

JOINT LEGISLATIVE FISCAL COMMITTEE

Zoom Webinar

Friday, April 16, 2021

MEMBERS PRESENT:

Representative Kenneth Weyler, Chair
Representative Karen Umberger, Clerk
Representative Lynne Ober
Representative Tracy Emerick
Representative Mary Jane Wallner (Alt.)
Senator Gary Daniels
Senate President Chuck Morse
Senator Robert "Bob" Giuda
Senator Cindy Rosenwald
Senator Lou D'Allesandro

(1) Call In Instructions:

KENNETH WEYLER, State Representative, Rockingham County, District #13 and Chairman: -- the April 16th meeting of the Joint Fiscal Committee. As Chair of the Fiscal Committee, I find that due to the state of emergency declared by the Governor, as a result of COVID-19 Pandemic, and in accordance with House Rule 67, and the Governor's Energy Order Number 12, pursuant to the Executive Order 2020-04, this public body is authorized to meet electronically. This is a regular meeting of the Committee.

Please note that there is no physical location for members of the public to observe and listen contemporaneously to this meeting. However, in accordance with the Emergency Order, I am confirming that, A, all Members of the Committee and select legislative staff have the ability to communicate contemporaneously during the meeting with the Zoom electronic meeting platform, and the public has access to contemporaneously listen and, if necessary, participate in this meeting by the Zoom platform or by telephone.

All necessary access information has been made available in the House and Senate Calendars and through the electronic calendar on the General Court website.

Second, the notice for this meeting complies with the House Rules and RSA 91-a.

Third, anyone who has problems accessing the meeting should e-mail LBA_Fiscal@leg.state.nh.us.

Number four. In the event the public is unable to access the meeting, the meeting will be adjourned and rescheduled. LBA staff are on the meeting assisting us. Please note that all votes that are taken during this meeting shall be done by roll call vote.

Let's start the meeting by taking a roll call attendance. When each member states their presence, please also state whether there is anyone in the room with you during this meeting, which is required under the Right-To-Know Law. Clerk will call the roll.

KAREN UMBERGER, State Representative, Carroll County, District #02: Representative Ober.

LYNNE OBER, State Representative, Hillsborough County, District #37: I'm here in Hudson, home alone except for my assorted cats.

REP. UMBERGER: Representative Emerick.

TRACY EMERICK State Representative Rockingham County District #21: I'm at my home office in Hampton, and I'm alone.

REP. UMBERGER: Representative Umberger. I'm in my home in Kearsarge, and my husband is in the house. Representative Wallner.

MARY JANE WALLNER, State Representative, Merrimack County, District #10: I'm at home in my home in Concord, and I am alone.

REP. UMBERGER: Representative Daniels.

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GARY DANIELS, State Senator, Senate District #11: Senator Gary Daniels. I'm at the State House -- at my State House office, and my assistant is in the next room.

REP. UMBERGER: Sorry, Senator. I apologize. Senator Morse.

CHUCK MORSE, State Senator and Senate President, Senate District #22: Senator Chuck Morse. I'm in Concord in my office at the State House, and I am alone.

REP. UMBERGER: Representative Giuda.

ROBERT "Bob" GIUDA, State Senator, Senate District #02: Yeah. Senator Giuda is at home in Warren alone in the room, with family and cat upstairs.

REP. UMBERGER: I'm having a little trouble this morning. Senator Rosenwald.

CINDY ROSENWALD, State Senator, Senate District #13: Good morning. Cindy Rosenwald. I'm in Nashua in my home and I'm alone.

REP. UMBERGER: Representative D'Allesandro.

LOU D'ALLESANDRO, State Senator, Senate District #20: This is Senator Lou D'Allesandro. I'm in my home in Manchester, and my wife is in the house.

REP. UMBERGER: Thank you. I will get the names correct on the next roll call. I apologize. Representative -- Representative Ob -- Representative Weyler.

CHAIRMAN WEYLER: I'm in Kingston. I'm alone in this room. Other family members in the house.

REP. UMBERGER: Thank you.

CHAIRMAN WEYLER: All right. All the members are present.

**(2) Acceptance of Minutes of the March 19, 2021 meeting and
The Corrected Minutes of the February 19, 2021 meeting**

CHAIRMAN WEYLER: We have two sets of minutes to approve, one from last month, March 19th, and the Corrected Minutes of February 19th. I can't remember what the corrections were but those minutes are here. I'll entertain a roll call to accept the minutes. We can --

****** SEN. GIUDA: I'll move the February minutes.

CHAIRMAN WEYLER: Who made the motion?

SEN. GIUDA: Giuda.

CHAIRMAN WEYLER: For both sets?

SEN. GIUDA: I did February. I'm happy to do both.

CHAIRMAN WEYLER: I think we can do them both.

SEN. D'ALLESANDRO: I'll second.

CHAIRMAN WEYLER: All right. Both sets of minutes to be approved by this roll call vote. Clerk will call the roll on accepting minutes of March 19th and Corrected Minutes of February 19th.

REP. UMBERGER: Representative Ober.

REP. OBER: Yes.

REP. UMBERGER: Representative Emerick.

REP. EMERICK: Yes.

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REP. UMBERGER: Representative Umberger. Yes. Senator Daniels.

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Hum -- yes, on February, and abstaining on March. Sorry.

REP. UMBERGER: Okay. Senator Giuda.

SEN. GIUDA: Yes.

REP. UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. UMBERGER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. UMBERGER: Representative Weyler.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: Okay. We have -- hum -- ten in favor of the February minutes, nine in favor of the March minutes and one abstention on the March minutes.

CHAIRMAN WEYLER: The minutes of both March and February are accepted.

***** {MOTION ADOPTED}**

(3) Old Business

CONSENT CALENDAR

(4) RSA 9:16-a, II, Transfers Authorized:

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CHAIRMAN WEYLER: We'll move on to Tab 4 since there is no Old Business. We have RS -- we have information 21-082. Is there anyone here from Public Utilities?

****** REP. OBER: Mr. Chairman, I would move to accept this item. I would like to speak briefly to this.

CHAIRMAN WEYLER: Okay. Representative Ober moves to accept 21-082.

SEN. ROSENWALD: Second.

REP. EMERICK: Second.

CHAIRMAN WEYLER: Second from Representative Emerick. Further discussion? Is there someone available from Public Utilities Commission?

REP. OBER: Mr. Chairman.

DIANNE MARTIN, Chair, Public Utilities Commission: I'm here, Dianne Martin.

REP. OBER: I'd like to thank Mr. Kane for getting additional information for us. This is two times in a row that PUC has submitted paperwork. Last time Ms. Martin called me and called you with additional information. This time we had to ask for it. I would like to say that I would like to see the paperwork come with more complete information so that we're not asking questions, because this started out talking about legal issues and then switched to a hiring freeze and made it very confusing. And the answer we got was very full, but it meant that Mr. Kane yesterday had to do extra work.

So I'm hoping that somehow the LBA could get across to all the agencies that we'd like to have the most complete paperwork possible, and I think you're going to hear questions from other

members on other items as we go along here that are in similar vein just because we lack a little bit of information.

So I'm in favor of this. I'm not terribly in favor having to go dig up additional information. Thank you.

CHAIRMAN WEYLER: Further questions from the Committee? Raise your hand if there is. Seeing none. Thank you, Chairman Martin, for coming over.

MS. MARTIN: You're welcome.

CHAIRMAN WEYLER: All right. We have a motion and a second. The Clerk will call the roll on accepting Item 21-082.

REP. UMBERGER: Representative Ober.

REP. OBER: Yes.

REP. UMBERGER: Representative Emerick.

REP. EMERICK: Yes.

REP. UMBERGER: Representative Umberger. Yes. Representative Wallner. Yes.

REP. WALLNER: Yes.

REP. UMBERGER: Oh, sorry.

CHAIRWOMAN WALLNER: Thank you, Karen. You read my mind.

REP. UMBERGER: Right. Senator Daniels.

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

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REP. UMBERGER: Senator Giuda.

SEN. GIUDA: I have a question, if that's possible at this time. I know we're in the voting mode.

CHAIRMAN WEYLER: Well, we'll allow it. We have the Chairman here so she can answer your question.

SEN. GIUDA: Thank you. Does this allocation of funds incorporate pay raises for certain staff members that are under discussion by the Governor and Council at this time?

MS. MARTIN: Thank you for the question, Senator. I'm not sure I follow. Does this -- are you asking does this \$36,000 include pay raises for the individuals who are part-time temporary?

SEN. GIUDA: Or any individuals?

MS. MARTIN: This does not include pay raises for any individuals. This is just for continued work.

SEN. GIUDA: Thank you. Thank you for answering the question. Appreciate it. And I'll vote yes.

CHAIRMAN WEYLER: Okay. You have your vote for yes, and the Clerk will continue the roll call.

REP. UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. UMBERGER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. UMBERGER: Representative Weyler.

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CHAIRMAN WEYLER: Yes.

REP. UMBERGER: We have ten yes, and zero no. The motion passed.

*** **{MOTION ADOPTED}**

CHAIRMAN WEYLER: Thank you, Members. Thank you, Chairman Martin.

MS. MARTIN: Thank you.

(5) **RSA 9:16-a, II, Transfers Authorized and RSA 14:30-a, Fiscal Committee Approval Required for Acceptance and Expenditure of Funds Over \$100,000 from any Non-State Source:**

CHAIRMAN WEYLER: All right. We're moving on to -- this was the only item on Tab 5 is Department of Health and Human Services, Item 21-061. The Committee have any questions? Seeing none. I'll entertain a motion to adopt 21-061.

** SEN. D'ALLESANDRO: Move the item.

CHAIRMAN WEYLER: Senator D'Allesandro moves.

REP. WALLNER: Second.

CHAIRMAN WEYLER: Second by Representative Wallner. Is there any further discussion? Seeing none. The Clerk will call the roll to accept 21-061.

REP. UMBERGER: Representative Ober.

REP. OBER: Yes.

REP. UMBERGER: Representative Emerick.

REP. EMERICK: Yes.

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REP. UMBERGER: Representative Umberger. Yes. Representative Wallner.

CHAIRWOMAN WALLNER: Yes.

REP. UMBERGER: Senator Daniels.

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. UMBERGER: Senator Giuda.

SEN. GIUDA: Yes.

REP. UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. UMBERGER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. UMBERGER: Representative Weyler.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: Ten yes and zero no. Motion passed.

CHAIRMAN WEYLER: Item 21-061 is adopted.

*** {MOTION ADOPTED}

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

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CHAIRMAN WEYLER: Under Tab 6 we have two items. I guess this is a Consent Calendar by the bold print. Does anyone wish to have either item treated separately? If not, I'll entertain a motion to adopt items 21-060 and --

** REP. OBER: So move.

CHAIRMAN WEYLER: -- 21-084. I believe I hear Representative Ober moved.

SEN. ROSENWALD: Second.

SEN. D'ALLESANDRO: Second.

CHAIRMAN WEYLER: And Representative D'Allesandro seconded to adopt those two items. Any further discussion on either? Seeing none. The Clerk will call the roll on acceptance of items 21-060 and 21-084.

REP. UMBERGER: Representative Ober.

REP. OBER: Yes.

REP. UMBERGER: Representative Emerick.

REP. EMERICK: Yes.

REP. UMBERGER: Representative Umberger. Yes. Representative Wallner.

REP. WALLNER: Yes.

REP. UMBERGER: Senator Daniels.

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

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REP. UMBERGER: Senator Giuda.

SEN. GIUDA: Yes.

REP. UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. UMBERGER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. UMBERGER: Representative Weyler.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: We have ten yeses and zero nos. Motion passed.

CHAIRMAN WEYLER: Items 21-060 and 21-084 are adopted.

*** {MOTION ADOPTED}

(7) **RSA 14:30-a, VI Fiscal Committee Approval Require for Acceptance and Expenditure of Funds Over \$100,000 from Any Non-State Source and RSA 124:15 Positions Authorized:**

CHAIRMAN WEYLER: Moving on to Tab 7. Representative Umberger, you had questions on 21-078. Do you want to have those questions answered? I think we've got some information from the Department of Education.

REP. UMBERGER: Uh -- yes, I did have a couple of questions and I appreciate the -- the information. The question that I have for DOE, the first one is --

CHAIRMAN WEYLER: Okay. I see we have Commissioner Edelblut here. Go ahead with your question.

FRANK EDELBLUT, Commissioner, Department of Education: Good morning, everyone.

CHAIRMAN WEYLER: Good morning, Frank.

REP. UMBERGER: Good morning, Commissioner. How are you?

MR. EDELBLUT: Well, thanks.

REP. UMBERGER: The question I had is that I realized that the House phase of the budget is over -- uh -- but that -- I was concerned that the information on this particular grant was not available to the House. Does that mean that you got the grant sometime after our phase or did you have it and just didn't report it?

MR. EDELBLUT: So I believe, and Tammy's on the line, too, if someone wants to promote her, as well as Michelle. But I believe we did have that information, because it's in our budget proposal to be -- to have an appropriation to be able to support this grant. We did -- because we were awarded the grant in this biennium, we didn't have enough appropriation to carry us through to the end of June. So that's what this Fiscal item is targeted at is allowing us to move forward with the grant until June 30th, and at that point in time our appropriation in the budget we'll take forward. So if you did not get information on this grant in the budget hearings, and I apologize for that because we did have the information at that time and it was in our budget.

CHAIRMAN WEYLER: Representative Umberger.

REP. OBER: Mr. Chairman.

CHAIRMAN WEYLER: Motion on 21-078.

REP. OBER: Mr. Chairman.

CHAIRMAN WEYLER: That Representative Ober?

REP. OBER: Was 21-077 withdrawn?

CHAIRMAN WEYLER: No, I'm coming back to that. I wanted to take 78 because we had questions on it. So I took it up out of order.

REP. UMBERGER: If I could, I'd like one more question? I saw -- I saw in your answer that you are hiring five coaches and that if I understood correctly there would be no additional cost to the school districts to implement this work.

MR. EDELBLUT: So what we're actually doing, so we had a grant previously and through that previous grant we were able to fund three coaches in three of our DOE regions that cover -- of the five DOE regions that cover the state. This additional grant will allow us to add two more coaches, so now we have a MTSS-B coach in every area of the state that supports the school districts. And then the other additional funds that we are receiving through this grant we provide to -- we pass them through really to via HHS through our Community Mental Health Centers to be able to provide mental and behavioral health supports to the school district so that when the school districts need either mental or behavioral health supports for students, rather than the Districts having to, you know, pay for that or support that, they're able to make those referrals to the Community Mental Health Centers to be able to provide those support services.

So there's not a direct cost to the school and, in fact, there's more of a support service to the school or in this area. There may be some amount of expense that happens in the school if they've got, you know, a particular student who is disruptive and they, you know, their school psychologists are working with them. There may be some indirect costs as they set up kind of a multitude system of support to figure out how they're going to

respond to identify these students, make the referrals to the Community Mental Health Centers. Our coaches will help them understand what the best practices are and what the other school districts are doing to understand how they might set that up. But really what we're trying to do is create the connection for those students who need some more intensive supports to be able to get the referrals to, you know, the more professional mental and behavioral health support structure. I don't know if that helps understand that.

REP. UMBERGER: So HHS will be providing that, but it's not -- it doesn't require a person to be on Medicaid; is that correct?

MR. EDELBLUT: Hum -- so they would be -- it's possible that they could be Medicaid eligible. Like we don't know what student might be referred. So it's possible that if the referral comes through Medicaid that there would be someone who, like so then the actual support services would get reimbursed by Medicaid. But the funds that we give to the Community Mental Health Centers are not direct services funds as much as they are a liaison coordination between the Community Mental Health Centers and the schools to make sure that the right connections are made between those two entities, rather than the direct support services. So we're not paying for, you know, a, you know, a psychiatrist, per se, as much as we're paying for somebody who coordinates the services for the students coming out of the school districts.

REP. UMBERGER: Okay. Thank you.

MR. EDELBLUT: Thank you.

CHAIRMAN WEYLER: Senator Rosenwald had a question.

SEN. ROSENWALD: Thank you, Mr. Chairman. I'm trying to just get clarity. Did the House incorporate this federal funding into the budget for the next biennium or is that outstanding still and the Senate will need to do it?

MR. EDELBLUT: So I believe it's in our budget for the biennium.

SEN. ROSENWALD: Thank you.

CHAIRMAN WEYLER: Any further questions from the Committee? I see Representative Ober has her hand up.

REP. UMBERGER: If I might, Representative Weyler?

CHAIRMAN WEYLER: Yes. Go ahead, Representative Umberger. Representative Umberger.

REP. UMBERGER: Yes, the money in the budget right now (Inaudible.)

REP. OBER: Can't hear her.

REP. UMBERGER: Sorry. Is that better?

SEN. D'ALLESANDRO: Yes.

REP. UMBERGER: Okay. Excuse me. It's two four four two three three eight for '22 and two four seven four nine nine six for '23. So if those include this, okay; but it was basically the same amount that was in for '20 and '21. So that's where my, you know -- so, Cindy, I -- Senator Rosenwald, I really can't tell whether it is or it isn't.

MR. EDELBLUT: Maybe Tammy would want to -- I don't know, Tammy, if you want to weigh in on that.

TAMMY VAILLANCOURT, Chief Financial Officer, Department of Education: So this grant is an expansion of a previous grant for the same purposes. So it is in the budget. Based on this Fiscal item we are looking at the appropriation that we entered in for '22 or '23 to see if we need to increase it slightly during the

Senate phase. That's an analysis that we're doing at the Department right now.

SEN. ROSENWALD: Thank you.

MS. VAILLANCOURT: You're welcome.

SEN. D'ALLESANDRO: So the numbers don't match at this point in time.

MS. VAILLANCOURT: Right now, I think Representative Umberger said it was 2.4 million. We may need to increase it up to the 2.9 million that is on this grant award that we have right now that is in front of you as part of this package.

CHAIRMAN WEYLER: We want to make sure we appropriate the right figure.

MS. VAILLANCOURT: Yes.

SEN. D'ALLESANDRO: Right.

CHAIRMAN WEYLER: Senator Rosenwald.

MS. VAILLANCOURT: When we did the initial appropriation, it was based on the first grant that we had received. This grant is higher than the first one that we had received.

CHAIRMAN WEYLER: And is any of this money we're approving for this current year budget?

MS. VAILLANCOURT: The item today? Yes, it is.

CHAIRMAN WEYLER: So some of that money is for this year's budget?

MS. VAILLANCOURT: Correct.

CHAIRMAN WEYLER: So this is the first time that's been seen. Okay. Senator Rosenwald, anything further?

SEN. ROSENWALD: I'll work with LBA and DOE. Thank you.

CHAIRMAN WEYLER: Okay. We do read this stuff line by line.

SEN. ROSENWALD: Of course, you do.

MR. EDELBLUT: That's good.

CHAIRMAN WEYLER: All right. Any further questions? I'll entertain a motion to adopt.

REP. OBER: Chairman, my hand has been up. Can you see it on the screen?

CHAIRMAN WEYLER: I'm sorry. Yes, I can see it.

REP. OBER: I think I have two questions now. I believe I'm going to start with the one that piggy-backs on Karen. I believe Karen said the money that is in this year's budget is exactly the same as in next year's budget. So I'm a little confused how this could be a new grant for next year if the money was the same, and how we could be short of money for this year, and I'm sure you guys can explain that so that's clear. And then I have a follow on.

CHAIRMAN WEYLER: Okay. Commissioner or Miss Vaillancourt.

MR. EDELBLUT: I'm going to let Tammy take the first crack and then I can jump in.

MS. VAILLANCOURT: So we received a System of Care I grant. I don't know, Michelle, was that four or five years ago?

MICHELLE MYLER, Department of Education: 2016 to 2020.

MS. VAILLANCOURT: Okay. So while we had that grant, we received this grant, also. This grant originally started in 2020. So logistically we had System of Care I and System of Care II, both in FY 20. Now we have it's FY 21 we are spending System of Care II. So you can see it's a little convoluted the way the Feds have given us the funds. When we built the budget for 22-23, we were considering that we would be getting the same amount of funds that we received from System of Care I. That has increased. So we need to evaluate our submission to the budget for 22-23 and that is why we're here today to accept in the additional funds for '21.

REP. OBER: Follow-up, Mr. Chairman.

CHAIRMAN WEYLER: Follow-up.

REP. OBER: Frank, I really thank you for sending additional information to Mike Kane yesterday. It was my understanding from what I read that this does not -- this money will not impact every School District, but only a very small subset. How did you choose that small subset and how did you ignore the ones that were not chosen?

MR. EDELBLUT: Yeah. So I'm going to actually let Michelle weigh in on this as well. But just as context, while we are working specifically with seven Districts, and not specifically with every district, the way that we've structured our coaches is that they're working in those Districts, but then they do a collaborative approach in a region and bring all of the school districts to the table that want to participate in understanding how the work takes place, how they might use it in their school.

The seven Districts that we selected are ones that receive direct funds and direct grants. And so, Michelle, I don't know if you want to walk through how we selected our various schools. I know there was some formula that we went through.

MS. MYLER: Sure. We have a process in our Bureau where we map out the data across the state. So we have some school

districts that are getting funding through other funding streams that we oversee. We have some school districts that have reached out to us in the past for different kinds of support. So we look at all that. We look at free-and-reduced lunch numbers. We look at bullying data, Youth risk behavior survey data, in and out of school suspension rates, and we map them all out and sort of rank them. So we really are looking at need, readiness, and willingness, and then we have conversations with school districts to see if they feel they have the need and are willing and ready.

We keep a running list of all the different types of technical assistance and support that we offer to school districts across the state. We also analyzed the different regions and where we weren't having enough outreach.

REP. OBER: Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Thank you, Representative Ober. Sorry, I didn't see it right away. And my apologies for taking this out of order. I was just going to have a question for Representative Umberger, but then I continued on. All right. So I'll entertain a motion if there's no further discussion on item number 21-078, to adopt the proposal.

** SEN. D'ALLESANDRO: Move the item.

CHAIRMAN WEYLER: Senator D'Allesandro moves. Is there a second?

REP. EMERICK: Second.

CHAIRMAN WEYLER: Second by Representative Emerick. Is there any further discussion? Seeing none. Clerk will call the roll on the acceptance of 21-0 --

REP. UMBERGER: Are you doing 078 and 077?

CHAIRMAN WEYLER: No, I'm going to come back to 077 next. I apologize for taking them out of order if it confused everybody.

REP. UMBERGER: No, no problem. Okay. Approve.
Representative Ober.

REP. OBER: Commissioner, I'm going to vote yes today, but I am hoping that the next time we see a grant it's for something to support academics and improving academics.

REP. UMBERGER: Representative Emerick.

REP. EMERICK: Yes.

REP. UMBERGER: Representative Umberger. Yes. Representative Wallner.

REP. WALLNER: All right. Yes.

REP. UMBERGER: Senator Daniels.

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. UMBERGER: Senator Giuda.

SEN. GIUDA: Yes.

REP. UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. UMBERGER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

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REP. UMBERGER: Representative Weyler.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: The vote is ten yes, zero no. The motion passes.

CHAIRMAN WEYLER: Item 21-078 is adopted.

***** {MOTION ADOPTED}**

CHAIRMAN WEYLER: We'll now go back to 21-077, Department of Health and Human Services, authorization to accept and expend 472,250 in Federal funds, contingent upon approval of request number one, create two full-time temporary Laboratory Scientists I, LG 16 positions. Any questions on item 21-077?

REP. OBER: I have a question, Mr. Chairman.

CHAIRMAN WEYLER: Okay. Do we have someone from Health and Human Services?

MR. KANE: We have Kerrin Rounds available.

CHAIRMAN WEYLER: Thank you. Miss Rounds is ready. Representative Ober has a question.

REP. OBER: Kerrin, good morning.

MS. ROUNDS: Good morning.

REP. OBER: We're in the middle of April as you well know.

MS. ROUNDS: Yes.

REP. OBER: And I know you've been budgeting so you know how far along we are in the system. This creates two new full-time positions. I question whether from now until the end of June you can hire these positions and spend this money?

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MS. ROUNDS: So -- hum -- Mr. Kane, could you bring over Trish Tilley, Patricia Tilley from Public Health.

REP. OBER: Nice hand off, Kerrin.

MR. KANE: Yes. That was Mickey. He's good.

MS. ROUNDS: Thank you.

CHAIRMAN WEYLER: Miss Tilley, did you hear the question?

PATRICIA TILLEY, Director, Bureau of Public Health, Department of Health and Human Services: I did not hear the question while I was coming over.

CHAIRMAN WEYLER: All right. Would you repeat it, Representative Ober?

REP. OBER: No problem. Because it's the middle of June already and you're getting two new full-time positions that sound to me like they're fairly specialized technical positions, not the everyday walk-off-the-street kind of person, I question whether you can hire and spend this money between now and the end of the Fiscal Year, because we are only accepting this through June 30th.

MS. TILLEY: Thank you very much for the question Representative. Hum -- we are confident that we can both advertise and get these positions into our system. We have been working, as you know, with a tremendous number of folks working on COVID. There are other laboratory ends that are available, some of which we have been working in a temporary capacity because they've been temporary staff that we used for COVID that would be interested in coming over for full, even though there is a temporary full-time job that are interested in working in this -- in this area which is around food testing. What these funds do is allow us to do additional testing in both micro-

chemistry, as well as in radiological testing of food. So we are confident that we can get folks on board by June 30th.

REP. OBER: Follow-up, Mr. Chairman.

CHAIRMAN WEYLER: Follow-up.

REP. OBER: So in your budget that now the Senate is looking at, you have these positions, full positions budgeted with the grant, is that what you're basically saying you need this money to get it started?

MS. TILLEY: Yes.

MS. ROUNDS: Yes, we do.

MS. TILLEY: Yes, thank you, Representative.

CHAIRMAN WEYLER: Okay. Will this be reflected in the budget and will you send something forward to the Senate? This is going to be continued along.

MS. ROUNDS: It is reflected in the budget already.

CHAIRMAN WEYLER: Thank you.

MS. ROUNDS: You're welcome.

CHAIRMAN WEYLER: Further questions from the Committee? I'll entertain a motion to adopt item number 21-077.

** SEN. D'ALLESANDRO: Move the item.

SEN. ROSENWALD: Second.

CHAIRMAN WEYLER: I guess it was -- we'll record Senator D'Allesandro as making the motion and Senator Rosenwald seconding the adoption of item 21-077. Is there any further

discussion? Seeing none. The Clerk will call the roll on the acceptance of 21-077.

REP. UMBERGER: Representative Ober.

REP. OBER: Yes.

REP. UMBERGER: Representative Emerick.

REP. EMERICK: Yes.

REP. UMBERGER: Representative Umberger. Yes. Representative Wallner.

REP. WALLNER: Yes.

REP. UMBERGER: Representative Daniels.

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Daniels.

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. UMBERGER: Senator Giuda.

SEN. GIUDA: Yes.

REP. UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. UMBERGER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

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REP. UMBERGER: Representative Weyler.

CHAIRMAN WEYLER: Yes. If --

REP. UMBERGER: Uh -- ten yes, zero no. Motion passed.

CHAIRMAN WEYLER: Thank you. We have adopted item 21-077.

***** {MOTION ADOPTED}**

(8) RSA 7:12, I, Assistants:

CHAIRMAN WEYLER: Moving on to Tab 8, item number 21-079 from the Department of Justice, PCB funds.

****** REP. OBER: Move to approve.

CHAIRMAN WEYLER: Okay. Representative Ober moves to approve. Is there a second?

SEN. ROSENWALD: Second.

CHAIRMAN WEYLER: Senator Rosenwald seconds. Is there any further discussion on item number 21-079? Seeing none. The Clerk will call the roll on acceptance of Item 21-079.

REP. UMBERGER: Representative Ober.

REP. OBER: Yes.

REP. UMBERGER: Representative Emerick.

REP. EMERICK: Yes.

REP. UMBERGER: Representative Umberger. Yes. Representative Wallner.

REP. WALLNER: Yes.

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REP. UMBERGER: Senator Daniels.

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. UMBERGER: Senator Giuda.

SEN. GIUDA: Yes.

REP. UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. UMBERGER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. UMBERGER: Representative Weyler.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: The vote is ten yes, zero no. The motion passed.

CHAIRMAN WEYLER: Thank you. We have adopted item 21-079.

***** {MOTION ADOPTED}**

(9) RSA 604-A:1-b, Additional Funding:

CHAIRMAN WEYLER: Moving on to Tab 9, Judicial Council, Item 21-081. We've gotten some invoice information on this. Does anyone wish further discussion? Seeing none. I'll entertain a motion to adopt item --

** SEN. D'ALLESANDRO: Move it.

CHAIRMAN WEYLER: --21-081.

SEN. D'ALLESANDRO: Move the item.

CHAIRMAN WEYLER: Senator D'Allesandro moves.

REP. EMERICK: Second.

CHAIRMAN WEYLER: And Representative Emerick seconds that we adopt Item 21-081. Is there any further discussion? Seeing none. Oh, wait a minute. Senator Daniels.

SEN. DANIELS: Yes, Mr. Chairman. Just wanted to note on the first item on the adjusted budget that it is missing a zero at the end.

CHAIRMAN WEYLER: Ha. Thank you for catching that. You want to discuss with anybody from the agency? Senator Daniels, you want to discuss it with anybody?

SEN. DANIELS: No. I just wanted to bring that up for the sake of referring to the documentation so that there's no misunderstanding.

CHAIRMAN WEYLER: Appreciate it. The LBA will make the correction. All right. Any further discussion on Item 21-081? Seeing none. The Clerk will call the roll on accepting Item 21-081.

REP. UMBERGER: Representative Ober.

REP. OBER: Yes.

REP. UMBERGER: Representative Emerick.

REP. EMERICK: Yes.

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REP. UMBERGER: Representative Umberger. Yes.
Representative Wallner.

REP. WALLNER: Yes.

REP. UMBERGER: Senator Daniels.

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. UMBERGER: Senator Giuda.

SEN. GIUDA: Yes.

REP. UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. UMBERGER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. UMBERGER: Representative Weyler.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: The vote is ten yes, and zero no. Motion passes.

CHAIRMAN WEYLER: We have adopted Item 21-081.

*** {MOTION ADOPTED}

(10) Chapter 346:380, Laws of 2019, New Hampshire Veterans Home; Transfer Among Accounts and Classes:

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CHAIRMAN WEYLER: Moving on to Tab 10, the New Hampshire Veterans Home, 21-083. Is there any questions on the item?

** SEN. GIUDA: I'll move it.

CHAIRMAN WEYLER: Senator Giuda moves to adopt 21-083.

SEN. ROSENWALD: Second.

CHAIRMAN WEYLER: Second by Senator Rosenwald. Is there any further discussion? Seeing none. The Clerk will call the roll to accept 21-083.

REP. UMBERGER: Representative Ober.

REP. OBER: Yes.

REP. UMBERGER: Representative Emerick.

REP. EMERICK: Yes.

REP. UMBERGER: Representative Umberger. Yes. Representative Wallner.

CHAIRWOMAN WALLNER: Yes.

REP. UMBERGER: Senator Daniels.

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. UMBERGER: Senator Giuda.

SEN. GIUDA: Yes.

REP. UMBERGER: Senator Rosenwald.

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SEN. ROSENWALD: Yes.

REP. UMBERGER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. UMBERGER: Representative Weyler.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: The vote is ten yes, zero no. Motion passes.

CHAIRMAN WEYLER: We have adopted FIS 21-083.

*** {MOTION ADOPTED}

(11) Miscellaneous:

(12) Informational Materials:

CHAIRMAN WEYLER: Moving on to Informational Materials. Does anybody wish to call somebody -- experts forth to discuss any items?

SEN. D'ALLESANDRO: Hum --

CHAIRMAN WEYLER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Mr. Chairman, Item 21-085, the Dashboard from the Health and Human Services. Questions.

CHAIRMAN WEYLER: All right. Let's get someone up from Health and Human Services.

MS. ROUNDS: I did not hear the question. I'm sorry.

SEN. D'ALLESANDRO: Didn't ask the question yet, Kerrin.

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MS. ROUNDS: Oh, okay. I was coming over. I didn't know.

SEN. D'ALLESANDRO: Just wanted to see your face.

MS. ROUNDS: Oh, perfect. Well, I'm here.

CHAIRMAN WEYLER: Nice smile.

SEN. D'ALLESANDRO: Beautiful smile. Karen, I think the document's incomplete. Where's the financial data that we usually get, particularly on page -- on Page 1?

MS. ROUNDS: Of course. So I did see this question come through as a pre-Fiscal question and last night I did provide a response to Kevin Ripple. So as you can imagine, when COVID started, finances were increased at least 20, 30, 40%. And then there was an immediate hiring freeze and we lost probably 5 to 10% of our staff over that time. So we've had to prioritize our work. And we've only been able to do lapse estimates quarterly because of that.

So that quarter, the quarter closed, of course, the end of March, and so we had to have an update for that for the next Fiscal Committee meeting. But what I did suggest in my response to the pre-Fiscal question is I can continue to include it with an update date every month so you can see it hasn't been updated. I do hope that as we continue to staff up, we have been hiring quite furiously over the past several weeks that we'll be back in a better place to complete all of our work regularly. But we have had to prioritize a lot of different things, including the budget.

SEN. D'ALLESANDRO: I understand that. And I understand the difficulties presented by the COVID, but that information is vital to us. You know that.

MS. ROUNDS: I do understand that.

SEN. D'ALLESANDRO: And we need -- we need that information in the decision-making process. What's the vacancy rate at -- further question, Mr. Chairman?

CHAIRMAN WEYLER: Further question.

SEN. D'ALLESANDRO: What's the vacancy rate now at HHS?

MS. ROUNDS: I do not have an updated vacancy number. I can get that information for you.

SEN. D'ALLESANDRO: Okay. Those are my items. Thank you, Kerrin.

MS. ROUNDS: You're welcome.

CHAIRMAN WEYLER: Senator Rosenwald has a question.

SEN. ROSENWALD: Thank you. Just follow-up question on dates. We haven't set the next Fiscal meeting yet, but I'm wondering if it's possible we'll be starting to make decisions on the budget before Fiscal. So before we have your lapse estimates for the quarter, which will be hard.

MS. ROUNDS: You can definitely come to the Senate presentation prepared to provide a lapse estimate. We probably will have it in the next -- let me just look at a calendar because I know have a lot of people out over the next couple of weeks. I probably could have it for the beginning of that week before we present, like the 26th, 27th.

SEN. ROSENWALD: Thank you.

MS. ROUNDS: If that's helpful I can send that over to Senate Finance.

SEN. D'ALLESANDRO: That be great.

MS. ROUNDS: Okay.

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SEN. ROSENWALD: Thank you.

MS. ROUNDS: You're welcome.

CHAIRMAN WEYLER: We had the same observation in pre- Fiscal for the House that we wondered what the financial figures. Thank you for bringing it up, Senator.

SEN. D'ALLESANDRO: You're welcome.

CHAIRMAN WEYLER: Any further discussion? This is just an informational item.

SEN. D'ALLESANDRO: If I could ask one further question. Kerrin, maybe, you'd have the answer or not. But I've been talking to HHS on a daily basis about the, you know, the backlog for the mental health situation, both the adults and the children. And there's significant fluctuation up and down, up and down, up and down; but what I do notice that really concerns me, Kerrin, is the number of children that are coming -- coming into play. That -- that number continues to grow. And I know we're working on it, but I -- I was made aware that Katja was working on some contracts to deal with this situation. Have they been implemented? Have they gone before Governor and Council and is there a way to address it? I know the impossibility to do things overnight. I understand that. But, indeed, this problem's pervasive, and I think it's going to get worse once these kids get back to school.

MS. ROUNDS: Is Katja available, Mike or Mickey? She in the audience?

MR. KANE: We can try to find her.

MS. ROUNDS: Okay. I'm not sure if she's here or not. I do know there was a presentation done to Senate -- to a few Senators recently -- oh, there she is. So she can speak to it.

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KATJA FOX, Director, Division for Behavioral Health, Department of Health and Human Services: So good morning, Members of the Fiscal Committee. I'm Katja Fox. I am the Director of the Division for Behavioral Health. I did hear the question from Senator D'Allesandro, and I'm prepared to discuss it.

Hum -- we did present and I know, Senator, you were able to view the presentation.

SEN. D'ALLESANDRO: Yes.

MS. FOX: New Hampshire Hospital and I were able to present to both Governor and Council and to Senate HHS. We are working every single moment of every waking hour and in some cases not sleeping to address this issue. It is very, very concerning. We saw it grow as a crisis situation, especially for children, and I think we've taken a number of steps that have started to lower that number.

Any person who's in any E.D. who's waiting for acute psychiatric care is one too many. However, we are moving forward. We will be presenting contracts before Governor and Council in the coming weeks. And we have an intermediary steps that we've taken. As you know, we opened up ten beds for children, converted that to a children's unit within New Hampshire Hospital as a temporary measure to address that. We know that schools, as of Monday, will be back full-time, and so we believe that we actually may see some consequences of that in that teachers are going to have their eyes on kids. And so there's going to be that opportunity to have a better 360-degree view of what's happening with them.

So we anticipate those numbers are probably going to bounce around for a while. And, in the meantime, we're doing everything we can at the community level to intervene before anyone reaches that acute stage. And I'll take a breath because I could go on and on about this.

SEN. D'ALLESANDRO: Well, take the breath. Look, I appreciate all the work that's being done and I thank you for the communication. I've talked with Miss Moquin on a -- almost on a daily basis and I try to reach you when you're available, Katja, and I know how busy you are. But I think it's important that we at least have an indication of what we're trying to do and recognizing that Rome wasn't built in a day. But I think this is going to exacerbate when these kids come back to school, particularly here in Manchester where I've talked to the superintendent and we need social workers in all the schools to deal with this problem. Not everybody needs an intensive situation and hospitalization. Some work can be done outside of that, but it's got to be identified and we have got to have a way to deal with it.

So I appreciate all of the -- all of the good work. Thank you for your -- for your comments. But I think everybody in this call should recognize the fact this is -- this is a critical situation. Mental health is something that has been very adversely affected by the -- by the pandemic, the problem, and it's not going -- it's just not going away.

I don't want to get to a situation where we have got 3,000 people at New Hampshire house like we did years ago. And that's something I never -- I never want to see. And, indeed, I recognize getting the ten kids at New Hampshire Hospital was a must. It had to be done. I applaud that. But, indeed, I don't think kids should be in that adult facility. There should be other accommodations made. But I thank you for your service and thank you for -- for the communication. That's very important to me. And, Kerrin, I'm waiting for your report.

CHAIRMAN WEYLER: Senator Rosenwald has a question.

SEN. ROSENWALD: Yes, thank you. And thank you, Katja and Kerrin, for the updates. I wonder if you could update us on two other areas of the budget. And, specifically, that's when are those additional beds in Hampstead Hospital coming on-line and how many; and, two, of the 40 funded transitional housing beds,

I know you -- you brought on 18, when do you expect to have the balance of the 40?

MS. ROUNDS: While Katja's answering the transitional housing bed question, Michael or Mickey, could you bring over Heather Moquin?

MS. FOX: So this is going to be an ongoing discussion that we are going to have in Senate Finance. We are working. We know that transitional housing has been an area of focus. We want to stand up additional beds. What we've heard very clearly from the Community Mental Health System is that the rates of reimbursement from Medicaid are not high enough for them to make it a viable option to open up those beds. And so in about a half hour Medicaid Director Henry Lipman and I are going to be meeting with the Commissioner because we -- we are preparing to talk about this at Senate Finance and maybe making an additional request to address those Medicaid rates specifically for community residents transitional housing to address the fact that we can't expect providers to stand up beds that just aren't financially viable for them.

SEN. ROSENWALD: If I can follow-up, Mr. Chairman? Hum -- are you -- is that to say that you were able within the current reimbursements to bring on 18, but no other vendor is willing to get into the business unless we raise the rates?

MS. FOX: So we, as you know, we stood up the 16 transitional housing beds at the Philbrick Center and Heather can talk about that. We had a couple of other beds come on-line and we did not have a viable proposal that came forth as a result. So we are going to be regrouping. There won't be 40 beds coming on-line by the end of this biennium.

SEN. ROSENWALD: Won't?

MS. FOX: There will not because we did not have viable applications and we had a community that was telling us in very strong terms that the rates just don't cut it. And so for the

State to expect them to stand up those beds we have to address it.

SEN. ROSENWALD: And final follow-up on this, if I could? Does that mean that the balance of the \$5 million in the budget will lapse?

MS. FOX: Hum -- how we're going to do that I will look to Kerrin to address that specifically. I just saw my Internet connection is unstable. So I'll look to Kerrin to address that.

SEN. ROSENWALD: Thank you.

MS. ROUNDS: I'd have to go back and look at the language. There were some appropriations that were non-lapsing beyond the biennium. So I'll have to go back and look at that particular appropriation. If it's lapsing within the biennium, then yes it would lapse. But if it says non-lapsing just on its own, then it would not lapse.

SEN. ROSENWALD: Thank you.

CHAIRMAN WEYLER: Further questions. Heather Moquin.

SEN. ROSENWALD: Yeah.

HEATHER MOQUIN, New Hampshire Hospital, Department of Health and Human Services: Good morning.

CHAIRMAN WEYLER: Good morning. Senator Rosenwald.

MS. MOQUIN: Yes, so thank you for the question, Senator Rosenwald. To answer the question about Hampstead Hospital, it will be an additional seven beds brought on-line the first week in May. They have a provider returning.

CHAIRMAN WEYLER: Very good. Anything further on this item, 21-086, which is an informational item? No vote required.

REP. UMBERGER: Representative Weyler, if I could ask --

CHAIRMAN WEYLER: I called the wrong item. We're not up to 21-086 yet. All right. Anything further for the HHS folks?

REP. UMBERGER: Yes, I have a question, if I could.

CHAIRMAN WEYLER: Representative Umberger.

REP. UMBERGER: Thank you. It's not dealing with mental health. It's dealing with the projected increase in the number of Medicaid children from 43,000 to 105,000 -- uh -- that was in several -- mentioned in several of the HHS information items that were submitted. And my question is where do we stand on that particular -- the growth in the number of children receiving Medicaid from last July, I guess, until now?

MS. ROUNDS: Is Henry Lipman in the audience?

MR. KANE: I don't see him.

MS. ROUNDS: Okay. Oh, there he is.

MR. KANE: Oh, he is, 'cause Mickey was moving him over.

MS. ROUNDS: Henry, did you hear the question?

MR. LIPMAN: I did. Thank you, Kerrin. Thank you for the question, Representative. The 43,000 to 105,000 number you saw was the total Medicaid Program was a range of estimate that HMA, a consulting firm, had identified. When we first looked at those projections, we thought we'd be on the lower end of that projection. Hum -- today we stand at a little bit over 40,000 increase in total enrollment, the largest increase being in the expansion population. If you give me a moment here I can -- so far in terms of the adult group of the -- exactly as of last Monday we had an increase of 40,985 individuals since the start of the Public Health emergency. We are currently at about 218,400 individuals. Of the 40,985, 23,200 are in the adult

expansion group and that -- that increase in enrollment is really across every county in New Hampshire, that 40% are about basically the growth in the Granite Advantage.

In the rest of the standard program is 17,785 increase in enrollment thus far. And low-income children who are not eligible for CHIP are a growth of 11.4% or 7,838 children. Our CHIP population has grown 18.8%, but that's on a much smaller base of 2,841 children. Hopefully, that helps clarify that -- that point, that Fiscal letter.

REP. OBER: Do you have a total for the number of children that are currently being served?

MR. LIPMAN: I have that. It's -- I need to pull it up. It's roughly a little over 93,000 children. And I can give an exact number. I just need to pull up a different report. I just don't want to get distracted from answering your questions. I can follow-up with an exact number. I'm going to try to find the file here to answer that question better. It's opening. It's actually 94,442 as of the end of March.

CHAIRMAN WEYLER: Is that figure up from the 43,000?

MR. LIPMAN: The 43,000 is related to the entire population. The Granite Advantage population was up to 23,200.

CHAIRMAN WEYLER: Okay. I guess the question was about whether there was a prediction of increase from 43,000 to 105,000.

MR. LIPMAN: Correct. Thank you.

CHAIRMAN WEYLER: Looks like we're on our way if we're at 93,000 now.

MR. LIPMAN: No, 93,000 -- excuse me. Let me just clarify. 94,000 is the current enrollment of children. Thus far we've seen an increase since the start of the Public Health emergency

of all Medicaid of just under 41,000. And we're predicting that today we're at 218,000 roughly, that we're going to stabilize out at some point here and probably reach a max of about 227,000 is where we think we will top off, if you will. And then at the end of the Public Health emergency we're expecting within several months to be able to work our way back down to close to pre-pandemic levels.

REP. OBER: 227,000 children?

MR. LIPMAN: No, of all -- all categories of Medicaid. Total enrollment in Medicaid.

CHAIRMAN WEYLER: Are we sufficiently funded?

MR. LIPMAN: In terms of -- of the current biennium, yes. In terms of the next biennium, we'll be coming to the Senate with our request. But in terms of the current contract that we're under, we are adequately funded and we're working this week on our rates for next year and we'll be able to provide that information in the Senate phase. But I think we'll be able to make it based on the enhanced federal match that we're receiving as a result of the maintenance of effort. But, Kerrin, I think if you think I should elaborate any further, I think that's about as specific as I can be at this point.

MS. ROUNDS: Yes, we're adequately funded for Fiscal Year 21, and we'll have a change request for '22 and '23.

As we discussed in the House, we didn't make any changes to the standard Medicaid account, knowing that it makes the most sense to wait until we're as close to the end of the Fiscal Year as possible to know where we'll be.

CHAIRMAN WEYLER: Further questions from the Committee? Senator Rosenwald.

SEN. ROSENWALD: Thank you. Henry, do you -- do you know offhand of the increase in caseload what percentage is due to

new enrollees and what percentage is due to pushing back the redeterminations?

MR. LIPMAN: Hum -- I think that we're carrying about -- hum -- 22,000 individuals that are -- today that are would otherwise not be on the program if, you know, based on information we know, that would not continue to be eligible. That doesn't mean there might be information they may be able to provide that would change that. And then there's approximately another, I think, 40,000 individuals that, you know, are new applicants to the program, newly eligible.

CHAIRMAN WEYLER: Anything further from the Committee?

SEN. ROSENWALD: Doesn't that add up to 60,000 increase?

MR. LIPMAN: Yes, yes. So we have about 170,000, 175, 176,000 when we began.

SEN. ROSENWALD: Oh, okay. And now we're at 218. Got it. Thank you.

CHAIRMAN WEYLER: Okay. Anything further? Any questions from the Committee? Seeing none, appreciate all you folks being here to give us the details. Keep up the good work.

(13) Audit Informational Materials:

CHAIRMAN WEYLER: All right. The next item I show is we're getting into the audit information and thank you. We've got good returns. The first one is Sununu. We will also have the Liquor Enforcement Division, as well as the Voc Rehab Division. Has everybody received the information on those updates? Does anyone wish to question any of the agencies?

We appreciate, Mr. Kane, if you'll send our things forward and I know that we've got Representative Emerick following up on a lot of this stuff. He's going to have a committee to do that. So I think that all the money we get spent on audits, we don't

want it to just go sit there on the shelf. We want to follow-up and make certain that these agencies are actually reading these and reacting to them, and I think it's a new phase for this Fiscal Committee. But we're going to be following these up because it's hard work that these people have done and I know that if we don't stay on it, it just gets overlooked.

So we appreciate all the efforts that all these agencies have gone through. Anybody wish any comments on those? Seeing none.

The one we did have in the pre-Fiscal at the House, we appreciate the fact that Liquor Enforcement Division as they go through it, there's several pages and they show us a percentage that they have completed, and we can kind of track that month to month. I hope the Voc Rehab will be informed that that's something we'd like to see so we can look at and see, instead of going back and counting them all up, if we could see the percentage that is completed we could track it a little better. So I know that message will be forwarded to -- to that agency, Voc Rehab.

MR. KANE: Yes.

CHAIRMAN WEYLER: I do have one follow-up on -- from the audits and that's the State of New Hampshire Management Letter.

MR. KANE: Representative Weyler, I think I see Giuda and -- Senator Giuda and Senator Daniels have questions.

CHAIRMAN WEYLER: Sorry, I looked down here for a moment.

MR. KANE: Sorry.

CHAIRMAN WEYLER: Senator Giuda had a question.

SEN. GIUDA: Senator Daniels as well. Go ahead, Gary.

SEN. DANIELS: Just to go back on the Liquor report. One of the things I questioned on there, those items that are complete, it's difficult to tell if those are things that were completed within the last time that they reported to us or whether that is something that's been completed and it may have been completed for a year or two. So, you know, if there was a way to add dates onto those or just identify what has been completed since the last time, I think it would help to show movement on completion of items. Thank you.

CHAIRMAN WEYLER: All right, Mr. Kane will forward that to the agency. Thank you.

MR. KANE: Yes.

CHAIRMAN WEYLER: Here's Steve Smith. Senator Giuda, follow-up.

SEN. GIUDA: Thank you, Mr. Chairman. A year or so, maybe more than a year ago, we had a very comprehensive and lengthy audit done of the wetlands over at DES, and I'm wondering if we've received an update. I think they're supposed to do it periodically, every six months. I just wonder if we shouldn't also reach back to those folks and see if they shouldn't as well be providing us with more recent and dated accomplishments as Senator Daniels has suggested.

CHAIRMAN WEYLER: Head of audits is here, Stephen Smith. He may have some information. Did you get the question, Mr. Smith?

STEPHEN SMITH, Director, Audit Division, Office of Legislative Budget Assistant: Yes, Mr. Chairman, I did. We have not had any follow-up or any contact from them in regards to it. We can go back and certainly look to see if -- if there was a specific request of them to provide -- to provide that. I know that, actually, on Monday there has been some turnover in the new director or some new folks at the Audit Division that specifically wanted to talk with us to go over our audit report from that we did -- that you mentioned. So I guess to safely say

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they're actively working on it. Exactly where they are, I have not seen any kind of an update or a report.

MR. KANE: Representative Weyler, if I could?

CHAIRMAN WEYLER: Mr. Kane.

MR. KANE: Would you like me to share -- I can show you where to find that if you like me to share my screen on the Transparent New Hampshire website.

CHAIRMAN WEYLER: Please.

MR. KANE: It does look like one of the audits. If that's, Senator Giuda, I think that might be helpful. So I'm going to share my screen. Can you see Transparent New Hampshire?

SEN. GIUDA: Yes.

MR. KANE: Okay. So Executive Order 2004 -- 14-3 requires various agencies since 2013 to follow-up on the audits. So in regards to the wetlands audit, they have it by agency. So that's Environmental Services. And I believe it's the performance audit that you're referring to, Senator Giuda. It's right here at the bottom, was a May 2019 Performance Report. And you can see there have been some responses since then. So the Executive Order requires 30 days after the audit is released that the agencies are supposed to provide a six-month -- six-month update as to where they are and so there's a history. I can e-mail this link to the Committee, but you do see that they are -- there are some efforts being made as Steve had stated on Department of Environmental Services relative to addressing some of those issues.

CHAIRMAN WEYLER: Very good. All right.

SEN. GIUDA: Thank you.

MR. KANE: Sure.

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CHAIRMAN WEYLER: Appreciate that.

AUDITS:

CHAIRMAN WEYLER: Are we ready to listen to Mr. Smith on the State of New Hampshire Management Letter? Over to you, Mr. Smith. Thank you.

MR. SMITH: Sure. Thank you, Mr. Chairman, and good morning, Members of the Committee.

This is the Management Letter for the Fiscal 20 Audit that KPMG performed on the Comprehensive Annual Financial Report. And I believe Brock Romano, the Partner, and I see him and possibly Karen Farrell. She has been promoted as well. So I'll turn it over to them to present it, and I also believe that DAS will be available for any questions you might have as well. So Brock or Karen.

BROCK ROMANO, Lead Audit Engagement Partner, KPMG: No, thank you, Steve. For the record, Mr. Chairman my name is Brock Romano. I'm the Lead Audit Engagement Partner for the State of New Hampshire. Joining me is Karen Farrell who is the Lead Audit Manager. I'm going to turn to Karen and she'll provide some of the highlights for this year's Management Letter.

CHAIRMAN WEYLER: Thank you.

KAREN FARRELL, Senior Manager, KPMG: Thanks, Brock. Good morning. For the record, my name is Karen Farrell, and I'm Senior Manager with KPMG. And what I'd like to do today is just review our Management Letter, which I believe each member of the Committee should have.

The Management Letter includes our Observations that we identified during the audit that relate to internal control weaknesses over financial reporting specifically.

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And the comments in here are known as control deficiencies. Under professional standards there's three levels of findings; material weaknesses, and significant deficiencies, which are the more severe comments, and then control deficiencies which these are. The State this year didn't have any material weaknesses. You did have one significant deficiency that was reported in what we call our Yellow Book Opinion, which was presented to the Committee earlier. I believe February. That's correct.

So there are five comments. The first two are actually consistent to some themes from the prior year. And the first one has to do with drug rebates. So the Department of HHS is responsible for overseeing the State's Drug Rebate Program and that includes billing and collecting of the drug rebates. For those drug rebates that aren't collected as of year-end, a receivable needs to be established. This receivable was understated due mostly because there were invoices that were not included in the accounts receivable calculation by HHS.

I think it's important to note the Department of Administrative Services reported a post-closing audit difference for this. So in their annual financial report accounts receivable was reported separately -- was reported properly. Excuse me.

Our recommendation is for HHS to continue to review their process for capturing all these receivables and make sure that they're instituting a precise control that would review the receivable to ensure that it's properly stated.

You'll see in each Observation that we have there is Management's response which they either agree or disagree. For all of these five comments Management has agreed and then they also list their Corrective Action Plan. So that's something that in light of Representative Weyler talking about follow through and comments, that's something that we'll follow-up in next year's audit.

CHAIRMAN WEYLER: Very good.

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MS. FARRELL: The second comment has to do with the State Revolving Fund unreconciled variance. As you know, the State Revolving Fund operates to provide loans to public water systems or local governments for wastewater treatment and drinking water. The DES instead of using NHFirst uses a sub reporting system called Loan and Grants Tracking System to record this activity. So because they're using a different system, it then requires reconciliation with NHFirst. And for a few years now there's been an unreconciled variance of about \$2 million. So, again, we're recommending that DES work with the Department of Administrative Services to reconcile this variance and then record, you know, proper accounting entries to reduce the variance to zero, hopefully, in 2021.

CHAIRMAN WEYLER: Trying to remember if in pre-Fiscal we had a question for further information about NHFirst? Was there a question on that pre-Fiscal.

MR. KANE: I believe it was a question on NewHEIGHTS.

CHAIRMAN WEYLER: NewHEIGHTS, that's what it is. All right. We'll come to that later.

MS. FARRELL: Okay.

CHAIRMAN WEYLER: Please continue.

MS. FARRELL: Thank you. Our third Observation has to do with unapplied cash. During the audit, we noted that the State didn't properly record in its official books and records certain cash receipts that were received as of June 30th. And this is mostly due because the Department of Transportation didn't timely set up an accounts receivable that that cash could be applied to.

It is important to note that the cash was deposited timely and that the Department of Administrative Services recorded a post-closing audit adjustment to record this cash. But one of

our recommendations is that any cash that comes in, whether it's applied or not, be reported in the State's CAFR and then the application process comes later.

So the entry I think we had talked about previously was that accounts receivable is overstated and cash was understated by this amount.

We're also recommending the Department of Treasury -- I'm sorry -- that the Department of Transportation work with Treasury and to ensure that the draws that they're doing, you know, in this case it was from the Federal Government, are applied timely, and that the cash draws are monitored more properly.

The fourth and fifth comment has to do with our IT work we do during the audit and over General Information Technology Controls. And the first had to do with the NewHEIGHTS System, which is an eligibility system for certain federal programs. This we kind of note it's very often, right, that when we test access rights for terminated employees, you know, we see a few that maybe the termination of their access rights, you know, wasn't revoked as timely as we would like. So of our sample of 25, we found one where the access of that individual who's terminated wasn't revoked timely.

It is important to note that we looked at that period between when they were terminated and when their access rights were revoked and they did not access the system. But we're recommending that again, you know, the Management reinforce their policies and procedures over deprovisioning controls just to ensure that this access is revoked timely.

CHAIRMAN WEYLER: NewHEIGHTS, the question that was asked is a determination of eligibility for Federal Law. Does anybody wish any further explanation on that? Okay. Thank you. Continue.

MS. FARRELL: Okay. You're welcome. And the second system where we had an Observation was Department of Education's Grant Management System. And the first issue was the same as with the NewHEIGHTS. We noted one individual whose access wasn't revoked as timely. They did not access the system between their termination and access revocation date. And -- yeah. Okay. So that's -- that's it.

And so, again, our recommendation is the same that they reinforce their deprovisioning controls.

The second comment there is that DOE performs a periodic review of active users and their user access rights just to make sure that they're appropriate; but they do this for a limited population. Only for those employees who have administrative privilege access and not the entire population. So it's definitely a good control and review to do. So we're recommending they expand that to their entire population.

And then, lastly, it's related to -- our comment's related to disaster recovery. A full restore of the GMS system was not or application was not completed during the year but back-ups were being completed daily and monitored by Management. But we're recommending that a disaster recovery plan is tested on an annual basis just to ensure that the data can be restored completely.

And those are really our comments as far as our control deficiencies, and I'd be happy to take any questions.

CHAIRMAN WEYLER: Thank you, Miss Farrell. Questions from the Committee? Seeing none. Thank you for your thoroughness.

MS. FARRELL: Thank you.

CHAIRMAN WEYLER: Anything else from the Committee? Anything, Mr. Smith, you wish to add or Mr. Romano?

SEN. D'ALLESANDRO: Mr. Romano ends in a vowel. He's got to be top shelf. That's what I'm telling you right now. He's top shelf. There's no question in my mind. Brock, I love your commentaries and really appreciate the great work that both of you do. Truly.

CHAIRMAN WEYLER: Be careful, Senator. They'll send you to CRT.

SEN. D'ALLESANDRO: They're great Americans. There's no question in my mind. No question.

MR. ROMANO: Thank you.

CHAIRMAN WEYLER: All right. Mr. Smith --

SEN. GIUDA: Are we allowed to laugh at that?

CHAIRMAN WEYLER: -- as well, your people do good work.

MR. SMITH: Thank you.

(14) Date of Next Meeting and Adjournment

CHAIRMAN WEYLER: All right. Anything else from the Committee? I guess the next thing would be to thank all the LBA and all the staff that's put this together, and to get ready to determine when we will meet again.

REP. UMBERGER: Representative Weyler, I think -- I think we need a motion to accept the report, place on file, and release --

CHAIRMAN WEYLER: Yes, you're right.

REP. UMBERGER: -- in the usual manner.

MR. KANE: Yes, thank you.

** REP. OBER: I would move that, Mr. Chairman.

SEN. GIUDA: Second.

CHAIRMAN WEYLER: Motion's been made by Representative Ober --

REP. EMERICK: Second.

CHAIRMAN WEYLER: -- to place it on file and release in the usual manner. And the second Representative Emerick. All right. Is there any further discussion? Clerk will call the roll. Thank you for the reminder.

REP. UMBERGER: Representative Ober.

REP. OBER: Yes.

REP. UMBERGER: Representative Emerick.

REP. EMERICK: Yes.

REP. UMBERGER: Representative Umberger. Yes. Representative Wallner.

REP. WALLNER: Yes.

REP. UMBERGER: Senator Daniels.

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. UMBERGER: Senator Giuda.

SEN. GIUDA: Yes.

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REP. UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. UMBERGER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. UMBERGER: Representative Weyler.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: The vote is ten yes, and zero no. The motion passes.

CHAIRMAN WEYLER: The report is adopted. Thank you.

***** {MOTION ADOPTED}**

CHAIRMAN WEYLER: All right. Mr. Kane, we had tentatively looked at the 21st of May.

MR. KANE: Yes, the 21st is the third week in May. That's consistent with how the Committee's been holding their meetings, but just let us know what works for all of you.

CHAIRMAN WEYLER: Is that going to work for the Senate? I know you'll be busy. If there's no objection we will schedule the next Fiscal Committee meeting for the 21st of May, and we know we'll have a pile of stuff to read. So thank you for all your good work and all your staff.

MR. KANE: Thank you.

CHAIRMAN WEYLER: And you don't think we need to make a roll call, if there's no objection everyone hold up your hand for adjournment. I see unanimous vote. Oh, wait a minute. Senator Morse, you holding up your hand? Thank you. Just leaning on it, so. All right. We are adjourned. Thank you all.

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MR. KANE: Take care.

SEN. D'ALLESANDRO: Thank you. Thank you.

(The Committee adjourned by consensus.)

CERTIFICATION

I, Cecelia A. Trask, a Licensed Shorthand Court Reporter in the State of New Hampshire, do hereby certify that the foregoing transcript was transcribed by me from a Zoom Webinar recording. I was not physically present at this meeting, and I have transcribed the recording to the best of my ability, skill, knowledge, and judgment.

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