which we also previously discussed which relates to the establishment of new positions. All of these items would be treated as consent items. They would be shown as being bolded on your agenda. And that any member, however, may request that an item be removed from the Consent Calendar for further discussion, clarification, whatever it may be, either prior to or during the meeting. So that they are only shown on the agenda as consent, but you have the opportunity to pull them off and usually what will happen is when the Chairman gets to a tab, she will ask is there anybody who would like to take an item off the Consent Calendar. At that time you would express that desire and then the remaining items under that tab would be treated as a block and voted on.

The other feature to this would be that it would also be not only for single item related to one of those categories, but a mixture of those would also be treated as consent items.

The final procedure or administrative action from the Committee would be as it relates specifically to my office. As

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I explained to you, my office does work directly for the Fiscal Committee. I'm under the direction of this Fiscal Committee. Consistent with the action taken Wednesday by the Facilities Committee, the request would be that beginning effective December 1, 2012, that grants be -- excuse me -- that the authority be provided to me to grant steps to my employees on their anniversary date or at such time as exceptional service warrants that. If I do grant a step to one of my employees, I would then in the following Fiscal Committee meeting's agenda include a letter informing you that I have taken that action.

The second step would be that if there is a promotion within the LBA Office that I would discuss and get approval of the Fiscal Committee Chair for that. The final would be that if I'm hiring a new individual, I would seek approval of the Committee first to be able to hire an individual, and then I would make that hiring step after that. So those are the -- generally the Fiscal Committee rules and procedures that have been in place for many years. And I present those to you for your action this morning.

CHAIRMAN WALLNER: Thank you, Mr. Pattison. Does anyone have questions?

REP. EATON: On your left.

CHAIRMAN WALLNER: I'm sorry.

REP. EATON: Senator Morse.

SEN. MORSE: I was just going to make a motion.

CHAIRMAN WALLNER: Okay. Great.

** SEN. MORSE: I move adoption of Fiscal Committee rules and procedures as presented.

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REP. EATON: Second.

CHAIRMAN WALLNER: Thank you. Senator Morse moves that the procedures be adopted and Representative Eaton seconds. All in favor? Any opposed? Okay.

***** {MOTION ADOPTED}**

MR. PATTISON: If I may, Madam Chairman, there was just one other piece that I wanted to describe this morning to you. Our office is going to implement some new enhancements to our Website that I wanted to share to the Committee because it would directly affect you as well. We produce a document for this Committee which is usually a three-ring binder that includes all references to the Fiscal Committee statutes that you are responsible for. We will still be doing that for the Committee, but we will be adding to our Website a link to that document. In addition to that, all transcripts, signed minutes, and we have now developed a Quick Results feature will be added to our Website so within 24 hours the public and agencies will be able to determine whether their item was approved at the Fiscal Committee meeting. We are also going to basically take your three-ring binder, your Fiscal Committee agenda and all the items in it, we are going to create a .pdf document of that and that will be made available on-line within three business days after it is released to the members of this Committee. And so those are enhancements to transparency that we are making on our Website.

The final thing is, is the agendas should be somewhat smaller than they have been in the past. I just wanted to share with you, Representative Foose and Representative Kurk sponsored a bill, House Bill 350, two years ago in 2011 Session. It didn't pass until 2012. But there was a lot of work done in order to clean-up and adjust filing dates for reports by agencies so they weren't as -- they weren't coming on a monthly basis. They were made to be biennial or something to that effect.

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In addition, two other pieces related to the amounts that need approval by the Fiscal Committee, RSA 14:30, now is up to \$100,000. Fiscal Committee will only see those items that are in excess of \$100,000. And in transfers the cap was raised as well to \$75,000 so that this Committee will only see items for transfers above that amount. That should, by our estimates, will shorten the agenda by over 100 items during the course of the year for you. So those are just some enhancements that have been made. So thank you very much.

CHAIRMAN WALLNER: Thank you very much. Those sound great. Great improvements. And I want to personally thank Representatives Foose and Kurk for the piece of legislation that they brought in which will reduce the workload having to sign all the requests.

(2) Acceptance of Minutes of the November 8, 2012 meeting.

CHAIRMAN WALLNER: Now we move into the regular meeting, and the first item of business is to accept the minutes of the November 8th meeting.

** REP. EATON: So moved.

SEN. MORSE: Second.

CHAIRMAN WALLNER: All those in favor? Any opposed?

*** (MOTION ADOPTED)

(3) Old Business:

CHAIRMAN WALLNER: There is no Old Business to come before us, my understanding.

CONSENT CALENDAR

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(4) **RSA 14:30-a, VI Fiscal Committee Approval Required for Acceptance and Expenditure of Funds Over \$100,000 from Any Non-State Source:**

CHAIRMAN WALLNER: And at this time we have the Consent Calendar. Is anyone interested in having either -- there are only two things on consent today. Is there any request to have either of them come off consent for discussion?

** REP. EATON: Move adoption of the Consent Calendar.

REP. ROSENWALD: I'll second.

CHAIRMAN WALLNER: Representative Eaton moves adoption of Consent Calendar. Representative Rosenwald seconds. All in favor?

*** {MOTION ADOPTED}

(5) **RSA 12:-L:14, II McAuliffe-Shepard Discovery Center Board:**

CHAIRMAN WALLNER: Next before us is the McAuliffe-Shepard Discovery Center plan -- business plan that they were required to bring to the Fiscal Committee. Do I -- Senator Morse.

** SEN. MORSE: I move to table.

SEN. ODELL: Second.

CHAIRMAN WALLNER: Senator Morse moves to table the business plan. And -- I'm sorry, was it Senator Odell? Senator Odell seconds. Do I hear a -- do I -- all in favor? Any opposed? The business plan is tabled.

*** (MOTION TO TABLE ADOPTED)

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CHAIRMAN WALLNER: Senator Morse, could I ask you a question. Would your intent be to bring that back up in a month or two?

SEN. MORSE: Yeah. My intent would be to take it off the table in the next 30 to 60 days.

CHAIRMAN WALLNER: Thank you.

(6) Chapter 224:14, II, Laws of 2011, Department of Health And Human Services; Program Eligibility; Additional Revenues; Transfer Among Accounts:

CHAIRMAN WALLNER: Next item is Item (6). It's from the Department of Health and Human Services. It's eligibility and additional revenue transfers among accounts. Do I hear a motion?

** REP. EATON: Move to approve.

SEN. LARSEN: Second.

CHAIRMAN WALLNER: All in favor? Any opposed?

*** {MOTION ADOPTED}

(7) Miscellaneous:

CHAIRMAN WALLNER: Moving on to late items at this point. We do have one late item.

MR. PATTISON: I did hand out to you item number 372 which is a request from the Department of Administrative Services for the potential late completion of the CAFR. And Commissioner Hodgdon and Ed Carter, Comptroller, are here if you have any questions.

** REP. EATON: So moved to approve it.

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CHAIRMAN WALLNER: Do I have a second?

SEN. MORSE: No, not yet.

CHAIRMAN WALLNER: Would you --

SEN. LARSEN: I'll second it for discussion purposes.

CHAIRMAN WALLNER: Okay. Yes.

SEN. MORSE: I'd like to put an Amendment on there to just -- every time I've been here Jeff tells me it's not been every time -- we usually move it out 30 days and if we come back to the next Fiscal Committee, which I guess is going to look like February something, then we have to move it out again, we can always do that. So we aren't -- we are jumping ahead of ourselves but 30 days won't do it. What did we come up with with a date?

CHAIRMAN WALLNER: February 1st.

SEN. MORSE: So I guess my Amendment to this, if they withdraw their first and second would be to set the date to report out to be February 1st and then if it's not done we can always extend it.

REP. EATON: I made the motion. I'll accept that as a friendly amendment all in one.

SEN. LARSEN: And I'll accept that as a friendly Amendment to second it still.

REP. WEYLER: What exactly was the Amendment?

CHAIRMAN WALLNER: That we amend it to set the date to February 1st.

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REP. WEYLER: All right. Thank you.

CHAIRMAN WALLNER: And Commissioner Hodgdon is here. Do we have questions? Do people have questions before we vote? Yes.

SEN. MORSE: If the Commissioner could just explain why we're extending this?

LINDA HODGDON, Commissioner, Department of Administrative Services: Sure. With me at the table is Ed Carter, the State Comptroller. We're very, very hopeful we are going to be able to close on time. As I sit here today, it looks like we're going to be able to close on time. But there certainly have been times when we are not so sure of that. We have had some challenges this year as we have tried to close the State's books. And we appreciate all those agencies that are working with us, but it certainly has been trying, at times. So I just want to try to assure the Committee we are going to do the best we can to close as soon as possible and, hopefully, that is on time. But I'm just not certain of that and given the Committee is not going to be meeting between now and the end of the year, it seems like it was the most prudent thing just to have this little bit of security in case we need it. Since we have had some surprises, I just don't -- I hope they're all over, but I don't know that for certain.

SEN. MORSE: Thank you.

CHAIRMAN WALLNER: Thank you. Any other questions? Thank you very much. We still need to vote on this. All in favor of extending the CAFR till -- aye? Any opposed?

***** {MOTION ADOPTED}**

CHAIRMAN WALLNER: We have a lot of informational items. We don't need probably any --

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SEN. LARSEN: Madam Chair, could I ask a question? There was a point made that the CAFR should be available to be released to the public. Does that take a separate action by us?

MR. PATTISON: Yes, it does.

SEN. LARSEN: So --

REP. EATON: Separate motion.

SEN. LARSEN: Do you want to make that?

MR. PATTISON: The next step in that would be to -- by statute the CAFR is to be released by December 31. You will not have -- and also statutorily audits are released after the Fiscal Committee is presented that CAFR. So I'm here today as we have been for the last couple years, the Fiscal Committee will not be meeting until late January or February 1st. So what I would be seeking from the Fiscal Committee this morning is the authority to once the CAFRs are ready, and I'm about to list what they are because there are a total of six -- five documents, that once they are available from the press -- from the -- excuse me, not from the press but from the press shop that's under Administrative Services, that I can release those to the public. And that -- that would include the State's Comprehensive Annual Financial Report, the Turnpike System Comprehensive Annual Report, the Lottery Commission Annual Financial Report, the UNIQUE College Investing and Fidelity Advisor 529 Plan, and our office has also been working with the Lottery Commission for an accounts report in applying agreed upon procedures for the Lottery Commission as it relates to the Lucky for Life Game. So I'd be seeking the ability to release those once they become available.

CHAIRMAN WALLNER: Thank you. Do I hear a motion to release the CAFR when they -- when it becomes available?

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** SEN. LARSEN: So moved.

REP. WEYLER: Want a separate vote on each or you want me to list them?

CHAIRMAN WALLNER: No, I think we can just do one.

REP. WEYLER: We also have the Turnpike, Lottery, UNIQUE, and Lottery Commission.

CHAIRMAN WALLNER: We can do one motion.

REP. WEYLER: For all of them.

** SEN. LARSEN: I move --

CHAIRMAN WALLNER: Senator Larsen.

SEN. LARSEN: -- adoption by one motion.

CHAIRMAN WALLNER: Senator Larsen moved and Representative Rosenwald seconds. All in favor? Any opposed?

*** {MOTION ADOPTED}

(8) Informational Materials:

CHAIRMAN WALLNER: Informational items are there for you. And is there any other business to come before -- yes, Senator Morse.

SEN. MORSE: This is kind of unusual, but government seems to be moving a lot faster than I'm ready for. So I've drafted a memo working with LBA. Hopefully, I have enough.

The -- I'm not asking for action on this. The -- I will bring it to the next Fiscal Committee meeting, but I want to

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make people aware of it. In working with LBA, last year I tried to find a way to somehow use an outside company to audit the MMIS System contract and find out where we were. I worked with LBA to come up – and audit isn't the right word so I'll work on this during the month of January – but to somehow go in and see. We released the contract back in 04-05, I'm not sure what year it was, but the State was held harmless. I don't understand what hold harmless means. I'm not sure how many people do. I would like to know what that means. If there were a better way of doing this in the next 30 days, let me know. But working with LBA this seems like the best way to get those details. I do have other concerns about it, but this is a good starting point. So it's just so you can have it over Christmas and have fun with it. It might start a fire, I don't know. But anyhow, good luck.

CHAIRMAN WALLNER: Thank you. We look forward to working with you on it. Any other business to come before the Fiscal Committee?

** REP. EATON: Move to adjourn.

(9) Date of Next Meeting and Adjournment

CHAIRMAN WALLNER: The next meeting -- we have set the next meeting for February 1st. It's a Friday. And we'll meet at 10 here in Finance Committee room. Thank you. Meeting is adjourned.

SEN. MORSE: So moved.

(Adjourned at 10:39 a.m.)

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CERTIFICATION

I, Cecelia A. Trask, a Licensed Court Reporter-Shorthand, do hereby certify that the foregoing transcript is a true and accurate transcript from my shorthand notes taken on said date to the best of my ability, skill, knowledge and judgment.

Cecelia A. Trask

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